

Eskan Bank Realty Income Trust

A real estate investment trust operating as a retail collective investment undertaking registered with the Central Bank of Bahrain as a Trust under Registration No. FT/11/002/16

PROSPECTUS

Eskan Bank Realty Income Trust (“EBRIT”, the “Issuer”, or the “Trust”), was registered as a trust in the Kingdom of Bahrain with registration number FT/11/002/16 on November 8, 2016. The Trust currently has 198,000,000 Units in issue with a Net Asset Value of 101 fils per Unit as at the date of this Prospectus. The Initial Public Offering (the “Offer” or “Offering”) of 144,394,499 current Units (the “Offer Units”) at a price of BHD 0.100 per Unit (the “Offer Price”), which is equivalent to 72.9% of the Units, is directed at institutional and retail investors in the Kingdom of Bahrain and institutional investors in the wider GCC.

The proceeds from the Offering will be paid out to the Pre-Offer Unitholder of the Trust (see ‘Use of Proceeds’ in Section 19.5).

The Offering will commence on Tuesday November 22, 2016 and will remain open for a period of 15 Calendar Days up to and including Tuesday December 6, 2016 (the “Offer Period”). The Offer Units may be subscribed to through branches (“Approved Branches”) of the receiving bank (the “Receiving Bank”) during the Offer Period (see Section 24, ‘Subscription Terms and Conditions’).

If the total number of Offer Units applied for by Eligible Applicants is less than or equal to the number of Offer Units offered, all Eligible Applicants will be allotted the number of Units they have applied for. If the total number of Units applied for by Eligible Applicants exceeds the number of Offer Units offered then an Eligible Applicant may be allotted less than the number of Units it applied for (see ‘Allotment Basis’ in Section 24.7). Excess subscription monies, if any, will be refunded to the Applicant by the Receiving Bank. Notification of final allotment and refund of subscription monies, if any, will be made by Thursday December 22, 2016 (see Section 24, ‘Subscription Terms and Conditions’). **NO UNITS SHALL BE ALLOTTED ON THE BASIS OF THE PROSPECTUS LATER THAN 6 MONTHS AFTER THE DAY OF REGISTRATION OF THE PROSPECTUS BY THE CENTRAL BANK OF BAHRAIN (“CBB”), UNLESS APPROVED BY THE CBB.**

The Trust has one class of Units. Each Unit entitles the holder to one vote, and each Unitholder in the Trust (a “Unitholder”) has the right to attend and vote at any Unitholder meetings of the Trust. No Unitholder benefits from any preferential voting rights. The Offer Units will entitle holders to receive distributions declared by the Trust after the approval of the distribution by the CBB and for subsequent fiscal years (see Section 16 ‘Distributions Policy’). Currently, no public market exists for the Units. The Trust has applied to the CBB and the Bahrain Bourse for all of the Units in the Offering to be admitted to trading on the Bahrain Bourse under the symbol “EBRIT”. The Units shall be registered under ISIN (International Securities Identification Number) code BH0005158K14.

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional advisor. A copy of this Prospectus has been submitted and registered by the CBB. Registration of the Prospectus by the CBB does not imply that the CBB Law, or any other legal or regulatory requirements, has been complied with. The CBB has not, in any way, considered the merits of the Units being offered for investment. An investment in the Units involves risks (see Section 23, ‘Risk Factors and Investment Considerations’).

The Offer does not constitute an offer to sell or issue, or a solicitation of an offer to buy, securities in any jurisdiction in which such offer or solicitation would be unlawful. For a description of these and certain further restrictions on transfers of the Units, see Section 24, ‘Subscription Terms and Conditions’.

The date of registration of this Prospectus is: November 15, 2016

Receiving Bank



Lead Manager, Sub-Investment
Manager and Market Maker



Investment Manager



Trustee and Custodian



Legal Counsel



Administrator



Independent Reporting
Accountant



Allotment, Registrar and
Transfer Agent



Paying Agent



Property Appraiser



Property Manager






Auditors



DMB International W.L.L.

THE CENTRAL BANK OF BAHRAIN AND THE BAHRAIN BOURSE ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS DOCUMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT.

THE DIRECTORS OF THE TRUST, WHOSE NAMES APPEAR HEREIN, ACCEPT RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THE DOCUMENT.

Director's Name	Signature of Director
Graham Journeaux	
Naser Obaid	
Aref Qamber	

IMPORTANT NOTICE

IMPORTANT - IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD SEEK INDEPENDENT PROFESSIONAL FINANCIAL ADVICE. REMEMBER THAT ALL INVESTMENTS CARRY VARYING LEVELS OF RISK AND THAT THE VALUE OF YOUR INVESTMENT MAY GO DOWN AS WELL AS UP. INVESTMENTS IN THIS COLLECTIVE INVESTMENT UNDERTAKING ARE NOT CONSIDERED DEPOSITS AND ARE THEREFORE NOT COVERED BY THE KINGDOM OF BAHRAIN'S DEPOSIT PROTECTION SCHEME. THE FACT THAT THIS COLLECTIVE INVESTMENT UNDERTAKING HAS BEEN AUTHORISED BY THE CENTRAL BANK OF BAHRAIN DOES NOT MEAN THAT THE CBB TAKES RESPONSIBILITY FOR THE PERFORMANCE OF THESE INVESTMENTS, NOR FOR THE CORRECTNESS OF ANY STATEMENTS OR REPRESENTATIONS MADE BY THE TRUSTEE OF THIS COLLECTIVE INVESTMENT UNDERTAKING.

This Prospectus is delivered on behalf of Eskan Bank Realty Income Trust ("**EBRIT**", the "**Issuer**" or the "**Trust**") by Ohad Trust B.S.C.(C) ("**Ohad**" or the "**Trustee**").

No person has been authorised to make any representations or give any information with respect to Eskan Bank Realty Income Trust or the public offering of its Units (the "**Offering**") except for the information contained in this Prospectus. Any representation or information not contained in this Prospectus with respect to Eskan Bank Realty Income Trust or the Offering has not been authorised by the Offeror, the directors of Eskan Bank Realty Income Trust, the Trustee, the Investment Manager, or the Lead Manager and must not be relied upon. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Units in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Prospectus includes details given in compliance with the CBB Law, rules and regulations. The Directors, whose names appear in this Prospectus, collectively and individually, confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete and that there are no other facts or omissions which, if disclosed, would render any statement in this Prospectus materially misleading. Substantial portions of the market and industry information in this Prospectus are derived from management analysis as well as external sources. The market and industry information contained in this Prospectus has not been independently verified and no representation is made with respect to the accuracy or completeness of any of this information.

This Prospectus is supplied in both English and Arabic. In the event of any discrepancy, the English language version shall prevail.

While the Offeror, Eskan Bank Realty Income Trust and its Directors have made all reasonable enquiries as to the accuracy and completeness of the information contained in this Prospectus, such information is subject to change. In particular, the actual financial position of Eskan Bank Realty Income Trust and the net asset value of the Units may be adversely affected by future developments in inflation, interest rates, taxation, or other economic, political and other factors, over which the Offeror, Eskan Bank Realty Income Trust and its Directors have no control. Neither the delivery of this Prospectus, nor any oral, written, or printed communication in relation to the Units offered is intended to be, or should be construed as or relied upon in any way, as a promise or representation as to future earnings, results, or events.

In addition to the Lead Manager, the Directors have appointed BDO Consulting W.L.L. to review the projections as an Independent Reporting Accountant, whereas the Offeror has appointed ASAR - Al Ruwayeh & Partners as legal counsel as to Bahrain law.

None of the Offeror, the Directors, their respective officers, agents, employees, the Trustee, the Investment Manager, the Lead Manager, and other advisors assume any liability for any representation or warranty (expressed or implied) enclosed within, or omitted from this Prospectus, or any other written or verbal information transmitted to the recipient (or any of their advisors), in the course of the recipient's assessment of any proposed investment.

Each Applicant may, prior to the submission of its Subscription Application Form, ask questions of and seek clarification from the Trustee, the Investment Manager and/or the Lead Manager concerning Eskan Bank Realty Income Trust and this Offering. Answers to such questions and clarifications will be provided by the Trustee, the Investment Manager and/or the Lead Manager to the extent that the Trustee, the Investment Manager and/or the Lead Manager possess or can acquire the requisite information without unreasonable effort or expense. The contents of this Prospectus should not be treated as investment, tax, or legal advice by an Applicant. All Applicants should make their own investigation and evaluation of the opportunity to invest in Eskan Bank Realty Income Trust, and should seek to consult their own advisors concerning the evaluation of the risks of the investment and its suitability for their individual financial and risk preferences. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice in relation to the Offering and for considering the appropriateness of the information contained in this Prospectus with regard to individual objectives, financial situations and needs.

The Prospectus is not to be regarded as a recommendation on the part of the Offeror, Eskan Bank Realty Income Trust, the Directors or any of their advisors to participate in the Offering. Moreover, information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs.

Prospective investors are therefore expected to be able to bear the economic risks of their investment in Eskan Bank Realty Income Trust, including the risk of loss of all or part thereof, and should not be dependent upon any returns from such investment for any basic financial needs. Investors should be aware that the value of the Units might decrease as well as increase and distributions associated with the Units are not guaranteed.

The Offering is only being made to, and is only capable of acceptance by, Applicants of nationalities fulfilling the subscription application requirements. The distribution of this Prospectus and the sale of Units offered in a jurisdiction may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe all such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of that jurisdiction. This Prospectus does not constitute an offer to sell or issue or to solicit an offer to buy or for the supply of equity securities and/or interests in collective investment undertakings in any jurisdiction in which such offer or solicitation is unlawful. No action has been taken to permit the distribution of this Prospectus in any jurisdiction other than Bahrain. Accordingly, the Prospectus may not be used for the purpose of, and does not constitute an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Recipients of this Prospectus should inform themselves about and observe any applicable legal requirements.

The Offeror, ESKAN Bank Realty Income Trust, the Directors, the Trustee, the Investment Manager, the Lead Manager and other advisors require recipients of this Prospectus to inform themselves about and observe all such restrictions. ESKAN Bank Realty Income Trust and the Directors reserve the right to terminate at any time the further participation of any party in the Offering.

Forward Looking Statements

The statements contained in this Prospectus that are not historical facts are “forward-looking statements”. The words “plans”, “estimates”, “believes”, “expects”, “may”, “will”, “should”, “are expected”, “will be”, “anticipates” or the negative or other variation of such terms or comparable terminology are intended to identify a number of these forward-looking statements.

These forward-looking statements reflect the current views of the Offeror, the Trust and the Directors with respect to prospective events, and are not a guarantee of future performance. Many factors could cause the actual performance, achievements or results of the Trust to be significantly different from any prospective performance, achievements or results that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other Sections of this Prospectus (see Section 23 ‘Risk Factors and Investment Considerations’).

Should any one or more of the risks or uncertainties materialise or any underlying assumptions prove to be inaccurate or incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated or expected. As a result of these and other risks, the forward looking events and circumstances discussed in this Prospectus might not occur in the way the Trust expects, or at all. Applicants should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

Copies of this Prospectus may be obtained from the Trustee, the Investment Manager, the Lead Manager, the Receiving Bank, the Administrator and the Registrar and Allotment Agent.

General Risk Statement

An investment in Units involves risk. Prospective investors should consider carefully, together with all other information contained in this Prospectus, the principal risk factors in Section 23 (‘Risk Factors and Investment Considerations’) before deciding to invest in Units.

Prospective investors should not place undue reliance on any information contained in published news reports, in particular, any financial projections, valuations or other forward-looking information. Prospective investors should not only rely on the information included in this Prospectus and the documents referred to in it or available for inspection to make their investment decision.

Prospective investors should seek professional advice from their relevant advisors regarding their prospective investment in the context of their particular circumstances.

Applicants Identification and Anti-Money Laundering Requirements

Eskan Bank Realty Income Trust, the Trustee, the Investment Manager, the Lead Manager and the Receiving Bank, reserve the absolute right to require further verification of the identity of each Applicant, or that of the person or entity on whose behalf the Applicant is applying for the purchase of Units.

Each Applicant will provide satisfactory evidence of identity and, if so required, the source of its funds within a reasonable time period determined by the Trust. Pending the provision of such evidence, an application to subscribe for Units will be postponed.

If an Applicant fails to provide satisfactory evidence within the time specified, or if an Applicant provides evidence which is not to the Trustee's, the Investment Manager's or the Lead Manager's satisfaction, the application may be rejected immediately, in which event any money received from the Applicant will be returned to the Applicant, without any addition and at the risk and expense of the Applicant.

In respect of any investors, the Issuer will comply with Bahrain Legislative Decree No. (4) of 2001 with respect to Prohibition and Combating of Money Laundering and Various Ministerial Orders issued thereunder including, but not limited to, Ministerial Orders No. (7) of 2001 with respect to Institutions Obligation Concerning the Prohibition and Combating of Money Laundering, in addition to complying with the Anti-Money Laundering and Combating Financial Crime Module of the CBB Rulebook Volume 6.

Eskan Bank Realty Income Trust will also comply with international anti-money laundering requirements as existing from time-to-time. Under the above regulatory requirements the Trust may be obliged to report certain information to regulatory agencies.

Neither Eskan Bank Realty Income Trust, the Trustee, the Lead Manager nor any third party appointed as a receiving agent shall be responsible or liable for any loss or damage (whether actual or alleged) arising from the election by Eskan Bank Realty Income Trust, the Trustee, the Lead Manager or any receiving agent to treat a Subscription Application Form lodged by any prospective investor as invalid or to terminate any such Subscription Application Form as a result of Eskan Bank Realty Income Trust, the Trustee, the Lead Manager and/or any third parties (appointed by Eskan Bank Realty Income Trust as a receiving agent) not having received satisfactory evidence as to the identity of the prospective investor within a reasonable period of time following the request for verification of identity by the earlier of the time limit specified in the request made for verification of identity or, within a reasonable period of time subsequent to the request.

Notices to Certain Investors

Each Applicant must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Units or possesses this Prospectus, and it must obtain any consent, approval or permission required for the purchase, offer or sale by it of such Units under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales. The Trust, the Trustee, the Investment Manager and the Lead Manager are not responsible for ensuring that Applicants comply with all applicable laws and regulations or the obtaining of any consents, approvals or permissions. A prospective purchaser may not deliver or distribute this Prospectus to any other person in any form.

Notice to Prospective Investors in the DIFC and the UAE

The Units may not be, are not and will not be sold, issued, subscribed for, transferred or delivered, directly or indirectly, to any person in the Dubai International Financial Centre (the "DIFC") who is not a professional client within the meaning of the Conduct of Business Module of the rules of the Dubai Financial Services Authority (the "DFSA") or a "Professional Investor" within the meaning of the Offered Securities Rules of the DFSA.

The DFSA and the DIFC assume no responsibility for the contents of this Prospectus, make no representation as to the accuracy or completeness of the information included in this Prospectus, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the content of this Prospectus.

The Units may not be, are not and will not be issued, sold, subscribed for, transferred or delivered directly or indirectly to any person in the UAE other than in compliance with the laws of the UAE governing the issue, sale, subscription for, transfer and delivery of securities.

The Central Bank of the United Arab Emirates and the Emirates Securities and Commodities Authority assume no responsibility for the contents of this Prospectus, make no representation as to the accuracy or completeness of the information included in this Prospectus, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the content of this Prospectus.

The Trust, the Trustee, the Investment Manager, the Lead Manager and the Receiving Bank are not, by distributing this Prospectus, advising individuals who are resident in the UAE (including the DIFC) as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the UAE (including the DIFC).

Notice to Prospective Investors in the State of Qatar

By receiving this Prospectus, the person or entity to whom it has been provided understands, acknowledges and agrees that: (i) neither this Prospectus nor the Units have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; and (ii) none of the Trust, the Trustees, the Investment Manager or the Lead Manager has been authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market, issue or sell the Units within the State of Qatar. The Qatar Central Bank, the Qatar Financial Markets Authority and the Qatar Financial Centre Regulatory Authority assume no responsibility for the contents of this Prospectus, make no representation as to the accuracy or completeness of the information included in this Prospectus, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the content of this Prospectus.

The Trust, the Trustee, the Investment Manager, the Lead Manager and the Receiving Bank are not, by distributing this Prospectus, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

The Units may not be, have not been and are not being issued, sold, subscribed for, transferred or delivered directly or indirectly to any person in the State of Qatar other than in compliance with the laws of the State of Qatar governing the issue, sale, subscription for, transfer and delivery of securities.

Notice to Prospective Investors in the Kingdom of Saudi Arabia

This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this Prospectus he or she should consult an authorised financial adviser.

Notice to Prospective Investors in the Sultanate of Oman

The Units may not be, are not and will not be issued, sold, subscribed for, transferred or delivered directly or indirectly to any person in the Sultanate of Oman other than in compliance with the laws of the Sultanate of Oman governing the issue, sale, subscription for, transfer and delivery of securities.

The Central Bank of Oman and the Oman Capital Market Authority assume no responsibility for the contents of this Prospectus, make no representation as to the accuracy or completeness of the information included in this Prospectus, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the content of this Prospectus.

The Trust, the Trustee, the Investment Manager, the Lead Manager and the Receiving Bank are not, by distributing this Prospectus, advising individuals resident in the Sultanate of Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the Sultanate of Oman.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction, other than in the Kingdom of Bahrain, that would permit a public offering of the Units in any country or jurisdiction where action for that purpose is required.

United States

The Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and may not be issued, offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

The Lead Manager has agreed that it will not offer or sell the Units (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offer and the closing date of the Offer, within the United States. Nor will it offer or sell the Units to, or for the account or benefit of, U.S. persons. The Lead Manager will send to each dealer responsible for selling Units during the distribution compliance period, a confirmation or other notice, setting out the restrictions on offers and sales of the Units within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S of the U.S. Securities Act.

The Units are being issued, offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S of the U.S. Securities Act.

DIFC

The Units may not be, are not and will not be issued, sold, subscribed for, transferred or delivered, directly or indirectly, to any person in the DIFC who is not a Professional Client within the meaning of the Conduct of Business Module of the Rules of the DFSA or a Professional Investor within the meaning of the Offered Securities Rules of the DFSA.

UAE

The Units may not be, have not been and are not being issued, sold, subscribed for, transferred or delivered in the UAE other than in compliance with the laws of the UAE governing the issue, sale, subscription for, transfer and delivery of securities.

The State of Kuwait

The Units are not for general circulation to the public in Kuwait. The Units have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Units in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Units is being made in Kuwait, and no agreement relating to the sale of the Units will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Units in Kuwait.

The Sultanate of Oman

The Units may not be, have not been and are not being issued, sold, subscribed for, transferred or delivered in the Sultanate of Oman other than in compliance with the laws of the Sultanate of Oman governing the issue, sale, subscription for, transfer and delivery of securities.

The State of Qatar

The Units have not been offered, issued, sold or delivered, and will not be offered, issued, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Prospectus has not been reviewed, approved or registered with the Qatari Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other relevant Qatari regulatory body, whether under Law No. 25/2002 concerning investment funds, Central Bank Resolution No. 15/1997, as amended, or any associated regulations.

Kingdom of Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a “**Saudi Investor**”) who acquires Units pursuant to this Offering should note that the offer of Units is a limited offer under Article 11 of the “Offer of Securities Regulations” as issued by the Board of the Capital Market Authority resolution number 2/11/2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1/28/2008 dated 18 August 2008 (the “**KSA Regulations**”). The offer of Units will not be directed at more than 60 Saudi Investors (excluding “Sophisticated Investors” (as defined in Article 10 of the KSA Regulations)) and the minimum amount payable per Saudi Investor will be not less than Saudi Riyal (SR) 1 million or an equivalent amount.

The offer of Units shall not therefore constitute a “public offer” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Units pursuant to a limited offer may not offer or sell those Units to any person unless the offer or sale is made through an authorised person appropriately licenced by the Capital Market Authority and: (a) the Units are offered or sold to a Sophisticated Investor; or (b) the price to be paid for the Units in any one transaction is equal to or exceeds SR 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

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1 Definitions and Abbreviations

AAOIFI	means the accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
Adjourned Meeting Special Quorum	has the meaning set forth in Section 13.4 hereof.
Administrator	means the person undertaking administration services pursuant to RP-7 (Fund Administrator) of Volume 7 of the CBB Rulebook and initially means Keypoint Consulting W.L.L. a company with limited liability incorporated in Bahrain and holding commercial registration number 60137
Affiliate	means, when referred to a person, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such person.
AGM or Annual General Meeting	means the annual general meeting of the Unitholders.
Allotment	means the distribution of the Offer Units to the accepted Applicants as per the allotment basis described in the Prospectus in Section 24.7.
Allotment Agent	means the Bahrain Bourse, or any such person appointed thereafter in the capacity of Allotment Agent of the Trust.
Allotment Announcement Date	means Thursday December 8, 2016, the date on which the results of the Offering, along with the Unit Allotment basis, will be published in at least two (2) local newspapers, one in Arabic and one in English.
Allotment Date	means Wednesday December 14, 2016, the date on which the distribution of the Offer Units to the accepted Applicants is made.
Annual Distribution	has the meaning set forth in Section 16.1 hereof.
Anti-Corruption Laws	means all laws, rules and regulations of any jurisdiction in which the Trust directly or indirectly operates enacted for the purpose of combating embezzlement, bribery or corruption including Amiri Decree No. 15/1976 (as amended from time to time).
Anti-Market Abuse Laws	means all laws, rules and regulations issued from time to time in Bahrain for the purposes of combating market manipulations, misleading behaviours or conducts, insider trading and fraudulent or deceptive behaviours or conducts that may distort the price discovery system and prices of securities traded in regulated markets and thereby unfairly disadvantage the investors including the CBB Law and Module MAM of Volume 6 of the CBB Rulebook and any ministerial orders and circulars issued with regard thereto.
Anti-Money Laundering Laws	means all anti-money laundering laws and regulations issued from time to time in force in Bahrain, including Legislative Decree No.4 dated 29 January 2001 with respect to the Prohibition of and Combating of Money Laundering (as amended by decree law No. 54 of 2006), any regulations or directive issued by the Central Bank of Bahrain with respect to anti money laundering and terrorist financing and any ministerial orders and circulars issued with regard thereto.
Applicant(s)	means a prospective investor who applies for Offer Units in this Offering.
Approved Branch	means a designated branch of the Receiving Bank appointed to receive the completed Subscription Application Forms.
Auditor	means the person undertaking external auditing services pursuant to RP-11 (External Auditor) of Volume 7 of the CBB Rulebook and initially means Deloitte & Touche Middle East, a branch of a foreign company registered in Bahrain under commercial registration number 47323.
Bahrain or the Kingdom	means the Kingdom of Bahrain.
Bahrain Bourse or BHB	means the securities exchange of the Kingdom of Bahrain operated by Bahrain Bourse BSC(c) where the Units will be listed and traded.
Bahrain Domiciled Retail CIU	has the meaning given to it in BDR-B.1 (Definition) of Volume 7 of the CBB Rulebook.
Bahrain Domiciled Real Estate Investment Trust or B-REIT	has the meaning given to it in BRT-B.1.1 (Definition) of Volume 7 of the CBB Rulebook.

Bahrain Property Musharaka Trust or BPMT	means the Pre-Offer Unitholder being the trust with registration number FT/10/013/10 that also holds 100% of the Units prior to the completion of the Offering.
Bahraini Individual Eligible Applicant	means an Eligible Applicant who is also an individual (a natural person) and a national of the Kingdom of Bahrain.
BCDR	means the Bahrain Chamber for Dispute Resolution established pursuant to Legislative Decree No. 30 of 2009.
BHD or Bahraini Dinars	means the lawful currency of the Kingdom of Bahrain.
BMI	means Business Monitor International.
bn	means billion(s).
Board or Board of Directors	means the board of directors of the Trust.
Board Member or Director	means a member of the Board.
BSC or B.S.C.	means a Bahraini shareholding company.
BSC(c) or B.S.C.(c)	means a closed Bahraini shareholding company.
Business Day(s)	means a day (other than a Friday or a Saturday) when banks are normally open for banking business in Bahrain.
CAGR	means compound annual growth rate.
Calendar Day(s)	means any day in the year including all weekends and public holidays.
Capital Expenditure Reserve	has the meaning set forth in Section 6.3 hereof.
CBB	means the Central Bank of Bahrain.
CBB Law	means The Central Bank of Bahrain and Financial Institutions Law of 2006, promulgated on 6 September 2006 with the issuance of Decree No. 64 of 2006.
CBB Rulebook or Rulebook	means the collection of regulations, directives and guidance issued and updated from time to time by the Central Bank of Bahrain, that licensees of the Central Bank of Bahrain and other relevant persons are obliged to comply with.
Central Depository or CSD	means the person acting as central depository in respect to the Units in accordance with Module CSD of Volume 6 of the CBB Rulebook.
Chairman	means chairman of the Board.
CIO	means the Central Informatics Organization.
CIU	means a Collective Investment Undertaking as defined in CBB Rulebook Volume 7.
Clause	means a clause within the Trust Instrument.
Cluttons	means Cluttons LLP, a branch of a foreign company, registered in Bahrain and holding commercial registration number 7062.
Closed-Ended CIU	means a CIU with limited and unredeemable number of Units outstanding.
Companies Law	means the Commercial Companies Law No. 21 of 2001 (as amended from time to time).
Custodian	means the person undertaking custodial services pursuant to RP-6 (Custodian) of Volume 7 of the CBB Rulebook and initially means Ohad Trust B.S.C.(c).
Cut-Off Date	means January 1, 2017, the date from (and including) which any profit and losses pertaining to the Trust Properties shall accrue to the benefit of the Unitholders.

Danaat Al Madina	means the mixed use development set over three adjacent land plots located in Isa Town having title deed numbers 155863, 155898 and 196807 and composed of 44 retail outlets and two office buildings. Breakdown of the property is as follows: - Total land area (3 adjacent plots): 29,014m ² - Lettable retail area (44 outlets): 4,521m ² - Lettable office area (2 buildings, 5+ground floors): 5,987m ² Additional details of Danaat Al Madina are included in Section 6.1b).
Depository Account	means a securities account with the Central Depository.
Distribution Date	means, in respect of any Distribution Period, on or about the 15th day of the fifth month of the subsequent Distribution Period or on such other dates as the Trustee so determines in its discretion.
Distribution of Refunds Date	Thursday December 22, 2016, the date by which any Subscription Funds that are in excess of the Gross Proceeds are refunded to the Applicants, net of any banking, wire and transfer processing charges.
Distribution Period	means each Financial Year.
Distribution Policy	means the Trust's distribution policy as depicted in Section 16 of the Prospectus.
EBRIT	means Eskan Bank Realty Income Trust.
Eligible Applicant	means an Applicant who is not a Non-GCC Citizen provided that such nationality satisfies the Subscription Terms and Conditions, and provided that the legislation of the country of the Applicant's citizenship, residence or domicile permits the Applicant to do so.
Eskan Bank	means Eskan Bank B.S.C.(c) a closed joint stock company incorporated in Bahrain and holding commercial registration number 58750.
Expert Opinion	has the meaning set forth in Section 7.2 hereof.
Extraordinary Distribution Date	means the date determined by the Trustee for the purpose of making an extraordinary distribution to the Unitholders pursuant to Section 16.3 hereof.
Extraordinary Resolution of the Unitholders	means a resolution of the Unitholders adopted with the favourable vote of at least 75% of the Units represented in the relevant meeting of the Unitholders.
FDI	means Foreign Direct Investment.
Financial Trust Law	means Law No. (23) of the Year 2006 regarding Financial Trusts.
Financial Year	means the twelve month period ending on December 31 of each year save that the first Financial Year of the Trust which shall commence on the date of the first issue of the Units and end on and include the 31st of December 2017.
GCC	means the Gulf Cooperation Council whose member states currently include Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, the United Arab Emirates, and the Kingdom of Saudi Arabia.
GCC Citizen	means (a) an individual that is a citizen of a country belonging to the GCC, or (b) a corporate body that is incorporated in any country belonging to the GCC whose entire shareholding is directly and indirectly owned by individuals who are citizens of a country belonging to the GCC; or (c) Bahraini companies whose shares are listed in Bahrain.
GDP	means gross domestic product.
General Reserve Equity Accounts	has the meaning set forth in Section 14.3 hereof.
Gross Asset Value	means the gross asset value of the Trust as calculated in Section 17 of this Prospectus.
Gross Proceeds	means an amount equal to the Offer Price multiplied by the number of Offer Units allotted to Applicants.

H	means half a year (six months) as of 30 June (H1) and 31 December (H2) of each Financial Year.
IFRIC	means the International Financial Reporting Interpretations Committee.
IFRS	means the International Financial Reporting Standards issued by the International Accounting Standards Board and updated from time to time.
IFSB-6	means the “Guiding Principles on Governance for Islamic Collective Investment Schemes” issued by the Islamic Financial Services Board and updated from time to time.
Inaugural Trust Property or Inaugural Trust Properties	means 100% of the authorized and issued share capital of (A) Segaya Plaza Company BSC(c), a closed joint stock company incorporated under the laws of Bahrain with commercial registration number 96206 owning certain real estate assets comprised in Segaya Plaza as identified in Section 6.1a); and (B) Danaat AlMadina Company BSC(c), a closed joint stock company incorporated under the laws of Bahrain with commercial registration number 96210 owning certain real estate assets comprised in Danaat Al Madina as identified in Section 6.1b).
Independent Reporting Accountant	means BDO Consulting W.L.L.
Initial Public Offering or IPO	means the initial public offering of the Units as depicted in Section 19.
Instrument or Trust Instrument	means the trust instrument entered into between the Settlor and the Trustee on November 3, 2016 forming the Trust.
Interim Distribution	has the meaning set forth in Section 16.2 hereof.
Interim Distribution Date	means, in respect of any Distribution Period, on or about the 15th day of the third month following the end of the relevant Interim Distribution Period.
Interim Distribution Period	means the six month period ending on June 30 of each year save that the first Interim Distribution Period of the Trust which shall commence on the date of first issue of the Units and end on and include the 30th of June 2017.
Investment Manager	means the person undertaking investment management services pursuant to RP-5 (Fund Manager) of Volume 7 of the CBB Rulebook and initially means Eskan Bank B.S.C.(c).
Investment Objective	means the Trust’s investment objective as depicted in Section 4.3 of this Prospectus.
Investment Policy	means the Trust’s investment policy as depicted in Section 4.5 of this Prospectus.
Investor Number or IN	means a unique number issued by Bahrain Bourse for any investor who opens a Depository Account.
Investor Number Fee or IN Fee	means a fee charged by the Bahrain Bourse for the opening of a Depository Account and for the assigning of an Investor Number to an investor.
Issue Date	means Thursday December 29, 2016 the date on which the Offer Units are transferred to the accepted Applicants.
Issuer	means Eskan Bank Realty Income Trust.
km	means Kilometre(s).
KSA	means the Kingdom of Saudi Arabia.
Lead Manager	means the Securities & Investment Company B.S.C.(c), a closed joint stock company incorporated in Bahrain holding commercial registration number 33469, leading the process to undertake Initial Public Offering of the Units.
LHS	means left hand side, referencing the chart axis on the left.
Market Maker	means the person appointed to undertake market making services and initially means Securities & Investment Company B.S.C.(c).
Market Value	has the meaning given to it in the RICS Appraisal and Valuation Standards as amended from time to time or similar publication of the RICS to take effect for the time being in issue.

Market Dealing Bid Price	means, in relation to a Trust Property (other than real estate) of any description and a particular time, means the amount which would be received in consideration for the sale of the asset on the assumptions that: <ul style="list-style-type: none"> i. it was sold on the best terms available at that time on a market for transactions in assets of that description and on which it is traded; and ii. there had been deducted from the consideration an amount equal to an estimated amount of the transaction charges as would be payable by the seller in connection with such a sale calculated on the basis that the charges payable were the least that could reasonably be expected to be paid in connection with a transaction of the kind in question.
Market Dealing Offer Price	means, in relation to a Trust Property (other than real estate) of any description and a particular time, means the amount which would be payable in order to buy the asset on the assumptions that: <ul style="list-style-type: none"> i. it was bought on the best terms available at that time on a market for transactions in assets of that description and on which it is traded; and ii. the amount payable included an amount equal to an estimated amount of such transaction charges as would be payable by the buyer in connection with such a purchase calculated on the basis that the charges payable were the least that could reasonably be expected to be paid in connection with a transaction of the kind in question.
Memorandum or Memorandum of Association	means the memorandum of association of a Subsidiary.
MENA	means Middle East and North Africa.
mn	means Millions.
MOIC	means the Ministry of Industry, Commerce and Tourism of Bahrain.
Monthly NAV Statement	means a statement indicating the Net Asset Value of the Trust as at the end of each calendar month or such other date as determined by the Trustee in consultation with the Administrator.
Net Asset Value or NAV	means the net asset value of Trust as calculated in Section 17.
Net Distributable Income	has the meaning set forth in Section 16.4 hereof.
Non-GCC Citizen	means (a) an individual that is not a citizen of a country belonging to the GCC, or (b) a corporate body that is not incorporated in any country belonging to the GCC or (c) a corporate body incorporated in a country belonging to the GCC to the extent that it is directly or indirectly participated by any of the persons referred to in the previous items (a) and (b) with the exception of Bahraini companies whose shares are listed in Bahrain.
Ordinary Quorum	has the meaning set forth in Section 13.4 hereof.
Ordinary Resolution of the Unitholders	means a resolution of the Unitholders adopted with the favourable vote of the majority of the Units represented in the relevant meeting of the Unitholders.
Offer or Offering	means the public offering of the Offer Units under this Prospectus.
Offeror	means Bahrain Property Musharaka Trust.
Offer Period	means the period starting on the Subscription Opening Date and ending on the Subscription Closing Date (inclusive), during which Subscription Application Forms and Subscription Funds for Offer Units pursuant to the Offer will be received by the Receiving Bank.
Offer Price	means the price of BHD 0.100 for each of the Offer Units.
Offer Unit(s)	means 144,394,499 Units of the Issuer which form the whole of this Offering.
Partial Redemption Distribution Date	means the date indicated by the Trustee for the payment to the Unitholders of the consideration for a partial redemption of Units according to Section 7.9 hereof.
Paying Agent	means the person undertaking paying agent services pursuant to OFS-3.7 (Role and Responsibilities of the Paying Agent) of Volume 6 of the CBB Rulebook and initially means Karvy Computershare W.L.L., a company with limited liability incorporated in Bahrain and holding commercial registration number 39984.

Performance Supplement	has the meaning given to it is Section 20.2 hereof.
Pre-Offer Unitholder	means BPMT, the holder of 100% of the Units issued by the Trust prior to the Offer.
Property Manager	means the person undertaking property management services pursuant to BRT-1.1 (General Requirements) of Volume 7 of the CBB Rulebook and initially means Cluttons.
Property Appraiser	means the person undertaking property appraisal services pursuant to BRT-4 (Valuation of Assets) of Volume 7 of the CBB Rulebook and initially means DMB International W.L.L. (Savills), a company with limited liability, incorporated in Bahrain and holding commercial registration number 70236.
Prospectus or Offering Document	means this prospectus of the Offer dated November 15, 2016.
Q	means Quarter
Quarter	means a quarter of each year (every three months) as of 31 March (Q1), 30 June (Q2), 30 September (Q3) and 31 December (Q4) of each Financial Year.
Quarterly Statistical Return	means the forms to be submitted to the Central Bank of Bahrain in accordance with Module CRR of Volume 7 of the CBB Rulebook.
Real Estate Laws	means all laws, regulations, directives, circulars or orders in force in Bahrain regulating the real estate activities in the Kingdom of Bahrain including the Bahrain Property Rents Act, Law Number 27 of 2014, the Bahrain Property Registration Law, Law Number 13 of 2013, the Real Estate Development Law, Law Number 28 of 2014 and the Stalled Project Law, Law Number 66 of 2014.
Receiving Bank	means Bahrain Islamic Bank B.S.C., a public joint stock company, incorporated in Bahrain and holding registration number 9900.
Record Date for Distributions	has the meaning given to it in Section 16.4 hereof.
Register	means the register of Unitholders.
Registrar and Transfer Agent	means the person undertaking registrar and transfer services pursuant to RP-8 (Registrar/Transfer Agent) of Volume 7 of the CBB Rulebook and initially means Bahrain Bourse.
Regulations	means all laws, regulations, directives, circulars or orders in force in Bahrain regulating the type of activities carried out by the Trust including the Real Estate Law, the Trust Law, Volume 7 of the CBB Rulebook, the REIT Listing Rules, the Companies Law and the Trading Rules.
Regulatory Consents	means, when referred to a certain action, any and all authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations from any authority or self-regulated organization exercising public functions (including the Central Bank of Bahrain and Bahrain Bourse) that must be obtained in order to lawfully carry out such activity in accordance with the Regulations.
REIT(s)	means real estate investment trust(s).
REIT Listing Rules	means the REIT Listing Rules issued on May 17, 2015 by the Bahrain Bourse
Related Party	means the Settlor, any Relevant Person other than the Trustee, any Unitholder holding more than 5% of the outstanding Units of the Trust, any of the Affiliates of the foregoing persons or any director, officer or employee (or their spouse) of the foregoing persons (or their Affiliates).
Relevant Person(s)	means the Trust's appointed Trustee, Investment Manager, Custodian, Administrator, Property Appraiser, Registrar and Transfer Agent, Property Manager, Shari'ah Board, Market Maker, Allotment Agent, Independent Reporting Accountant, and Auditor as defined in Module RP (Relevant Persons) of Volume 7 of the CBB Rulebook or elsewhere in the Regulations.
Relevant Time	means in relation to the valuation of any asset for any purpose for which this Prospectus requires the asset to be valued, means the time as at which the asset falls to be valued for that purpose.
Replacement Trustee	means a trustee appointed to replace the Trustee in accordance with the Trust Instrument.
RHS	means right hand side, referencing the chart axis on the right.

Section	means a section within this Prospectus.						
Securities Account	means an account with a brokerage firm authorised by the Bahrain Bourse.						
Securities Account Fee	means a fee charged by the Bahrain Bourse for the assignment of an Applicant's Investor Number to a brokerage firm authorised by the Bahrain Bourse.						
Segaya Plaza	<p>means the mixed use development set over one land plot located on the northern edge of Segaya, (a suburb of Manama located south of Salmaniya Hospital) having title deed number 57505 and composed of 15 retail outlets and 105 residential apartments. The property consists of 8 floors in addition to a ground floor. The ground floor is dedicated to retail outlets, the next two floors above are dedicated to car parking areas, followed by five floors of residential apartments and the top floor dedicated to recreation facilities for residents.</p> <p>Breakdown of the property is as follows:</p> <table border="0"> <tr> <td>- Total land area:</td> <td>5,469m²</td> </tr> <tr> <td>- Lettable residential area (105 apartments):</td> <td>12,818m²</td> </tr> <tr> <td>- Lettable retail area (15 outlets):</td> <td>3,075m².</td> </tr> </table> <p>Additional details of Segaya Plaza are included in Section 6.1a).</p>	- Total land area:	5,469m ²	- Lettable residential area (105 apartments):	12,818m ²	- Lettable retail area (15 outlets):	3,075m ² .
- Total land area:	5,469m ²						
- Lettable residential area (105 apartments):	12,818m ²						
- Lettable retail area (15 outlets):	3,075m ² .						
Settlor	means BPMT.						
Shari'ah Board	means the Shari'ah supervisory board under SCC-2 (Shari'ah Supervisory Board) of Volume 7 of the CBB Rulebook and initially the members of the Shari'ah supervisory board of Eskan Bank.						
Shari'ah Compliant CIU	has the meaning given to it in Rule SCC-B.1.1 (Definition) of Volume 7 of the CBB Rulebook.						
SICO	means Securities & Investment Company B.S.C.(c).						
Special Quorum	has the meaning set forth in Section 13.4 hereof.						
sqm or sq m	means square metre(s)						
Sub-Investment Manager	means the person optionally appointed by the Investment Manager to assist with certain functions pertaining to the services provided to the Trust by the Investment Manager, and initially means SICO						
Subscription Application Form(s)	means the form of subscription application pertaining to the Offer.						
Subscription Bank Account	means the assigned bank account at the Receiving Bank during the Offer Period.						
Subscription Closing Date	means Tuesday December 6, 2016 which is the last day upon which Subscription Application Forms for Offer Units pursuant to the Offer will be received by the Receiving Bank.						
Subscription Funds	means the total amount of monies received by the Receiving Bank during the Offer Period, pursuant to the Offering.						
Subscription Opening Date	means Tuesday November 22, 2016 which is the first day upon which Subscription Application Forms for Offer Units pursuant to the Offer will be received by the Receiving Bank.						
Subscription Terms and Conditions	means the subscription terms and conditions described in Section 24 ('Subscription Terms and Conditions') and in the Subscription Application Form.						
Subsidiary or Subsidiaries	means a company in which the Trust, directly or indirectly, owns an interest in excess of 50% of the voting capital or where the Trust is otherwise capable of exercising de facto control by virtue of the voting capital owned or by virtue of contractual arrangements.						
Target Return	has the meaning set forth in Section 4.8 hereof.						
Trading Rules	means the rules for acquiring or disposing of units in listed REITs issued by Bahrain Bourse.						
Trust	means Eskan Bank Realty Income Trust, registered with the CBB as a trust under registration no. FT/11/002/16.						
Trust Law	means Law No. 23 of 2016 on trust funds replacing the Financial Trust Law.						

Trustee	means Ohad Trust B.S.C.(c) a closed joint stock company, registered in Bahrain and holding commercial registration number 57043.
UAE	means the United Arab Emirates.
Unit Capital Account	means the bank account designated by the Trust and in the name of the Offeror where the Gross Proceeds pertaining to the Units will be transferred on the Distribution of Refunds Date.
Units(s)	means 198,000,000 issued and fully paid up Units of the Issuer with a Net Asset Value as at the date of this Prospectus of BHD 0.101 per Unit.
Unitholder(s)	means persons holding Units in the Trust from time to time and therefore being the beneficiaries of the Trust Property.
USD or US\$	means United States Dollars, the lawful currency of the United States of America.
WAULT	means the weighted average unexpired lease term.
Working Capital Reserve	has the meaning set forth in Section 6.2 hereof.
YoY	means year on year.

2 Resolutions and Approvals

The Offering is being made on the basis of the authority granted by the resolutions, letters and approvals below.

2.1 Approval of the Settlor

The meeting of unitholders of the Settlor unanimously resolved on October 8, 2015 to authorize, inter alia, (i) the establishment with the Trustee of a newly formed real estate income trust named 'Eskan Bank Realty Income Trust'; the contribution of the Inaugural Trust Properties into EBRIT in consideration for newly issued units of EBRIT; the offer of the newly issued EBRIT units in an IPO in Bahrain and the listing of EBRIT's units on the Bahrain Bourse under the REIT Listing Rules and the undertaking of all actions necessary or beneficial for such purpose.

2.2 Approval of the Trustee

The meeting of the board of directors of the Trustee unanimously resolved on October 3, 2016 to authorize and approve, inter alia, (i) establishment with the Settlor of a newly formed real estate income trust named Eskan Bank Realty Income Trust and the undertaking of all actions necessary or beneficial for such purpose including, without limitation, the entry into the Trust Instrument and registration thereof with the Central Bank of Bahrain and the submission to the Central Bank of Bahrain of an application in order to authorize the Trust as a Bahrain domiciled Retail Collective Investment Undertaking and Real Estate Investment Trust; (ii) the acquisition of up to 9,900 shares representing 99% of the issued share capital in each of Danaat AlMadina Company BSC(c), a Bahrain Shareholding Company (Closed) with registration number 96210, and Segaya Plaza Company BSC(c), a Bahrain Shareholding Company (Closed) with registration number 96206, in its capacity as trustee of the Trust; (iii) the offer by the Settlor of up to 144,394,499 Units of the Trust in an initial public offering in Bahrain at an Offer Price of BHD 0.100 per Unit and all documents connected thereto including, without limitation, the Prospectus; and (iv) the listing of the Units of the Trust on the Bahrain Bourse.

2.3 Approval of the Board of Directors of the Trust

The meeting of the Board of Directors of the Trust unanimously resolved on November 14, 2016 to authorize and approve, inter alia, the Offering and the Prospectus, the Subscription Application Form and the listing of the Units of the Trust on the Bahrain Bourse.

2.4 Shari'ah Board

With the letter dated November 13, 2016 the Shari'ah Board of the Trust has confirmed to the Trustee that, inter alia, the Offering and the Prospectus, the Subscription Application Form and the listing of the Units of the Trust on the Bahrain Bourse comply with the principles of Islamic Shari'ah.

2.5 Central Bank of Bahrain – Financial Institutions Supervision Directorate

Following the application submitted by the Trustee, the establishment of the Trust as a collective investment undertaking has been authorized by the Central Bank of Bahrain with resolution no. 37 of 2016 issued on 18 September 2016 in accordance with Module ARR of Volume 7 of the CBB Rulebook.

2.6 Bahrain Bourse

The Trustee has submitted an application to the Bahrain Bourse and the CBB to list all the Units on the Bahrain Bourse in accordance with the REIT Listing Rules. Trading in the Units will commence following (and conditional upon) admission to trading by the Bahrain Bourse. A formal announcement by the Bahrain Bourse will be made to announce the commencement of trading.

3 Summary of the Offering

The following summary is qualified in its entirety by the more detailed information that will appear elsewhere in this Prospectus.

The Issuer	<p>Eskan Bank Realty Income Trust is a Shari'ah compliant Bahrain domiciled trust registered with the Central Bank of Bahrain under registration number FT/11/002/16 on November 8, 2016. The Trust is authorized as a Bahrain Domiciled Retail CIU and as a B-REIT and is engaged in the acquisition, ownership, and maintenance of income generating real estate assets in the Kingdom of Bahrain.</p>
Investment Objective	<p>The Trust's primary objective is to maximize stable Shari'ah compliant income generation for the Unitholders with a long term approach and in a risk-adjusted manner. EBRIT intends to increase its Shari'ah compliant property portfolio, as and when attractive opportunities arise.</p> <p>EBRIT intends to provide Unitholders with:</p> <ol style="list-style-type: none">Steady, recurring distributions equating to a minimum of 90% of Net Distributable Income of the Trust, after accounting for all expenses and reserves and ensuring sufficient cash is available for such distribution and the ongoing operation of the Trust;Increased Unitholder value through the potential appreciation in the price of Units derived from improved property upkeep and cost efficiencies, increased rental rates, acquisition of higher-yielding real estate properties, enhanced tenancy profiles with high-quality tenants and longer tenures, on a best effort basis;Diversification within the real estate sector with exposure to retail, office, residential and other real estate segments; andUnits liquidity via the listing of the Units on the Bahrain Bourse including the services of the Market Maker from the date of listing on the BHB, continuing until such time as is perceived by the Trustee, with prior CBB approval, that the services of such Market Maker are no longer required due to the sufficiency of liquidity on the Units at the Bahrain Bourse. In all cases, the Market Maker shall continue to be engaged by the Investment Manager for the Trust for a minimum period of 12 months from the date of listing on the BHB.
Target Return	<p>The Trust has a Target Return of circa 6.5% annually on the Offer Price, which is expected to be realized by Unitholders through the periodic distributions of Net Distributable Income as set forth in Section 16 and on the assumption of full occupancy of the Trust Properties. In the first Financial Year of the Trust's operations, Unitholders are expected to realize a target return of circa 6% on the Offer Price, through the periodic distributions of Net Distributable Income as well as the Performance Supplement as set forth in Section 20.2, as occupancy rates continue to improve within Danaat Al Madina. Up until the latest day of the second consecutive Interim Distribution Period and/or Distribution Period where the annualized Net Distributable Income of the Trust during such period is equal to or exceeds 6% of the Offer Price, the Investment Manager, whilst not a mandatory obligation, intends to make up for the shortfall between the actual return of the Trust and a minimum return of 6% of the Offer Price subject to the Investment Manager's payment being limited to a maximum amount equal to the lower of (A) the shortfall between actual return and minimum return and (B) that the Net Distributable Income distributed on the Investment Manager's Locked-up Units (as defined in Section 20.2 and equal to 21.5% of the Units) in respect to the same Interim Distribution Period or Distribution Period all as further specified in Section 16. Neither the Target Return nor the minimum return constitute a guarantee that the Units will actually yield the target and/or minimum return to the subscribers thereof in the Initial Public Offer or to any subsequent purchaser in the secondary market.</p>
Trustee	<p>Ohad Trust B.S.C.(c).</p>
Investment Manager	<p>Eskan Bank B.S.C.(c).</p>
Lead Manager	<p>The Securities & Investment Company B.S.C.(c).</p>
Sub-Investment Manager	<p>The Securities & Investment Company B.S.C.(c).</p>

The Inaugural Trust Property	<p>EBRIT currently owns 100% of the share capital of Segaya Plaza Company BSC(c) and Danaat AlMadina Company BSC(c).</p> <p>Segaya Plaza Company BSC(c) owns the Segaya Plaza property which is situated on a 5,469m² plot in the northern edge of Segaya, (a suburb of Manama located south of Salmaniya Hospital). Segaya Plaza is comprised of 15 retail outlets on the ground floor of the property and 105 fully furnished residential apartments, which are rented out to a Bahrain government ministry via a single lease agreement. This property is currently 100% occupied.</p> <p>Danaat AlMadina Company BSC(c) owns the Danaat Al Madina property which is a mixed use development set over three adjacent land plots totaling an area of 29,014m². A total of 324 apartments are included in the complex but were sold on a freehold basis by the Settlor and therefore are not included in the Inaugural Trust Property and are not owned by the Trustee on behalf of EBRIT. Danaat Al Madina is comprised of 44 retail outlets (retail net leasable area of 4,521m²) and two office towers (Durra 1 and Durra 2) with a total leasable office space of 5,987m². This property is 63% occupied as of October 31, 2016.</p> <p>Jointly, the Inaugural Trust Properties are over 85% occupied as of October 31, 2016 (weighting on the basis of net leasable area).</p>
Type of Offer	Sale of 144,394,499 existing Units through the Offering.
Offering Terms	The Offering consists of an offer of 144,394,499 Units representing 72.9% of the Trust's issued and outstanding Units immediately before and after the Offering is completed. Each Unit's Net Asset Value is one hundred and one fils (BHD 0.101) as at the date of this Prospectus and is offered at a price equal to BHD 0.100 per Unit. The Offer is directed at investors in Bahrain under the terms and conditions of this Prospectus. The Offer Price signifies no premium over the Net Asset Value as at the date of this Prospectus per Unit.
Investment Management Fees and Performance Incentive	<p>The Investment Manager will be entitled to receive the following fees payable from the Trust Properties:</p> <ul style="list-style-type: none"> a) BHD 50,000 per annum if the Trust's Gross Asset Value over a trailing 12-month period is below or equal to BHD 25,000,000; or b) 0.5% per annum of the Gross Asset Value of the Trust if the Trust's Gross Asset Value over a trailing 12-month period is in excess of BHD 25,000,000. <p>The Investment Manager is entitled to a performance incentive as follows:</p> <p>The Investment Manager is entitled to a performance incentive should (A) distributions of Net Distributable Income to Unitholders, calculated at the end of each Financial Year, by dividing such distributions by the Offer Price exceed 7% (the amount of such excess distribution, the "Excess Distribution") and (B) the NAV calculated at the end of same Financial Year be higher than the NAV calculated at the end of the last Financial Year where a performance incentive was paid to the Investment Manager or, should no performance incentive have been paid to the Investment Manager prior to the end of a Financial Year, the NAV calculated at the end of such Financial Year be higher than the NAV as at the Issue Date. In any such case the Excess Distribution shall be allocated at 30:70 between the Investment Manager and the Unitholders, and any amendment to the profit should be done following obtaining the approval of the Trustee.</p> <p>The Sub-Investment Manager shall not be separately entitled to fees and shall share in the Investment Management Fees in accordance with an agreement between the Investment Manager and such Sub-Investment Manager.</p>
Shari'ah Compliant Leverage, Debt, or Financing	Currently, the Trust has no financial debt, leverage, or Shari'ah compliant financing of any kind. The Trust may carry financial debt, leverage or Shari'ah compliant financing in accordance with the Investment Policy.
Eligible Applicants	The Offering is open to Applicants who are GCC Citizens and who satisfy the Subscription Terms and Conditions, provided that the legislation of the country of the Applicant's citizenship, residence or domicile permits the Applicant to do so. Only Applicants with the ability to assess, understand and bear the risk of investing in the Units should subscribe.
Issued and Outstanding Units of the Issuer Prior to this Offering	Immediately prior to this Offering, the issued and outstanding Units of the Trust amount to 198,000,000 fully paid Units which had a NAV of BHD 0.101 each as at the date of this Prospectus.

Issued and Outstanding Units of the Issuer Post this Offering	Immediately following this Offering, the issued and outstanding Units of the Trust amount to 198,000,000 fully paid Units which had a NAV of BHD 0.101 each as at the date of this Prospectus.
Offer Price	BHD 0.100 per Unit
Minimum Subscription	The minimum allowable subscription is 5,000 Offer Units equating to BHD 500 and incremental subscriptions of one Offer Unit.
Minimum Trade	Following subscription and listing of the Units, the minimum trade that may occur on Bahrain Bourse shall be equal to 1 Unit pursuant to the Trading Rules.
Use of Proceeds	The total Gross Proceeds will be received by the Pre-Offer Unitholder.
Total Proceeds Pending Allotment	Pending Allotment, Applicants' total Subscription Funds will be held in the Subscription Bank Account with the Receiving Bank.
Subscription Opening Date	Tuesday November 22, 2016
Subscription Closing Date	Tuesday December 6, 2016
Allotment Date	Wednesday December 14, 2016
Distribution of Refunds Date	Thursday December 22, 2016
Allotment Announcement Date	The results of the Offering, along with the Unit Allotment basis, will be published in at least two (2) local newspapers, one in Arabic and one in English, within two Business Days from the Subscription Closing Date.
Offer Units Ranking	The Trust has one class of Units only, and all Units carry equal rights and obligations including voting rights and an equal share in any distributions (if declared).
Subscription Currency	Bahraini Dinars.
Pricing Methodology	The Trustee, the Investment Manager, the Lead Manager and the Issuer determined the Offer Price through a business valuation exercise of the Trust utilising widely accepted valuation methodologies including discounted cash flows and with consideration to the Property Appraiser's independent valuation report (see Section 29A 'Property Appraiser Summary Reports').
Commencement of Trading	Trading of the Units on the Bahrain Bourse will commence as soon as practicable following the Allotment Date. An announcement will be made by the Bahrain Bourse confirming the date that the trading of the Units will commence, after signing the required listing and trading agreements with the Bahrain Bourse.

Allotment Basis

The Allotment Agent will complete allotment of the Units within seven (7) Calendar Days following the Subscription Closing Date.

If the total number of Units applied for by Eligible Applicants is equal to or less than the number of Units being offered, all Eligible Applicants will be allotted the number of Units they have applied for.

If the total number of Units applied for by Eligible Applicants exceeds the number of Offer Units offered, the Trust shall, in consultation with the Lead Manager, utilise an Allotment basis which will provide a mechanism for ensuring up to a certain number of Units applied for will be allotted to each Bahraini Eligible Applicant and, thereafter, the remaining Units will be allocated pro-rata to the number of Offer Units applied for by each Bahraini Individual Eligible Applicant and finally any further remaining Units will be allocated pro-rata to the number of Offer Units applied for by Eligible Applicant who is not a Bahraini Individual Eligible Applicant. The Allotment basis shall be as set out below:

- (a) Firstly, each Bahraini Individual Eligible Applicant shall receive the number of Offer Units applied for up to a cap of 10,000 Offer Units to the extent possible within the number of Offer Units; if an oversubscription would result by allocating the Offer Units as contemplated above, the cap shall be reduced such that all applicants receive an equivalent number of Units insofar as such applicants subscribe to at least that number of Units (the “**Bahraini Individual Priority Allocation**”);
- (b) Secondly, following the Bahraini Individual Priority Allocation, each Bahraini Individual Eligible Applicant who applied for more than 10,000 Offer Units shall be allocated a proportion of the additional Offer Units to which he subscribed (being the Units in excess of 10,000) (the “**Excess Bahraini Individual Subscription**”) which shall be calculated by multiplying such subscriber’s Excess Bahraini Individual Subscription by a fraction the numerator of which is (a) the number of Offer Units less (b) the total Bahraini Individual Priority Allocation for all subscribers and the denominator of which is (c) the total Excess Bahraini Individual Subscription for all subscribers; however, in all cases $[(a)-(b))/(c)]$ shall not exceed 1 (the “**Excess Allocation**”); and
- (c) Thirdly, following the Bahraini Individual Priority Allocation and the Excess Allocation, each Eligible Applicant, who is not a Bahraini Individual Eligible Applicant, who applied for Offer Units shall be allocated remaining Offer Units (being the Offer Units less the Bahraini Individual Priority Allocation and the Excess Allocation) pro rata with all other applications from Eligible Applicants who are not Bahraini Individual Eligible Applicants.

Based on the foregoing, should Bahraini Individual Eligible Applicants apply for Units equal to or exceeding the Offer Units, no Units shall be allotted to Eligible Applicants who are not Bahraini Individual Eligible Applicants.

Allotment and Refunds Notification to Applicants

Following the Allotment and by no later than the Distribution of Refunds Date, Allotment notices informing the Applicants of their respective Allotments pursuant to the IPO may be mailed to the address provided by the Applicant on the Subscription Application Form or shall be made available to the Applicants for collection from the Bahrain Bourse or the Applicants’ designated brokerages, and excess Subscription Funds, if any, shall be refunded. For Applicants who have paid their Subscription Funds by means of internal transfers from bank accounts held with the Receiving Bank, the refund amounts (if any) will be credited to their bank accounts with the Receiving Bank. For Applicants who have paid their Subscription Funds by any other permissible means, including by manager’s cheque, demand draft or telegraphic transfer, such refunds (if any) shall be made through manager’s cheque. The bank charges for such manager’s cheques shall be borne by the Applicants. The Units will be in a dematerialised form, and there will be no physical certificates representing the Units. Issuance of the Allotment notices shall not constitute proof of ownership of the Units.

Listing of the Units

The Trust has applied to the CBB and the Bahrain Bourse to admit all of the Units for trading on the Bahrain Bourse under the symbol ‘**EBRIT**’. The Units will be registered under International Securities Identification Number BH0005158K14.

Voting Rights

All of the Units have an equal voting entitlement in the affairs of the Trust and each Unit entitles its holder to one (1) vote on matters required to be voted on by the Unitholders at general assemblies and meetings of the Trust.

Distributions

Each Unit shall entitle the Unitholder to participate on a pro-rata basis in any distributions if and when declared by the Trust and the distribution of assets upon the winding up of the Trust in accordance with the Trust Instrument.

Subscription Application Forms	<p>Subscription Application Forms are to be completed and signed by Applicants and include the number of Units being subscribed for.</p> <p>Each Applicant is permitted to submit only one Subscription Application Form. Submission of multiple Subscription Application Forms by an Applicant may void all Subscription Application Forms except for the Subscription Application Form submitted to the Receiving Bank seeking the purchase of the highest number of Units.</p> <p>Once a Subscription Application Form has been accepted by the Receiving Bank and the Subscription Funds have been transferred to the Receiving Bank by an Applicant, the Subscription Application Form cannot be withdrawn and Subscription Funds will not be returned except under the circumstances described in this Prospectus.</p>
Mode of Payment	<p>Applicants must remit to an Approved Branch their cleared Subscription Funds in Bahraini Dinars using one of the methods set out below:</p> <ul style="list-style-type: none"> • by way of internal transfer from an account held with the Receiving Bank; • by way of manager's cheque/demand draft (to be drawn in Bahraini Dinars for the Receiving Bank); or • by way of telegraphic transfer (payment instructions to clearly mention the related Subscription Application Form number and the amount of funds that are payable, net of any bank charges). <p>Telegraphic transfers can only be made in Bahraini Dinars and can only be made for amounts greater than BHD five hundred (500). Cash deposits or personal cheques will not be accepted.</p> <p>Applicants who do not already have an Investor Number (IN) with the Bahrain Bourse must include with their Subscription Funds the Bahrain Bourse IN Fee.</p> <p>Applicants who already have a Bahrain Bourse IN must state the IN on the Subscription Application Form and provide documentary evidence of such account.</p> <p>Applicants must make their payments net of any bank charges, at the same time as submitting their Subscription Application Forms.</p>
Receiving Bank	Bahrain Islamic Bank B.S.C.
Depository Arrangements	<p>All Applicants are required to have an Investor Number (IN) with the Bahrain Bourse. Applicants who do not have an Investor Number with the Bahrain Bourse will be required to pay the Investor Number Fee at the time of application for subscription. All Units purchased in the Offering will be allocated to the Applicants' Depository Accounts (the Applicant will be responsible for transferring the allocated Units from the Applicant's Depository Account to the Applicant's Securities Account. The Securities Account Fee will be payable to the Bahrain Bourse by the Unitholder at the time of such transfer should such Unitholder not already have a Securities Account). Subscription Funds collected from Applicants will be deposited in the Subscription Bank Account held by the Receiving Bank. Following the Allotment and the refund of excess Subscription Funds, the Gross Proceeds will be transferred to the Unit Capital Account.</p>
Governance	<p>The Trust is represented in all of its dealings by the Trustee or by any agent appointed by the Trustee. The Trustee, in particular, has delegated the management of the Trust Property to the Investment Manager. Other functions have been delegated to other persons pursuant to the RP Module of CBB Rulebook Volume 7 (Relevant Persons Module) including without limitation the Custodian, the Administrator and the Registrar and Transfer Agent. The Trust has a Board of Directors composed of three (3) Directors and a Shari'ah Board verifying compliance of the Trust with the principles of Islamic Shari'ah.</p>
Risk Factors	<p>Investment in EBRIT is subject to certain risks. Some of these risks are described in Section 23 ('Risk Factors and Investment Considerations') of this Prospectus and should be carefully considered prior to an investment in the Units.</p>

4 The Trust

4.1 Structure of the Trust

EBRIT was established by the Trust Instrument entered into between the Settlor and the Trustee on November 3, 2016 and registered with the Central Bank of Bahrain as a financial trust, under the Bahrain Financial Trust Law of 2006, on November 8, 2016 with registration number FT/11/002/16. Following the coming into effect of the Trust Law, the Trust Instrument was subsequently amended and restated for, inter alia, compliance with the provisions of the Trust Law. EBRIT is established as a closed-ended Shari'ah compliant B-REIT with a 100-year duration and has been authorized by the CBB to be constituted as a Bahrain domiciled retail Collective Investment Undertaking in derogation from Rule BRT-1.1.2 of Volume 7 of the CBB Rulebook.

Exhibit 1: Details of the Trust

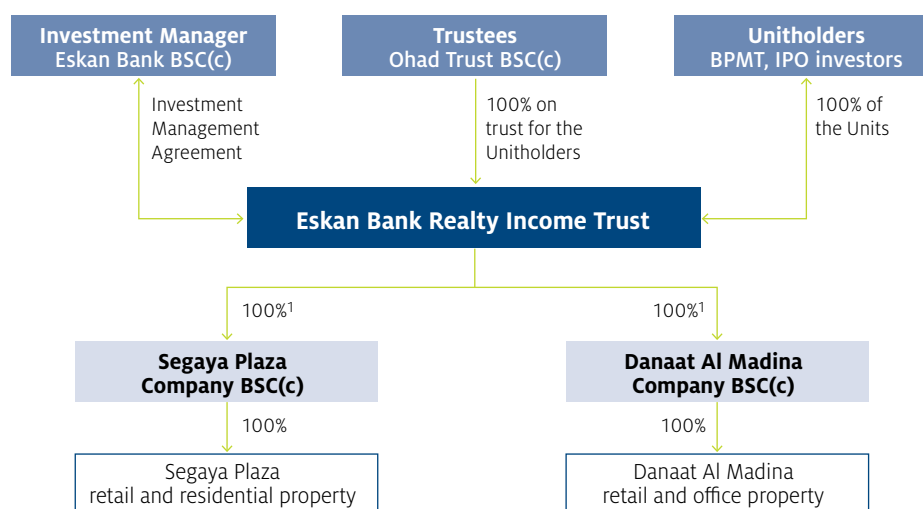
Name	Eskan Bank Realty Income Trust
Date of the Trust Instrument	November 3, 2016 (and as subsequently amended and restated)
Date of Registration	November 8, 2016
Registration Number	FT/11/002/16
Place of Incorporation	Kingdom of Bahrain
Registered Address	Ohad Trust B.S.C.(c), Bahrain World Trade Center, Office 341, 34th floor, West Tower, Isa Al Kabeer Avenue, P.O. Box 18206, Manama, Kingdom of Bahrain
Legal Structure	Bahraini trust under the Trust Law authorized as a retail Collective Investment Undertaking
Duration	100 years
Type of CIU	Closed ended Shari'ah compliant B-REIT established in the form of a Bahrain domiciled retail CIU
Trustee	Ohad Trust B.S.C.(c)
Investment Manager	Eskan Bank B.S.C.(c)
Sub-Investment Manager	The Securities & Investment Company B.S.C.(c).
Custodian	Ohad Trust B.S.C.(c)
Administrator	Keypoint Consulting W.L.L.
Auditors	Deloitte & Touche
Registrar	Bahrain Bourse
Paying Agent	Karvy Computershare W.L.L.
Subsidiaries	Segaya Plaza Company B.S.C.(c) Danaat AlMadina Company B.S.C.(c)

EBRIT was established as a financial trust under the Financial Trust Law. Following coming into effect of the Trust Law, the constitutive instrument of EBRIT (i.e. the Trust Instrument) has been restated for compliance with the Trust Law. Accordingly, the legal ownership of EBRIT's property is vested with the Trustee who holds it for the benefit of the Unitholders. The Unitholders are therefore the beneficiaries of EBRIT's property. The beneficial interests in the Trust are divided into interests of one class only, described and designated as "Units", which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Trust Instrument. Each Unit vests indefeasibly in the holder thereof and the interest of each Unitholder is determined by the number of Units registered in the name of the Unitholder. The Trust is managed by the Investment Manager, who is delegated certain powers and responsibilities by the Trustee under the terms of the Investment Management Agreement.

Having been transferred as a seed investment made by the Settlor for the establishment of EBRIT, the Trustee, in its capacity as trustee of EBRIT, directly and indirectly owns 100% of the shares of two closed Bahraini Shareholding Companies; i) Segaya Plaza Company BSC(c), with commercial registration number 96206 and ii) Danaat AlMadina Company BSC(c) with commercial registration number 96210. Segaya Plaza Company BSC(c) owns 100% of the Segaya Plaza property in the Segaya region of Bahrain as further described in Section 6.1a) of this Prospectus and Danaat AlMadina Company BSC(c) owns 100% of the retail and office components of the Danaat Al Madina property in the Isa Town region of Bahrain as further described in Section 6.1b) of this Prospectus.

The following diagram graphically depicts the Trust's structure :

Exhibit 2: Structure of the Trust



4.2 Vision of the Trust

Bahrain has actively embarked on the development of its social infrastructure including the development of residential housing and master-planned communities, essential and commercial retail strips and malls, the development of a new airport, new hospitals, schools, hotels and office buildings. This multi-pronged development strategy by Bahrain's government is essential to ensure a high-standard of living is provided to locals and residents in Bahrain by expanding job opportunities through Bahrain's global competitiveness and edge in various areas including financial services and family tourism.

The Trust's vision is to provide an opportunity for potential investors to participate in Bahrain's strategy and social economy, through a participation in a diversified portfolio of income generating real estate assets, across Bahrain.

4.3 Investment Objective

The Trust's primary objective is to maximize stable income generation for the Unitholders with a long term approach and in a risk-adjusted manner. EBRIT intends to increase its Shari'ah compliant property portfolio, as and when attractive opportunities arise. The Trust will focus predominantly on yielding properties in Bahrain and with a conservative leverage policy, as and when required and when deemed to be in the best interest of the Unitholders. Through the Trust's Investment Policy (see Section 4.5 'Investment Policy and Investment Restrictions'), EBRIT intends to provide Unitholders with:

- a) Steady, recurring distributions equating to a minimum of 90% of Net Distributable Income of the Trust, after accounting for all expenses and reserves and ensuring sufficient cash is available for such distribution and the ongoing operation of the Trust;
- b) Increased Unitholder value through the potential appreciation in the price of Units derived from improved property upkeep and cost efficiencies, increased rental rates, acquisition of higher-yielding real estate properties, enhanced tenancy profiles with high-quality tenants and longer tenures;
- c) Diversification within the real estate sector with exposure to retail, office, residential and other real estate segments; and
- d) Investor liquidity via the listing of the Units on the Bahrain Bourse including the services of the Market Maker commencing from the date of listing on the BHB, continuing until such time as is perceived by the Trustee, with prior CBB approval, that the services of such Market Maker are no longer required due to the sufficiency of liquidity on the Units at the Bahrain Bourse. In all cases, the Market Maker shall continue to be engaged by the Investment Manager for the Trust for a minimum period of 12 months from the date of listing on the BHB.

¹ The Trustee owns directly 99% of both Segaya Plaza Company BSC(c) and Danaat Al Madina Company BSC(c) while the remaining 1% is owned indirectly.

4.4 Purpose of the Trust

The purpose of the Trust is to provide investors with an opportunity to invest in Bahrain's real estate sector, by identifying and securing attractive and yielding real estate properties in Bahrain. Furthermore, the Trust's purpose is to undertake all activities permitted by the Prospectus and the Trust Instrument towards achieving the Investment Objective.

Towards this purpose, the primary activities of the Trust will be:

- a) Managing the Inaugural Trust Property, targeting the maximization of stable and sustainable investor returns through yield and value appreciation;
- b) Identifying additional real estate assets that meet the Investment Objective and comply with the Investment Policy;
- c) Selling, transferring, or disposing of the Trust Property as determined by the Trustee and the Investment Manager from time to time on the basis of risk diversification principles as set out in the Investment Policy;
- d) Managing, maintaining, refurbishing, and improving the Trust Property in accordance with the principles of good estate management and subject to the limitations set forth in the Investment Policy;
- e) Arranging funding for any acquisition to the extent necessary subject to the limitations set forth in the Investment Policy;
- f) Granting of security on the Trust Property for the obligations of the Trust in such manner and on such terms as the Trustee and the Investment Manager, acting in the best interest of the Unitholders, deem appropriate subject to the limitations set forth in the Investment Policy; and
- g) All such other activities as may be reasonably incidental to the foregoing or necessary in connection with the performance by the Trustee of its obligations under any agreement to which it is or may become party for such purposes or in connection with such activities in compliance with the Investment Policy.

Notwithstanding the foregoing or any other provision of the Prospectus or the Trust Instrument, at no time will the Trust's activities include an activity, nor will the Trust take any action, that would:

- e) Prevent the Trust from qualifying as a Bahrain Domiciled Retail Collective Investment Undertaking and/or Bahrain Domiciled Real Estate Investment Trust under Volume 7 of the CBB Rulebook or cause it to disqualify as such; or
- f) Violate the principles of the Islamic Shari'ah or otherwise cause it to disqualify as a Shari'ah Compliant CIU.

4.5 Investment Policy and Investment Restrictions

The following is the statement of the Investment Policy of the Trust:

1. The Trust will focus its activities primarily on the acquisition, holding, developing, maintaining, improving, leasing, managing or otherwise dealing with income producing real property in Bahrain which is being utilized or intended to be utilized for one or more of the following purposes: (i) retail, (ii) office, (iii) residential, (iv) medical, (v) educational, and (vi) industrial assets;
2. The Trust shall not make or hold any investment, take any action or omit to take any action or permit a Subsidiary to make or hold any investment or take any action or omit to take any action that would result in:
 - (i) any of the restrictions on investment policy set forth in Rule BRT-2.1.1 of Volume 7 of the CBB Rulebook or elsewhere in Module BRT of Volume 7 of the CBB Rulebook being violated; or
 - (ii) the Trust being disqualified as a Shari'ah Compliant Collective Investment Undertaking.
3. The Trust may, directly or indirectly, make such investments, do all such things and carry out all such activities as are necessary or desirable in connection with the conduct of its activities provided they are not otherwise specifically prohibited by the Trust Instrument or this Prospectus;
4. Unless otherwise specifically prohibited by the Trust Instrument, the Prospectus or by applicable laws and regulations, the Trust may invest in freehold, leasehold, or other interests in property (real, personal, moveable or immovable) provided that 80% of the Net Asset Value of the Trust shall at all times consist of interests in real property;
5. The Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustee and the Investment Manager may from time to time determine, including without limitation wholly or partially owned special purpose companies or commercial companies under the Companies Law;
6. The Trust shall pursue a diversification strategy by having a diversified portfolio of real estate assets which shall include not less than two real estate assets provided that, in case of multiple real estate properties existing in the same complex, such properties shall be deemed as a single real estate asset for the purpose of this paragraph;

7. The Trust may invest in up to 10% of the outstanding units issued by other real estate investment trusts having a similar investment policy provided that any such investment shall not exceed 20% of the Net Asset Value of the Trust as at the time of such investment;
8. The Trust may hold, directly or through its Subsidiaries, (A) cash denominated in Bahrain Dinars, in hand or at an Islamic bank or a conventional bank offering Shari'ah compliant deposit schemes or (B) Shari'ah compliant certificates of deposit denominated in Bahrain Dinars maturing within one year after the relevant deposit date; (C) any investment in Shari'ah compliant marketable debt obligations issued or guaranteed by the Government of Bahrain, or by an instrumentality or agency of it having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security; and (D) any investment in Shari'ah compliant money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (B) and (C) above and (iii) can be sold, redeemed or otherwise liquidated into cash on not more than thirty (30) days' notice;
9. For the sake of clarity, the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as ancillary to an investment in real property;
10. The Trust may not invest in mortgages (including mortgage backed sukuk);
11. The Trust may not invest in any undeveloped land;
12. The Trust may invest in the additional development of existing properties owned by the Trust and/or in renovating or expanding existing properties owned by the Trust provided that the aggregate cost of all such investments of the Trust, after giving effect to the proposed investment, will not exceed 20% of the Net Asset Value of the Trust;
13. The Trust may not invest in any property to the extent that such property is used for any activity that this not compliant with the principles of Islamic Shari'ah;
14. The Trust may not enter into any derivatives transaction unless such derivatives transaction is (i) Shari'ah compliant and (ii) for the limited purpose of non-speculative hedging;
15. The Trust shall not incur or assume any Shari'ah compliant financial indebtedness if, after giving effect to the incurring or assumption of the Shari'ah compliant financial indebtedness, the market and/or book value of the total Shari'ah compliant financial indebtedness of the Trust would be more than 60% of its Gross Asset Value;
16. The Trust shall not directly or indirectly guarantee any financial indebtedness or liabilities of any person unless such guarantee is Shari'ah compliant and is given in connection with or incidental to an investment that is otherwise permitted under the Trust's investment guidelines and further provided that it would not result in the breach of any other investment guidelines set forth hereunder (including the limitations to financial leverage) and/or in the breach of applicable laws and regulations;
17. The Trust shall have obtained an appraisal of each real property that it intends to acquire and, when deemed necessary by the Trustee or Investment Manager, an engineering survey with respect to the physical condition thereof, in each case, by an independent and experienced consultant;
18. The Trust shall obtain and maintain at all times Shari'ah compliant insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts and with such insurers, in each case as the Trustee consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties;
19. All of the investment guidelines and the operating policies set out hereunder may be amended only with the approval of an Ordinary Resolution of the Unitholders;
20. With respect to the investment guidelines and operating policies contained hereunder and where any maximum or minimum percentage limitation is specified in any of the guidelines and policies herein contained, such guidelines and policies shall, unless otherwise specified, be applied on the basis of the relevant amounts calculated immediately after the making of such investment or the taking of such action. Any subsequent change relative to any percentage limitation, which results from a subsequent change in Gross Asset Value or Net Asset Value, will not require divestiture of any investment except in the case of any such limitation relating to the investment guidelines contained in paragraph 4 of this statement of Investment Policy which must be complied with at all times; and

21. If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of the Trust then in force, such investment guideline or operating policy in conflict shall, if the Trustee on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary herein contained, any such resolution of the Trustee shall not require the prior approval of Unitholders.

4.6 Indirect Investments through Subsidiaries

The Trust may make real estate property acquisitions indirectly through the use of special purpose vehicles (such as Segaya Plaza Company BSC(c) and Danaat AlMadina Company BSC(c)). Any such acquisitions will involve (i) the purchase of shares in such special purpose vehicles which, at the time of acquisition, hold title to real estate property or (ii) the purchase by special purpose vehicles presently held by the Trust of title to real estate property. Accordingly, the Trust will:

- a) Undertake all the due diligence required and request all customary warranties pertaining to any special purpose vehicles or real property title being acquired;
- b) Ensure that the purchase of any special purpose vehicle's shares or real property title is in the best interest of the Unitholders;
- c) Ensure that any special purpose vehicles incorporation documents (such as their articles of association) are not in conflict with the Prospectus, the Trust Instrument, the Rulebook or any of the Regulations;
- d) Minimize to the extent legally possible the amount of cash retention within each special purpose vehicle; and
- e) Ensure that all special purpose vehicles' annual financial statements are audited.

4.7 Jointly Controlled Properties

The Trust may make real estate property acquisitions with other investors if such acquisitions are in the best interest of the Unitholders. In such case, the Trust is obliged to disclose the following additional information in its annual report as per the Rulebook:

- a) The name and a brief physical description of the jointly owned property;
- b) A description of the business activity of the co-investors along with any specific terms of the relationship with the Trust;
- c) Disclosure of the percentage of ownership of the jointly owned property;
- d) Details of any differences in the accounting period of such property, the expected distribution schedule and any restrictions on their payment;
- e) Details of debt and the extent of recourse; and
- f) A narrative on the property's performance.

4.8 Target Return

The Trust has a target return of 6.5% on the Offer Price annually, targeted through the periodic distributions of Net Distributable Income (the "Target Return") as set forth in Section 16. Unitholders may also achieve increases (or decreases) in the price of their Units, which will be listed and traded on the BHB. In the first Financial Year of the Trust's operations, as occupancy rates continue to improve within Danaat Al Madina, Unitholders are expected to realize a target return of circa 6% on the Offer Price, through the periodic distributions of Net Distributable Income as set forth in Section 16, as well as the Performance Supplement as set forth in Section 20.2. Furthermore, any increase in rental rates, reductions in costs, or additions of higher yielding real estate properties is likely to result in an increase to the Target Return to Unitholders, and vice versa. The Target Return does not constitute a guarantee that the Units will actually yield the Target Return to the subscribers thereof in the Initial Public Offer or to any subsequent purchaser in the secondary market and is subject to certain risks as set forth in Section 23.1 and to revisions by the Trustee and the Investment Manager of investment strategies and policies in accordance with the terms of this Prospectus and the Trust Instrument.

Lastly, the Performance Supplement that is intended to be provided by the Investment Manager under the Investment Management Agreement increases the likelihood that the investors may achieve a minimum return of 6% of the Offer Price annually until the latest day of the second consecutive Interim Distribution Period and/or Distribution Period where the annualized Net Distributable Income of the Trust during such period is equal to or exceeds 6% of the Offer Price annually, as further described in Section 20.2.

4.9 Trust Strategy

The Trust will own and benefit from the Inaugural Trust Property. Furthermore, and in line with the Investment Objective, the Trust will not have an aggressive expansion strategy. Should attractive opportunities be availed to the Trust, the Investment Manager will assess such opportunities in detail to assess their compatibility with the key principles of the Trust, stable and attractive income generation. The strategy will utilize a multi-pronged approach with the following key tenets:

Preferred Asset Selection

The Investment Manager intends to maintain a selective approach to the identification and acquisition of any additional real estate assets to augment the Trust Property when such opportunities are found. Such selection will be based on meeting the requirements depicted in the Investment Objective and the Investment Policy as well as the following:

a) *Superior Quality Tenants*

The Investment Manager will assess the quality of each tenant within a target property and review the creditworthiness and reputation of such tenant. Furthermore, the ability of certain 'anchor' and brand name retail tenants to improve the yield-profile of the target property will also be assessed. Only those properties with solid tenancy profiles will be assessed for potential acquisition by the Trust. The Inaugural Trust Property has solid tenants that include a Bahrain government ministry as well as retail outlets including the Bahraini agents/franchisees of leading brands and agencies;

b) *Longer Tenancy Contracts*

The Investment Manager will review the tenancy contracts of each target property to ensure the weighted average unexpired lease term or "**WAULT**" for such property is favorable towards the Investment Objective of stable distribution yield. The Trust's WAULT as at October 31, 2016 stands at 2.25 years due to the recently handed over Danaat Al Madina property which is currently being marketed to potential tenants by Cluttons. As Danaat Al Madina represents circa 40% of the leasable area in the Inaugural Trust Property, the WAULT would be expected to increase once its occupancy increases;

c) *Diversification*

The Investment Manager will strive to ensure that the Trust Property is diversified with regards to its geographic locations within Bahrain. The Trust's current Inaugural Trust Property is spread between Segaya and Isa Town. Furthermore, the Investment Manager will seek diversification with regards to the tenancy mix and concentration risk, as well as within the real estate segments within the Trust. In certain situations, where the tenant is a government agency or a 'blue-chip' corporation, concentration of such tenancy types will be sought by the Investment Manager. Such concentration would be expected to reduce the risk of the Trust and reduce the cost of managing the operations of a large number of tenants. With regards to the Inaugural Trust Property, the Trust generates 48% of its rental and service revenues from a Bahrain government ministry as at October 31, 2016. This contribution is expected to drop to 37% of total rental and service revenues by the end of 2017 as Danaat Al Madina project increases occupancy. Furthermore, the Inaugural Trust Property's net leasable area comprises of 48.9% residential, 28.7% retail and 22.4% office space; and

d) *Distribution Potential*

One of the key benefits to Unitholders is the expected distributions derived from its income generating Trust Properties. Accordingly, the Investment Manager will strive to ensure that any new acquisitions undertaken by the Trust will not be dilutive to the Trust's distribution potential. The Investment Manager will review and assess the target property's age, capital expenditure requirements, tenancy contracts, potential opportunity for rental uplifts, the property's WAULT, and tenant and geographic concentration risk. As part of this assessment, the Investment Manager will also seek yield and distribution enhancement possibilities that may include seeking tenant replacements for any imminent vacancies, increasing occupancy rates, enhancing the value of the target property through maintenance and limited redevelopment, among other methods.

Property Management

The Trust will strive to ensure superior quality property management to enhance the Trust Properties' value and to enhance their income generating capabilities. The Investment Manager will work with the Property Manager to maintain a close relationship with tenants. Furthermore, the Investment Manager will collaborate with the Property Manager to maximize the value of real estate assets within the Trust Properties by increasing the rental opportunities, controlling operational costs and ensuring adequate maintenance policies are in place to maximize the life of the properties' air-conditioning components, elevators, alarm systems and other common area features. Furthermore, as the weighted average (by leasable area) age of the Trust Property is only approximately 2 years, a significant portion of the properties' features remain under supplier warranties;

Leasing and Marketing

The Investment Manager will work closely with the Property Manager and any leasing agents as required to ensure the Trust Properties' occupancy rates remain high at all times. As of October 31, 2016 the real estate assets within the Trust Properties had a weighted (by leasable area) occupancy rate of 85.2%. Furthermore, the Property Manager, together with the Investment Manager, will commence negotiations with current tenants in the months prior to the expected date of expiry of their tenancy contracts. This allows the Property Manager and the Investment Manager to potentially secure higher rates through negotiations with current tenants and to enhance the ability to immediately replace any vacating tenants;

Capital, Leverage and Shari'ah Compliant Financing

The Trust will be managed in a conservative manner, in line with the Investment Objective and the Investment Policy. The Inaugural Trust Properties are currently 100% debt free, minimizing the risk associated with interest rate changes or sudden vacancies to the properties and maximizing free cash flow available for distribution to Unitholders. Where attractive acquisition opportunities arise, and in the interest of Unitholders, that would benefit from Shari'ah compliant financing, the Investment Manager, within the restrictions imposed by the Investment Policy, may seek such financing for acquisitions; and

Reserves and Cash Management

The Distribution Policy dictates a minimum distribution of 90% of Net Distributable Income to Unitholders (after accounting for all expenses and reserves and ensuring sufficient cash is available for such distribution and the ongoing operation of the Trust). The Investment Manager will ensure that any cash reserves held by the Trust are managed in an optimal and Shari'ah compliant manner. The Investment Manager will work with the Property Manager to forecast capital expenditure and maintenance requirements for the Trust Properties, to ensure sufficient working capital is on hand as needed. Furthermore, should the need arise, the Investment Manager will seek short term Shari'ah compliant financing to meet any working capital shortfalls.

4.10 Key Strengths

Inaugural Trust Property

EBRIT owns 100% of Segaya Plaza and Danaat Al Madina, two premium properties located in the Segaya region and Isa Town region of Bahrain, respectively. The real estate assets held within the Inaugural Trust Properties are 85.2% occupied (as at October 31, 2016) and generate recurring cashflows that will be available as distributions to Unitholders. Furthermore, the real estate assets held within the Inaugural Trust Properties are leased by reputable companies that include retail outlets of leading brands and agencies as well as a Bahrain government ministry. The Inaugural Trust Properties provide Unitholders with immediate real estate diversification with exposure to 48.9% residential, 28.7% retail and 22.4% office space (percentage of net leasable area).

First Listed REIT in Bahrain

EBRIT is expected to be the first REIT to be listed in Bahrain under the recently issued REIT Listing Rules. The listed REIT would provide potential investors with liquidity through trading on the Bahrain Bourse. Furthermore, EBRIT will provide Unitholders with exposure to Bahrain's real estate sector with small denominations of a minimum subscription of five thousand Offer Units equating to BHD 500 and additional increments of one Offer Unit.

Income Generating Asset

EBRIT is an income generating real estate investment trust. Accordingly, Unitholders can expect to receive distributions as per the Trust's Distribution Policy. Furthermore, the CBB Rulebook provides a mandatory distribution requirement of a minimum of 90% of the Trust's Net Distributable Income (after accounting for all expenses and reserves and ensuring sufficient cash is available for such distribution and the ongoing operation of the Trust).

Financial Leverage

EBRIT currently enjoys no financial leverage of any form. The Trust has no debt, no related party loans and no interest or profit-based financing of any kind. Furthermore, the Trust Instrument and this Prospectus provide further Unitholder protections by limiting the maximum amount of financial leverage to 60% of its Gross Asset Value. This protection, together with the Trust's Investment Objective and conservative investment management approach would be expected to provide Unitholders with stable distributions at reduced risk.

Experienced Investment Manager and Sub-Investment Manager

Eskan Bank has been actively involved in Bahrain's real estate sector, in both developments and investments, since its establishment in 1971. Furthermore Eskan Bank is 100% owned and backed by the Government of Bahrain. More importantly, Eskan Bank's team of professionals is experienced in real estate development, real estate management and real estate investments in Bahrain and the wider region. Eskan Bank is also regulated by the Central Bank of Bahrain.

The Investment Manager has also appointed the Sub-Investment Manager to assist in the management of the Trust.

Regulated Trust

As a listed retail CIU, the Trust enjoys the highest standards of regulation and oversight by the Central Bank of Bahrain and the Bahrain Bourse. EBRIT is obliged to be compliant with numerous rules and regulations designed to protect Unitholders including the Trust Law, the CBB Rulebook and the REIT Listing Rules. Guided by those regulations, professional, regulated and independent Relevant Persons provide further safeguards to Unitholders including the Trustees, the Custodian, the Administrator, the Registrar and Transfer Agent, the Paying Agent, the Property Appraiser, the Investment Manager, and the Auditors.

Risk Managed Structure

The Trust is structured to own each of the Inaugural Trust Properties through Bahrain-based closed shareholding companies. Accordingly, the Segaya Plaza property is owned through Segaya Plaza Company BSC(c). Likewise, the Danaat Al Madina property is owned through Danaat AlMadina Company BSC(c). Holding the Inaugural Trust Properties through these corporate vehicles provides risk 'ring-fencing' for each of the properties in respect to the other.

Professional Property Management

The Investment Manager is actively involved in the selection and oversight of professional property management firms for the real estate assets within the Trust Property. The Property Manager ensures the properties are managed and maintained to international best practices. Furthermore, the Investment Manager actively oversees the lease agreements with the properties' tenants to foresee any potential rental uplifts, to replace any vacating tenants etc.

Capital Expenditure Reserve

The Investment Manager has forecasted the expected capital expenditure requirements of the real estate properties within the Inaugural Trust Property and established a reserve, to be funded on an ongoing basis, for such expenditures to ensure the properties maintain their income generating capacity and value.

5 Trust Investment Process

The Trust's Investment Objective does not entail regular and aggressive property acquisition and/or disposal activity, due to the primary objective of stable recurring income. However, in the medium term, or should an attractive opportunity exist, the Investment Manager expects one or more additional properties to be added to the Trust Property portfolio. Funding for such potential acquisitions would be obtained either through follow-on Unit offerings, bank financing or a combination of both, among other options. The Investment Manager would normally utilize the following investment process to complete such acquisitions or disposals provided that, in light of specific circumstances, a different investment or divestment process may be implicated either because of a requirement for special approvals under this Prospectus and the Trust Instrument or because of opportunity reasons as determined by the Board of Directors. Special circumstances that may implicate a different investment process include, without limitation, proposed acquisitions of property being offered within a public or private auction sale process, acquisition of assets from related parties, acquisition of assets against issue of new Units (in which case the approval of the Unitholders through an Ordinary Resolution of the Unitholders is required (see Section 13 'Meeting of Unitholders') etc. In particular, any acquisition from a related party (see Section 9.16 'Related Party Transactions') can only be made with the approval of the Trustee and the Unitholders with an Ordinary Resolution of the Unitholders. Moreover, such acquisition may only be made after having made all necessary disclosures to the Unitholders in accordance with applicable laws and regulations including publishing an updated prospectus or a new offering document and/or circular to the extent required by the Regulations.

Stage I – Identification and Assessment of an Acquisition Opportunity

Initially, the Investment Manager will identify one or more acquisition opportunities for the Trust. At this stage, the Investment Manager will undertake initial data collection on the potential target opportunity. Site visits will also be arranged at this time. The Investment Manager will analyse and assess the information received which may include details of rental arrangements, operational and maintenance cost estimates, age assessment, tenancy tenure, creditworthiness and diversification, as well as preliminary capital expenditure expectations.

Stage II – Nonbinding letter of Intent

Should the results from the preliminary analysis undertaken in the previous stage be deemed attractive, the Investment Manager will negotiate and execute a nonbinding letter of intent, providing for a period of exclusivity and detailed due diligence on the target property. The due diligence may include legal, engineering, independent valuations, financial and commercial aspects.

Stage III – Initial Board Approval

If the results from the due diligence exercise are positive, the Investment Manager will draft a memorandum to the Board of Directors for review and preliminary approval. Such draft will include the due diligence findings, the proposed price, the perceived structure along with any potential hindrances to the transaction. The memorandum is also submitted to the Shari'ah Board for review and preliminary confirmation of compliance with the principles of Islamic Shari'ah.

Stage IV – Formal Offer to Acquire

With the initial Board approvals to acquire the target property, the Investment Manager, working with legal counsel as and when required, will draft and submit a formal offer to acquire the target property, together with all the terms and conditions to such acquisition. Such terms would customarily include the offer price, any further due diligence requirements, and any conditions precedent to execution of the offer (such as final board approval).

Stage V – Acquisition

Once negotiations with the seller of a target property are completed, and the final offer letter terms are agreed, a final purchase agreement is drafted together with legal counsel. Furthermore, final Board approval is obtained with the final terms of the acquisition from the Board of Directors and final confirmation of compliance with the principles of Islamic Shari'ah is obtained from the Shari'ah Board. Lastly, the agreement, and any other documents such as a short form notarized transfer deed, is executed between the Trust and the seller of the property and the title is transferred to the Trust or to one of its Subsidiaries.

Sale of Trust Real Estate Property

The Investment Objective is based on long term stable recurring income to Unitholders. Accordingly, the Trust does not have an active disposal or property sale intention. However, the Investment Manager may consider third party offers to acquire one or more of the real estate assets within the Trust Properties. Examples of situations that may warrant such sale include the following:

- a) A third party offer to acquire one or more of the real estate assets is deemed very attractive from the perspective of the Unitholders, and accordingly in their best interests;
- b) An available and more attractive and/or secure real estate investment opportunity is identified the purchase of which and the need for such capital through current asset sales;
- c) A requirement of cash for the payment of any creditor; or
- d) The winding down of the Trust.

The process of sale of an asset will follow the same stages and approval requirements highlighted in the Trust investment process.

6 The Trust Property

6.1 The Inaugural Trust Property

Yielding Real Estate Assets

The Trust currently consists of the Inaugural Trust Property real estate portfolio, representing two properties that are currently broken down into four strata titles. The properties are relatively new, with Segaya Plaza obtaining its certificate of completion on May 31, 2014. Danaat Al Madina obtained its certificate of completion on April 26, 2015. Within a relatively short period, Segaya Plaza enjoyed 100% occupancy with key tenants that include a Bahrain government ministry. Furthermore, Danaat Al Madina which was recently completed in the beginning of Q2 of 2015 was successful in ramping up occupancy to 62.9% (as of October 31, 2016) and is expected to achieve an occupancy of over 90% by the end of 2017 with active marketing undertaken by the Property Manager Cluttons.

Property Name	Trust Acquisition Date	Title and Type	Age (Month)	Acquisition Price (BHD)	Independent Valuation (BHD)	Land Area (Sq M)	Net Leasable Area (Sq M)	Occupancy Rate (%)
Segaya Plaza	10 November 2016	Full Title - Residential and Retail	29.0 months	11,150,000	11,250,000	5,469	15,893	100%
Danaat Al Madina	10 November 2016	Full Title - Office and Retail	18.2 months	8,550,000	8,650,000	29,014**	10,508	62.9%
Weighted Average / Total (by net leasable area)			24.7	19,700,000	19,900,000	34,483	26,401	85.2%

*As of October 31, 2016. **Includes land area for certain freehold apartments situated on floors above the retail components which do not form part of the Trust Property.

Tenancy Concentration

As of October 31, 2016, the Inaugural Trust Properties were made up of a total of 41 tenancy lease agreements to a total of 40 different tenants. The following table depicts the ten largest tenants by total annual rental revenues within the Inaugural Trust Property as of October 31, 2016:

Tenant	Property	Property Type	Tenant Type	Net Leasable Area (SQ M)	Rent (ex. Service Charges) (BHD per Month)	% of EBRIT's Total Leasable Area	% of EBRIT's Total Current Rental Revenues
1	Segaya Plaza	Residential	Government	12,818	8,708	48.6%	13.2%
2	Danaat Al Madina	Office	Offices	2,501	8,000	9.5%	10.0%
3	Danaat Al Madina	Retail	Retailer	422	4,642	1.6%	5.8%
4	Danaat Al Madina	Retail	Retailer	700	3,710	2.7%	4.6%
5	Danaat Al Madina	Retail	Food/ Beverage	411	2,877	1.6%	3.6%
6	Segaya Plaza	Retail	Services	300	2,700	1.1%	3.4%
7	Danaat Al Madina	Office	Government*	528	2,650	2.0%	3.3%
8	Segaya Plaza	Retail	Retailer	200	2,400	0.8%	3.0%
9	Danaat Al Madina	Office	Retailer	360	2,340	1.4%	2.9%
10	Segaya Plaza	Retail	Retailer	205	2,255	0.8%	2.8%
Ten Largest Tenants						69.9%	52.6%
Other Current Tenants						15.4%	47.4%
Current Vacancy						14.7%	-

* Eskan Bank

a) Segaya Plaza - Residential Units and Retail Shops in Segaya

The Segaya Plaza property is situated on the northern edge of Segaya, a suburb of Manama (south of Salmaniya Hospital). 15 retail outlets make up the ground floor of the property, with tenants including leading car rental and housing fixture suppliers. Additionally, 105 fully furnished residential apartments are rented out to a Bahrain government ministry via a single lease agreement. This property is currently 100% occupied.



Acquisition Statistics

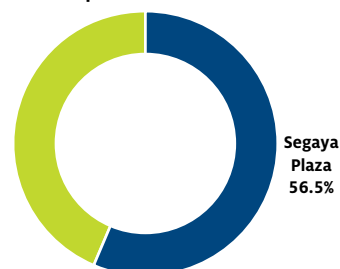
Acquisition Date	10 November 2016
Acquisition Price	BHD 11,150,000
Property Appraiser Valuation (as on August 15, 2016)	BHD 11,250,000
Title	Full Title
Title Deed Number	57505
Ownership Vehicle	Segaya Plaza Company BSC(c)
Consideration Paid	Units in the Trust

Property Statistics - as at October 31, 2016

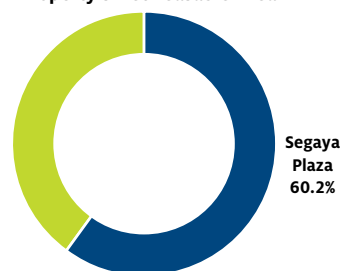
Completion Date	31 May 2014
Land Area	5,469 sq m
Net Leasable Area	15,893 sq m
Occupancy Rate	100%
Type	Residential, Retail
No. of Tenants	15
No. of Units	15 retail and 105 residential apartments
No. of Strata Titles	1
WAULT	0.92 year
Gross Annual Rent at Current Occupancy*	BHD 1,057,695
Gross Annual Rent Expected by end 2017*	BHD 1,057,695
Gross Annual Rent Expected at 100% occupancy*	BHD 1,057,695
Property Manager	Cluttons LLP

*Inclusive of all service charges

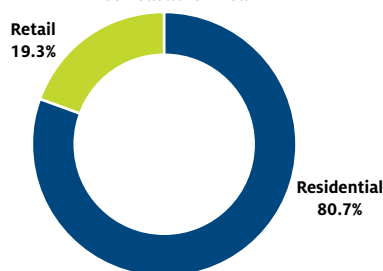
Share of Inaugural Trust Property's Independent Valuation



Share of Inaugural Trust Property's Net Leasable Area



Breakdown of Segaya Plaza's Net Leasable Area



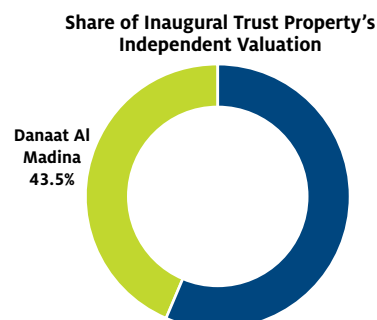
b) Danaat Al Madina - Retail and Office Units in Isa Town

Danaat Al Madina is a mixed use property located in Isa Town close to the Seef Mall (Isa Town) and is surrounded by Quds Avenue and Muscat Avenue. The property has 44 retail outlets and two office towers named Durra 1 and Durra 2. As at October 31, 2016 this property is 62.9% occupied.



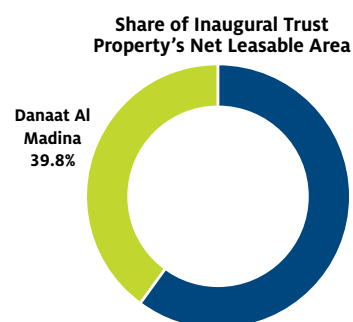
Acquisition Statistics

Acquisition Date	10 November 2016
Acquisition Price	BHD 8,550,000
Property Appraiser Valuation (as on September 2, 2016)	BHD 8,650,000
Title	Full Title
Title Deed Numbers	155863 155898 196807
Ownership Vehicle	Danaat AlMadina Company BSC(c)
Consideration Paid	Units in the Trust

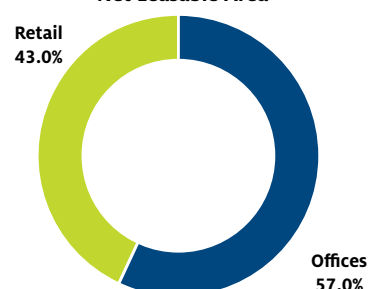


Property Statistics - as at October 31, 2016

Completion Date	26 April 2015
Total Land Area	29,014 sq m**
Net Leasable Area	10,508 sq m
Occupancy Rate	62.9%
Type	Offices, Retail
No. of Tenants	25
No. of Units	44 retail outlets and 2 office buildings
No. of Strata Titles	3
WAULT	4.27 years
Gross Annual Rent at Current Occupancy*	BHD 498,480
Gross Annual Rent Expected by end 2017*	BHD 615,018
Gross Annual Rent Expected at 100% occupancy	BHD 878,091
Property Manager	Cluttons LLP



Breakdown of Danaat Al Madina's Net Leasable Area



*Inclusive of all service charges. **Includes land area for certain freehold apartments situated on floors above the retail components which do not form part of the Trust Property.

6.2 The Working Capital Reserve

As of the date of this Prospectus, the Trust holds BHD100,000 in operational and working cash deposits held with Bahrain Islamic Bank B.S.C. These deposits will be utilized for the expenses of the Trust. The Trust will maintain such an amount in cash or cash-equivalents to ensure the sufficient liquidity is maintained for the normal operations, the expenses, and general liquidity requirements of the Trust.

6.3 The Capital Expenditure Reserve

The Trust has established an accumulating capital expenditure reserve that would be utilized to cover any capital expenditure requirements of the Trust Property (over and above regular and adhoc maintenance schedules). Such capital expenditure may include refurbishment costs, replacement of elevators, replacement of air-conditioning components, replacement and installation of fire alarms and security systems, water-proofing expenses, interior and exterior redecoration, and furniture replacement and any other major or minor capital expenses that are deemed required for the maintenance or enhancement of the Trust Property to the long term benefit of the Unitholders.

6.4 Tenancy Agreements

All leased properties within the Trust Properties are leased to tenants on the basis of registered lease contracts that are compliant with the Real Estate Laws. Key terms covered in all lease agreements include the lessee's details, the agreed rent, payment terms, service charges, service deposits and the term of the lease contract.

6.5 Insurance

The real estate assets held within the Inaugural Trust Properties are covered by 'All Risk Insurance' policies issued by a Shari'ah compliant Takaful provider. Such policies are subject to certain exceptions from coverage, that are considered standard in such policies, including exclusions for damage resulting from acts of war, terrorism, sabotage, and political risk, amongst other exclusions. These policies are renewed and negotiated annually and are currently valid until April 3, 2017 and subject to renewal upon expiry.

6.6 Property Management and Marketing

The real estate assets within the Trust Properties are professionally managed by professional property management companies. The Property Manager's role includes ensuring all required appointments pertaining to the properties' management, security, maintenance and all such service providers are negotiated and concluded, ensuring the maintenance of all aspects of the properties is undertaken on a regular basis, collecting and depositing rents received from tenants, managing the relationship with tenants to ensure mutual benefit, managing the allocation of part of the Working Capital Reserve and the Capital Expenditure Reserve and all capital expenditure requirements, maintaining the accounting for each property, executing lease agreements with tenants on behalf of the Trust and providing periodic reporting. The Property Manager will also be responsible to market any vacant or vacating properties through their property leasing teams.

7 The Units

7.1 The Trust Instrument

This Section 7 contains a summary description of the legal nature of the Units and the rights and obligations attached thereto. Full information in respect to the Units is contained in the Trust Instrument, a copy of which is available for inspection at the registered address of the Trust or can be obtained, in electronic or paper form, from the Trustee, the Lead Manager, the Administrator and the Trust website www.eskanREIT.com

7.2 Nature of the Units

The Units represent beneficial interest in the Trust, divided into interests of one class only. The Units shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein and in the Trust Instrument. The interest of each Unitholder shall be determined by the number of Units registered in the name of the Unitholder. The Units shall be indivisible. However, two persons or more may jointly own one Unit, provided that one person shall represent them towards the Trust. If as a result of any act of the Trustee hereunder any person becomes entitled to a fraction of a Unit, such fractional Unit will not be issued but rather rounded down to the nearest whole Unit. Each Unit shall represent a proportionate, undivided beneficial ownership interest in the Trust and shall confer the right to one vote at any meeting of Unitholders and to participate pro rata in any distributions by the Trust, whether of Net Distributable Income of the Trust or other amounts, and, in the event of termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. No Unit shall have any preference or priority over any other. Units shall rank among themselves equally and rateably without discrimination, preference or priority.

No Units shall be issued other than as fully paid and a Unit shall not be fully paid until the consideration has been received in full by or on behalf of the Trust. Units may not be issued on an instalment basis. The consideration for any Unit shall be paid in money or in property that is not less in value than the fair equivalent of the money that the Trust would have received if the Unit had been issued for money. In determining the fairness of the consideration received in consideration for the issue of Units, the Trustee shall obtain a fairness opinion issued by an independent and reputable investment bank, accounting firm and/or property appraiser (the "**Expert Opinion**").

The Trust cannot create and issue rights, warrants or options or other instruments or securities to subscribe for Units and no Unitholder shall be entitled to pre-emption rights in any issue of Units.

Units shall be issued and held in dematerialized book entry form with the Central Depository in accordance with the applicable rules of Module CSD of the CBB Rulebook. No certificate representing the Units may be issued by the Trust. The Trustee, acting through the Registrar and Transfer Agent, shall enter into an agreement with the Central Depository for the purposes of opening a securities account to which all Units issued by the Trust will be credited. Any dealing by a Unitholder in respect of a Unit shall be made by means of an entry in the securities account of such Unitholder in accordance with the applicable rules of Module CSD and, to the extent applicable, the Trading Rules.

7.3 Transferability

The Units are freely transferable provided that at no time may Non-GCC Citizens be the beneficial owners of any Unit then outstanding. Within the limits permitted under Article 16 of the Trust Law, the Trustee and the Settlor may lift the restrictions on ownership by Non-GCC Citizens by amending the Trust Instrument after having obtained all Regulatory Consents but without the necessity for the approval by the Unitholders.

7.4 Mortgage

The Units may be mortgaged in accordance with Resolution No. 59 of 2011 promulgating the bylaws, rules and regulations of securities mortgage and attachment, termination of mortgage and lifting of attachment procedures and the Trading Rules to the extent applicable.

7.5 Records

Records of Unitholders will be maintained in a register with the Central Depository which shall constitute evidence of ownership of Units. Only Unitholders recorded as such in the records maintained by the Central Depository shall be entitled to receive distributions or to exercise or enjoy the rights of Unitholders hereunder. The Trustee shall have the right to treat the person registered as a Unitholder on such records as the owner of such Units for all purposes, including, without limitation, payment of any distribution, giving notice to Unitholders and determining the right to attend and vote at meetings of Unitholders.

None of the Trustee, the Directors or, if any, officers of the Trust, the Unitholders or the Registrar and Transfer Agent or other agent of the Trust or the Trustee shall have a duty to inquire into any claim that a transfer of a Unit was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Unit or any other adverse claim, or be bound to see to the performance of any trust, express, implied or constructive, or of any security interest to which any of the Units are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Units or other securities or interest therein by any such Unitholder or holder of such security or his personal representatives is authorized by such trust or security interest, or to recognize any person as having any interest therein, except for the person recorded as Unitholder.

Any person purporting to become entitled to any Units as a consequence of the death, bankruptcy or incompetence of any Unitholder or otherwise by operation of law, shall be recorded in the records maintained by the Central Depository as the holder of such Units, but until such record is made, the Unitholder of record shall continue to be and shall be deemed to be the holder of such Units for all purposes whether or not the Trust, the Trustees or the Registrar and Transfer Agent shall have actual or other notice of such death, bankruptcy, incompetence or other event, and any person becoming entitled to such Units shall be bound by every notice or other document in respect of the Units which shall have been duly given to the person from whom such person derives title to such Units. Once such record is made, the Trustee shall deal with the new holder of such Units as Unitholder from thereon and shall have no liability to any other person purporting to have been entitled to the Units prior to the making of such record.

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or give the personal representatives or the heirs of the estate of the deceased Unitholder a right to an accounting or to take any action in the courts or otherwise against other Unitholders or the Trustee, Directors or officer of the Trust or the Trust Property, but shall only entitle the personal representatives or the heirs of the estate of the deceased Unitholder to succeed to all rights of the deceased Unitholder under this Prospectus and the Trust Instrument subject to any applicable inheritance laws and regulations.

7.6 Unclaimed Amounts

In the event that the Trustee holds any amounts to be paid to Unitholders under the Trust Instrument or otherwise because such amounts are unclaimed or cannot be paid for any reason, the Trustee shall be under no obligation to invest or reinvest the same and shall only be obligated to hold the same in a Shari'ah compliant account with a bank, pending payment to the person or persons entitled thereto. The Trustee shall, as and when required by law, and may at any time prior to such required time, pay all or part of such amounts so held to a court in Bahrain or to the Central Bank of Bahrain whose receipt shall be a good and sufficient discharge of the obligations of the Trustee.

7.7 Repurchase of Units

Units of the Trust cannot be repurchased by the Trust but may be only partially redeemed in accordance with Section 7.8 hereof.

7.8 Redemption and trading of Units

No Unitholder shall be entitled to demand, at any time, the Trust to redeem all or any part of his/her Units other than, before termination of the Trust, in accordance with Section 7.9 hereof and, following termination, in accordance with Section 7.10 hereof. Following listing of the Units, each Unitholder shall be entitled to dispose of his/her Units on the Bahrain Bourse in accordance with the Trading Rules provided that in no event the Trust shall be under an obligation to redeem and/or repurchase such Units other than in accordance with the provisions of this Trust Instrument. Following listing, no disposal of Units may take place outside of the Bahrain Bourse unless consented under the Regulations.

7.9 Partial Redemption

With the approval of the Extraordinary Resolution of the Unitholders, and subject to approval of the Central Bank of Bahrain, the Trustee may make a partial redemption of the Units then outstanding on any Partial Redemption Distribution Date. Such redemption will be made out of the capital assets of the Trust in consideration for the cancellation of the Units so redeemed at a redemption price determined by the Extraordinary Resolution of the Unitholders upon proposal of the Trustee, which shall take into account, in case of listed Units, the NAV and the weighted average market price of such Units in the six months preceding such partial redemption provided that, however, no such partial redemption is permissible if (i) as a result thereof, the NAV of the Trust would become equal to or lower than the minimum value for a Bahrain Domiciled Real Estate Investment Trust required under Rule BRT-2.3.1 (Minimum Size of a B-REIT) of Volume 7 of the CCB Rulebook or (ii) as a result thereof the market and/or book value of its outstanding financial indebtedness would exceed 60% of its Gross Asset Value in breach of Rule BRT-2.3.2 of Volume 7 of the CBB Rulebook; or (iii) such redemption would violate contractual undertakings to which the Trust or any of the Trust Property is bound or performance thereof would not consent, in the opinion of the Trustee, the pursuit by the Trustee of the Trust Objectives.

7.10 Redemption on Termination

In the event of liquidation and subject to approval of the Central Bank of Bahrain, the liquidator shall realise the Trust Property so as to discharge all liabilities of the Trust and to meet all costs, charges, expenses and demands. Such realisation and discharge of other liabilities, shall be carried out and completed in such manner and within such period after the termination of the Trust as the liquidator thinks advisable, and as approved by the Central Bank of Bahrain having regard to the interests of Unitholders.

The liquidator shall be entitled to retain out of any Trust Property such sum or assets to such a value as in its absolute discretion considers necessary to make full provision for all liquidation charges, liabilities, costs, expenses, claims and demands incurred, made or which may in the opinion of the liquidator be incurred or made in connection with or arising out of the termination of the Trust, and out of those investments to be indemnified and saved harmless against any such liabilities, costs, charges, expenses, claims and demands.

The liquidator shall be entitled to redeem all Units held by Unitholders. Notice of redemption shall be provided to the Unitholders and shall be publicly announced via the Bahrain Bourse or otherwise in compliance with the Regulations. Redemptions shall be effected by the cancellation of the Units in consideration for the payment by the liquidator of the pro rata entitlement of such Units to the realised Trust Property after having discharged all liabilities of the Trust and having met all costs, charges, expenses and demands.

In relation to the foregoing, the following provisions shall apply:

- a) the liquidator shall proceed to effect any sales necessary to make available, or otherwise raise in such manner and at such time or times as the liquidator may in his/her absolute discretion determine (including realisation or sale of, or a mortgage or charge of, the whole or part or parts of the Trust Property), the cash required to pay the creditors of the Trust and, following payment thereof, to redeem the outstanding Units;
- b) following payment of the creditors, the liquidator shall notify the Unitholders that the said Units are to be realised and cancelled in accordance with the provisions of the Trust Instrument and shall ensure, through the Registrar and Transfer Agent, that such Units are stricken off from the records held in connection therewith by the Central Depository; and
- c) any amount payable to a Unitholder in respect of any realisation of Units pursuant to this Section 7.10 shall be payable as soon as practicable after the notification submitted to the Unitholders pursuant to the previous paragraph (b) provided that in any event no amount shall be payable by the liquidator until the liquidator has received the proceeds of sale or otherwise raised the amount necessary to provide the cash required to pay such amounts after all liabilities and other claims ranking higher in priority have been fully met.

Any fractional entitlements to the liquidation assets shall be dealt with in such manner as the liquidator shall in its absolute discretion determine.

To the extent that the rules and procedures for the liquidation of the Trust are not prescribed herein, the rules and procedures applicable to the liquidation of a Bahraini public shareholding company under the Companies Law shall apply in so far as compatible.

7.11 Liability of the Unitholders

No provision of the Trust Instrument nor any provision of the Prospectus shall impose upon any Unitholder a liability to make any further payment or provide any other consideration in respect of any Units which it holds other than the payment of the subscription price thereof. All Units shall be non-assessable.

8 Industry Analysis and Overview

8.1 Macroeconomic overview of Bahrain

Based on the Central Informatics Organization (CIO), Bahrain has an estimated population of 1.36 million, and a BHD 12 billion economy which grew in real terms by 3% YoY in 2015 despite headwinds in the oil market. According to recent data from the CIO, real GDP during the fourth quarter of 2015 grew by 2.8% YoY, dampened by a 1% YoY drop in the oil sector. Bahrain's construction sector continued its solid recovery with a 7% growth in 2015, 2.4 times the rate of GDP growth.

Among the GCC countries, Bahrain has a relatively diversified economy with the oil segment contributing to just 20% of GDP in 2015. The financial services sector is the second major contributor to GDP, comprising 16% in 2015. Bahrain is also a major producer of aluminium globally, ranking amongst the top ten aluminium producers in the world.

Exhibit 3: Bahrain's Real GDP composition and YoY growth in 2015

	2015 composition	YoY growth
Oil	19.8%	-0.1%
Manufacturing	14.6%	3.2%
Transport and Communication	7.3%	6.8%
Construction	7.0%	5.9%
Real Estate and Business Activities	5.5%	1.7%
Trade	4.4%	2.1%
Financial corporations	16.3%	2.3%
Government services	12.9%	3.0%
Others	12.2%	4.9%

Source: Central Informatics Organisation

As per the World Bank's 'Ease of Doing Business' 2016 rankings, Bahrain stood at 65th place; second only to UAE (31st rank) in the GCC region. Importantly, Bahrain has been ranked 9th across the globe in 'Dealing with Construction Permits', which bodes well for the construction and real estate sector. The relatively higher ranking of Bahrain is an indication of the openness of the economy relative to regional peers.

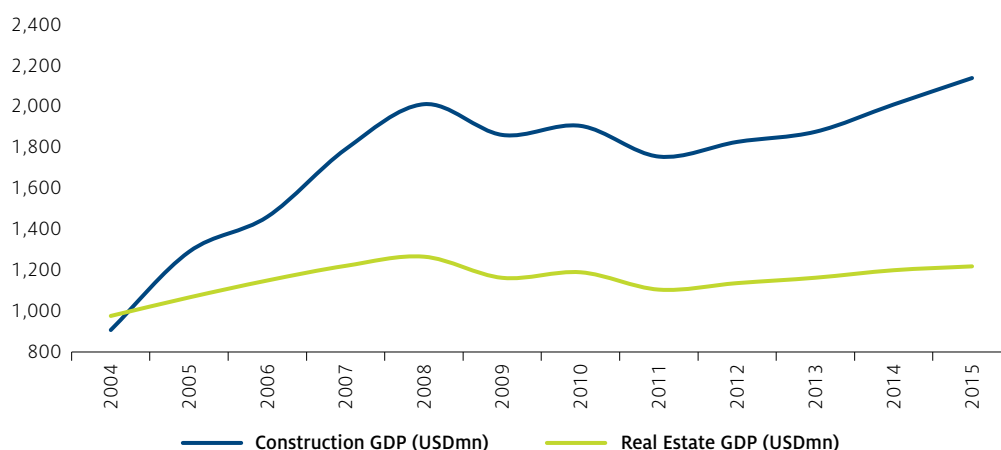
8.2 The real estate and construction industry

8.2.1 GCC real estate industry snapshot

The GCC construction industry has been on a growth trajectory and a number of new real estate projects are underway in Bahrain. In the UAE, the real estate sector enjoyed significant revival after the announcement of the World Expo 2020 which resulted in a significant number of new real estate and infrastructure projects announcements. Similarly, Qatar witnessed a relative increase in infrastructure related activities as it prepares to host the FIFA World Cup 2022. In the KSA, Oman and Bahrain, spending on social infrastructure, particularly related to housing schemes, has been a major driver for real estate activity.

According to BMI, the GCC construction industry grew by 10% YoY to reach USD 109.8bn during 2015 with the UAE (USD 40bn), KSA (USD 44bn) and Qatar (USD 14bn) being the three biggest markets. Bahrain's construction industry has been valued at USD 2.2bn.

Exhibit 3: Bahrain construction and real estate GDP snapshot (in constant prices)



Source: Central Informatics Organisation, SICO Research

8.2.2 Bahrain construction industry overview

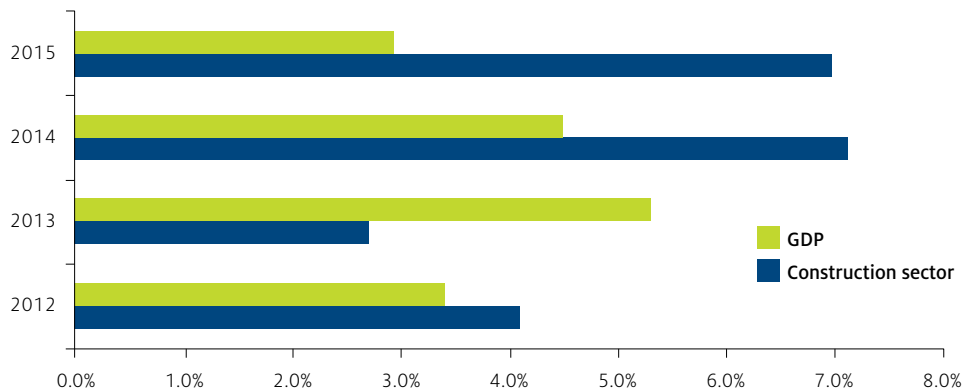
Bahrain's construction sector has recovered and is on a strong footing. Following a strong 2014, construction activities have remained strong with 6.4% growth during 2015. Bahrain's 2015 real construction GDP stood at USD 2.1 billion, at a decade high and was up 6% YoY. Government initiatives related to social housing and infrastructure as well as projects tied to the GCC Development Fund have supported the recovery. The GCC Development Fund has pledged BHD 3.8 billion (USD 10bn) of financial aid to Bahrain, aimed at developing housing and infrastructure projects in the Kingdom over the next ten years. According to the Bahrain Economic Development Board December 2015 report, BHD 2.3bn (USD 6bn) worth of projects have been allocated and BHD 1.40bn (USD 3.7bn) worth tendered to date from the GCC Development Fund. Furthermore, BHD 0.50bn (USD 1.3bn) worth of projects have commenced, up from USD 0.3bn in the fourth quarter of 2014. The construction sector has continued its upward trajectory with a 5.7% growth rate in the first half of 2016.

Bahrain's construction industry is returning to growth as it solves a shortage of affordable housing and other infrastructure projects, which is a pressing priority for Bahrain and a key driver for the sector. According to ICD Research, a UK-based business intelligence firm, and Global Arab Network reports, Bahrain's construction industry is expected to grow at a compound annual growth rate (CAGR) of over 7% during the next 4 to 5 years.

8.2.3 Improving macros supportive of recovery in real estate

Increasing economic activity and population growth are the two primary drivers for real estate demand. Economic growth in Bahrain has picked up since 2011, with real GDP growth averaging 4.1% over the last four years (2012-2015). Importantly, the non-oil segment and particularly construction activity has picked up pace over the same period. The construction sector has grown at rate of approximately twice real GDP growth since 2011.

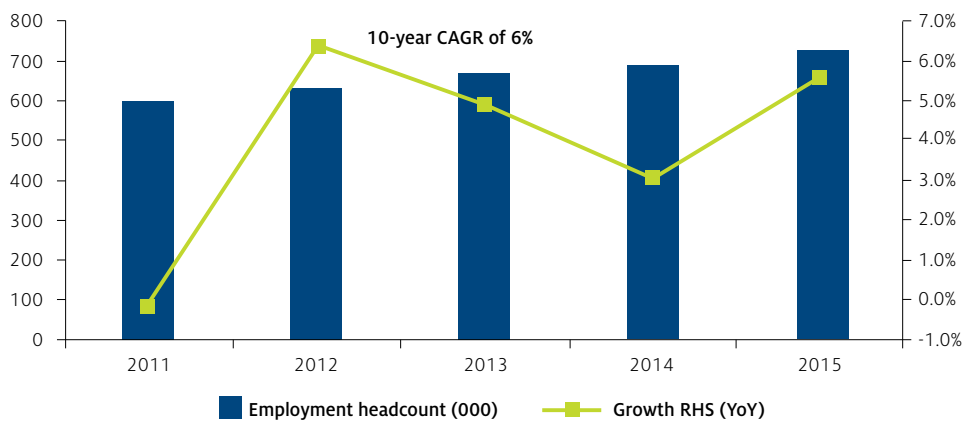
Exhibit 5: Construction and GDP Growth Rates



Source: Bahrain Economic Development Board

Consequently, employment activity has also increased with total employment head count rising by 5.5% YoY in 2015 to circa 725,000. Growth in the employment headcount is converging to Bahrain's 10-yr average of 6% per annum.

Exhibit 6: Employment headcount steadily rising



Source: Bahrain Economic Development Board

8.2.4 Revival in infrastructure spending

Despite the slowdown due to low oil prices, the project pipeline for infrastructure projects is robust with USD 72.3bn in projects (according to MEED and as of December 2015), which is up by 17.2% YoY. According to the Bahrain Economic Development Board, the pipeline of strategically significant infrastructure projects undertaken by the GCC Development Fund, government holding companies and the private sector stands at USD 32bn. Importantly, there has been a spike in implementation of the GCC Development Fund's projects towards the end of 2015. The Government of Bahrain is reportedly finalising plans for a second causeway to link Bahrain and Saudi Arabia at a cost of USD 3bn. The project, according to BMI, will consist of a 26km long road, a 10km bridge, 87km rail link and 28km approach tracks. In addition, the government's plans to expand and modernise Bahrain's existing airport by 2019 will likely see USD 815mn being spent on a new passenger terminal, 24 airport bridges, arrival/ departure lounges and loading bays, and will enhance annual capacity by over four times from 4mn passengers currently. During early 2015, the Bahraini government signed an agreement with the Kuwait Fund for Arab Economic Development (KFAED) to revamp the road network, which among other projects would help fund works on the Sheikh Jaber-Al Ahmed Al-Sabah highway.

8.2.5 Housing shortage will continue to drive construction activity

In October 2013, the Government of Bahrain launched its first public private partnership with Naseej Properties for the construction of 3,100 social housing units and 1,000 affordable housing units at a cost of BHD 208 million. During May 2014, Bahrain's housing minister announced government plans to spend BHD 3bn on housing units by 2017. Earlier in 2012, the government announced a BHD 570 million spend over 2013 and 2014, which BMI expects to spill over to the future. The government announced in 2014 that BHD 820 million would be utilised for the construction of 9,232 houses, of which only 27% were scheduled to be completed in 2015, with the remaining scheduled for delivery in 2016 and 2017. In April 2015, the government agreed to the largest ever public private partnership deal at USD 1bn entailing the construction of 3,100 homes by property developer Diyar. Furthermore, a Greek conglomerate has secured a USD 107mn deal to construct 832 residential units as part of the 'Affordable and Social Housing programme'. Despite the announced spend on housing, BMI expects a shortage of accommodation in the short to medium term. As of mid-2015, construction was ongoing on 3,895 houses in two housing projects in the Northern City and Hidd.

Projects such as the Villamar residential, hospitality and office towers in the Bahrain Financial Harbour, as well as the residential villas at Riffa Views, have been revived after being on hold since 2011 following the issuance of the Stalled Projects Law, Law No. 66 of 2014. The Stalled Projects Law applies to development projects which have not commenced or have stalled and as a result are deemed to have a damaging effect on the Bahrain economy. A committee known as the Stalled Property Development Projects Settlement Committee, (the "**Committee**") (established pursuant to the Stalled Projects Law) will review stalled projects and take action to enable such projects to be varied or cancelled, if necessary. The Stalled Projects Law grants a number of powers to the Committee, including powers to: conduct a full financial, administrative and technical investigation; refer matters to the public prosecution if the Committee suspects criminal activity; and adopt temporary and precautionary measures. The developer of a stalled project must comply with the Committee's requests for information and the Stalled Projects Law sets out severe penalties for developers who fail to cooperate. Furthermore, Bahrain recently enacted certain of the Real Estate Laws, and has announced the establishment of a real estate regulatory authority in the near term.

Bahrain's real estate sector has been recovering and prices have generally been improving in the last few years. Recovery however has been uneven, with the retail segment being the strongest performer, followed by the residential sector. The commercial offices segment is still impacted by high supply and sluggish demand.

Exhibit 7: Bahrain – select commercial and residential construction projects (source: BMI)

Project Name	Sector	Public/Private	Value (USDmn)
Tourist Resort, Opposite Muharraq's Arad Fort, Muharraq	Commercial	Private	145
United Tower Project, Bahrain Bay	Commercial	na	2,500
Dragon City Retail Development, Phase 1, Diyar Al-Muharraq	Commercial	na	na
Dragon City Retail Development, Diyar Al-Muharraq	Commercial	na	Na
Investment Gateway Bahrain Project, Muharraq	Commercial	na	Na
One&Only Luxury Resort, Seef, Capital Governorate	Commercial	Private	Na
The Avenues Corniche Project, Manama	Commercial	na	100
Fairmont Al-Jazayer Luxury Resort	Commercial	Private	Na
Bahrain Marina Development Project, Manama	Commercial	na	Na
Micro-City Mixed Use Development Project, Isa Town	Commercial	na	Na
SOM's Four Seasons Hotel, Manama, Bahrain Bay	Commercial	na	Na
Marassi Al Bahrain Mixed-use Waterfront Project, Diyar Al-Muharraq Community	Commercial	Private	3,000
Hawar Islands Tourism Project, Northern Dohat	Commercial	Public	na
Villamar Towers Development, Bahrain Harbour Project	Commercial	Private	700
Al Areen Palace and Spa Five-Star Resort Hotel Expansion	Commercial	na	80
Canal View, Island of Dilmunia, Muharraq	Commercial	na	64
Durrat Al Bahrain	Commercial	Public	6,000
Al Madina Al Shamaliya and Al Luwzi PPP Housing Project	Residential	Public	450
East Hidd Residential City Project, Muharraq	Residential	Public	na
Arad Housing Units, Muharraq	Residential	na	
Northern Town Residential Project	Residential	Public	na
Modern Residence-2, Amwaj Islands	Residential	na	
New Residential Complex, Bahrain Bay Waterfront	Residential	Public	na
Wahat Al Muharraq Residential Project, Qalali, Muharraq	Residential	Public	na
Landmark Cityview Project, Seef, Capital Governorate	Residential	Private	na
Layan Water Park and Residential Complex, Durrat Al Bahrain	Residential	Private	na
Bahrain Bay Twin Tower Apartment Block	Residential	Public	130
East Sitra City Residential Project	Residential	Public	na
Muharraq Housing Project, Diyar Al Muharraq Development	Residential	na	na

Exhibit 8: Bahrain – select infrastructure and industrial projects (source: BMI)

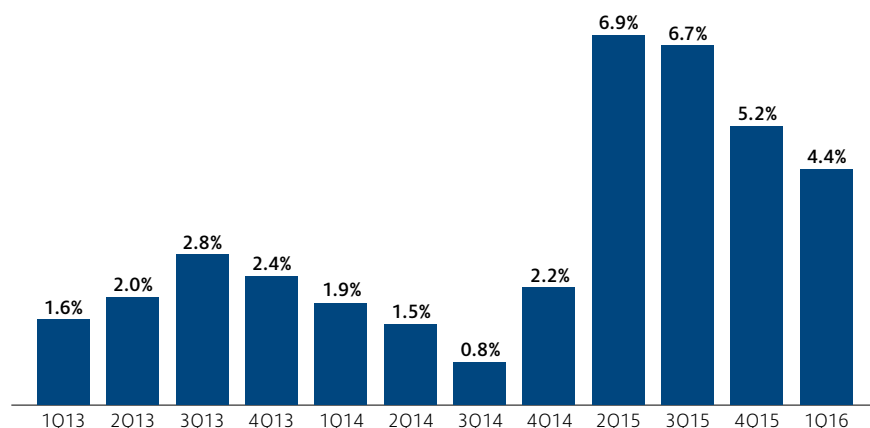
Project Name	Sector	Public/Private	Value (USDmn)
Water Distribution Station, Seef	Water	na	350
Water Distribution Station, Al-Madina Al-Shamaliya	Water	Public	na
Al Madina Al Shamaliya Sewage Treatment Plant	Water	Public	na
Wastewater Treatment Plant, Northern Town	Water	Public	na
Al Dur 1 Independent Water and Power Project (IWPP)	Water	na	2,100
Muharraq Sewage Treatment Plant PPP, MENA	Water	Public	325
Wastewater Treatment Plant, Tubli Water Pollution Control Centre	Water	na	21
Alba The Line 6 Expansion Project, Smelter	Industrial	Private	3,500
GARMCO Cast House Project	Industrial	Private	55
LNG Terminal, Al-Hidd, Muharraq	Industrial	Public	655
Mondelez Biscuit Plant, Al Hidd, Muharraq	Industrial	Private	90
SULB Integrated Steel Complex, Hidd, Muharraq	Industrial	Private	1,200
Bahrain University Campus, Muharraq	Education	Public	na
National Oncology Centre, King Hamad University Hospital, Muharraq	Healthcare	na	82
Salmaniya Medical Complex Upgrade, Salmaniya, Manama	Healthcare	na	40
Muharraq Hospital (Part of GCC Marshall Plan)	Healthcare	Public	82
Mohammed bin Khalifa Al-Khalifa Specialist Heart Centre, Awali	Healthcare	Public	105
King Abdullah Medical City, Southern Governorate	Healthcare	na	267
Clinic and Car Park Facility, BDF Military Hospital, Wadi Al Sail, West Riffa	Healthcare	Public	56
Second Airport, Manmade Island off the North Coast	Airports	Public	na
Bahrain International Airport (BIA) Modernisation Project, Muharraq	Airports	Public	1,100
Dry Bulk Logistics Hub, Bahrain Logistics Zone, Al-Hidd, Muharraq	Ports	na	30
GCC Railway Network	Rail	Public	na
Bahrain - Saudi Arabia Causeway Project	Rail	Public	na
Northern Town Road Network	Roads & Bridges	Public	na
Muharraq Ring Road Extension (Dair village - Busaiten)	Roads & Bridges	Public	na
Alba/Nuwaidrat Intersections Development Project	Roads & Bridges	Public	138
Sheikh Jaber Al-Ahmed Al-Sabah (SJAS) Highway	Roads & Bridges	Public	na
Muharraq - Manama Fourth Highway	Roads & Bridges	Public	na
Al Fateh Highway Tunnel, Juffair Interchange	Roads & Bridges	Public	na
Qatar - Bahrain Causeway (Qatar Bahrain Friendship Bridge)	Roads & Bridges	Public	na
Dilmunia Gateway Bridge (DGB) Project, Muharraq Island	Roads & Bridges	Private	na
King Fahd Causeway Expansion Project	Roads & Bridges	Public	na
Mina Salman Interchange	Roads & Bridges	Public	64

8.2.6 Residential segment – rental growth tapering

According to Cluttons, overall residential rental growth in Bahrain was at 5.2% for 2015. At a more micro level, the best performing sub-market in 2015 was Juffair, while in most of the other areas rentals remained relatively unchanged.

There has been significant progress on the regulatory front. Legislation restricting off-plan property sales, similar to legislation enacted in Dubai, and requiring developers to establish an escrow account to hold investor funds was issued in 2014 under Law No. 28 of 2014 along with the Survey and Land Registration Bureau (SLRB) resolution No. 7 of 2015 issued pursuant to such law. The off-plan property sales law is expected to help in realizing the long term potential of Bahrain real estate market.

Exhibit 9: Bahrain residential rental increases (YoY)



Source: Cluttons

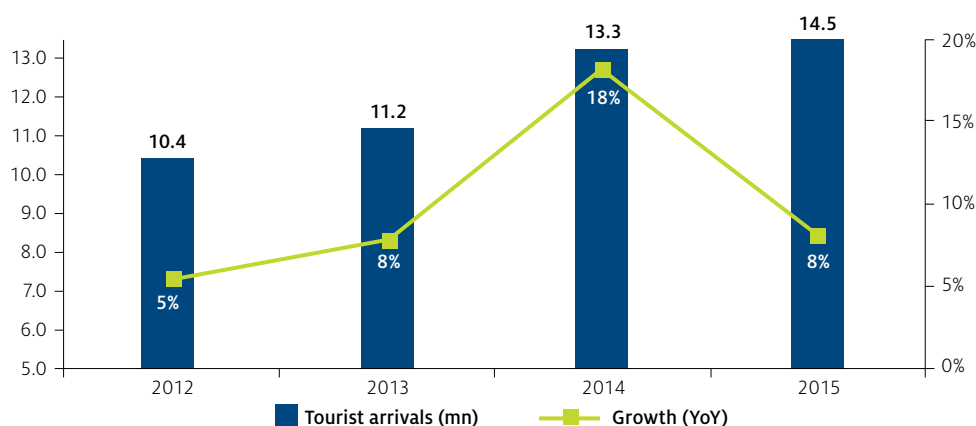
8.2.7 Retail and hospitality: Riding the wave of rising tourist inflows

There has been strong growth in tourist inflows to Bahrain, with total arrivals increasing by 8% YoY to 14.5mn in 2015. The Saudi causeway is the biggest point of entry for tourists coming to Bahrain, accounting for approximately 80% of total tourist inflows. In 2015, a total of circa 11.5mn tourists came to Bahrain via the causeway, an increase of 7% YoY, showing a continued positive trajectory from the 18% increase in 2014.

Occupancy rates in Bahrain’s shopping malls are generally high which, in addition to increased tourist inflows, is encouraging more investment in this segment. Ongoing mall projects include i) The Avenues Mall, located in Bahrain Bay, ii) Atrium Mall and Towers in Janabiya, and iii) the Oasis Mall in Juffair. The Galleria Mall in Zinj, Wadi Al Sail Mall in Riffa, The Courtyard in the Seef District, Seef Mall Muharraq, Mercado in Janabiya and Juffair Mall in Juffair have all opened recently.

Additionally, towards the end of 2015, Dragon City in Diyar Al Muharraq was a notable addition to Bahrain’s retail growing market. The mall was inaugurated in December with a total of 780 shops spread over 55k sqm.

Exhibit 10: Bahrain tourist flow



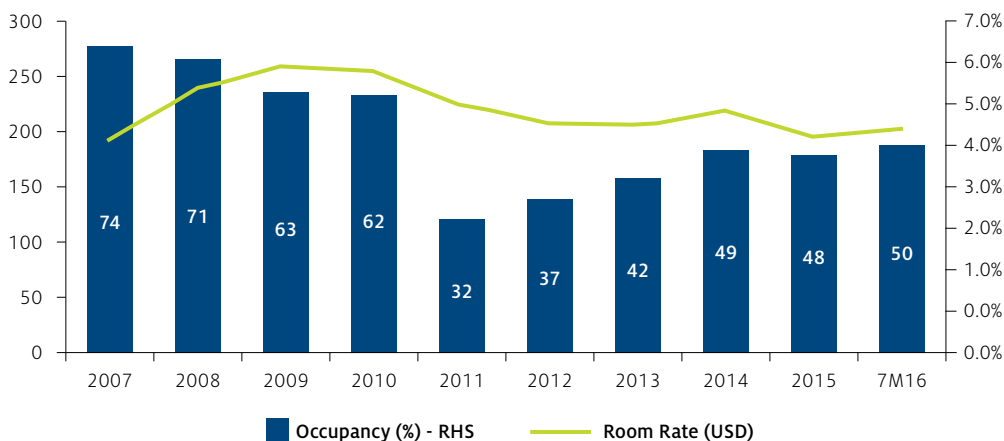
Source: Ministry of Interior

8.2.8 Hotel segment: Large number of new luxury projects

With the rise in tourist inflows, Bahrain’s hotel sector managed to maintain occupancy levels in 2015 at near 50% despite significant supply additions. Compared to the crisis period (2011-2012), the rise in occupancy has been encouraging.

Hotel room rates have however been under pressure from increasing competition coming from the launch of a number of both luxury and mid-market range hotels last year with average room rates (ARR) slipping by 10% YoY to c. USD 200. Notable additions include the Four Seasons Hotel at Bahrain Bay, ART Rotana on Amwaj Island, Sofitel in Zallaq, Fraser Suites in the Diplomatic Area, and Ibis Hotel in Sanabis, the first of the mid-budget hotel brand to open in Bahrain. The sector has also recently seen consolidation with the Gulf Hotel Group’s acquisition of Bahrain Tourism Company. Additional hotels in the pipeline include the One & Only, Wyndham, Marina Club, the Address Residences Marassi and Vida Residences Marassi.

Exhibit 11: Occupancy levels rising, room rates falling



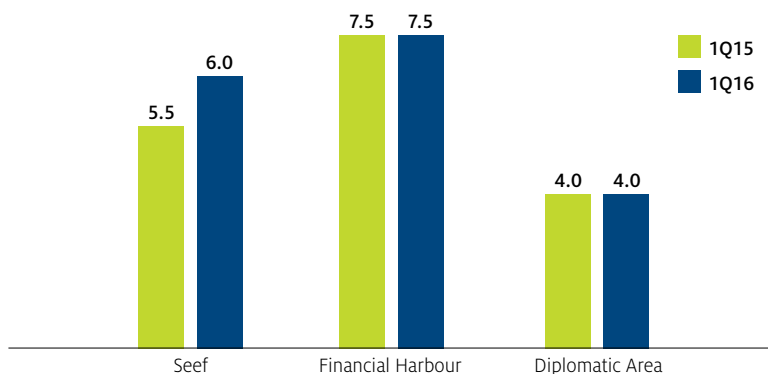
Source: EY, HotStats

8.2.9 Commercial segment: A tenants market for now

Commercial office space in Bahrain has stabilized over the last 12 months with rentals relatively flat. As per Cluttons, rentals in the office market have remained muted with the exception of the Seef District which has reported an increased. In the Diplomatic Area and the Financial Harbour, rents have been flat.

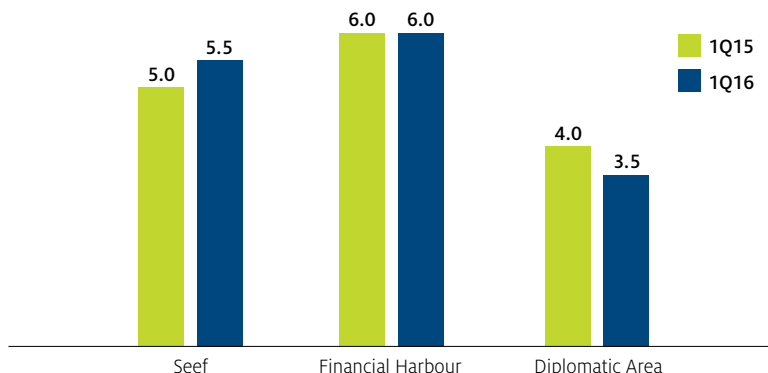
The nascent recovery in the office sector is at risk given the slowdown in the oil and gas sector which as per Cluttons accounts for circa 25% of all shell and core space requirements in Bahrain. Furthermore, as per CBRE’s 4Q15 report, around 70,000 sqm of office space will be added in Bahrain Bay and the Seef areas during 1H16 which will add further pressure on rentals.

Exhibit 12: Office rentals - Fitted out (BHD/sqm)



Source: Cluttons

Exhibit 13: Office rentals - Shell & core (BHD/sqm)



Source: Cluttons

9 Trust Governance

9.1 The Trustee

EBRIT's Trustee, Ohad Trust B.S.C.(c), is a closed joint stock company incorporated under the laws of the Kingdom of Bahrain. Ohad was registered in June 2005 with commercial registration number 57043 and with the Central Bank of Bahrain under license number ANC/005. Ohad's registered address is at Bahrain World Trade Centre, office 341, floor 34, West Tower, Isa Al Kabeer Avenue, Manama, Kingdom of Bahrain.

Ohad provides trustee services to Bahrain registered trusts as well as trusts established under Cayman and English law. Ohad also provides custody services pertaining to its role as trustee. Ohad is ultimately owned by its executive senior management and by partners of Carey Olsen, one of the largest law firms in the Channel Islands. Ohad is affiliated with the Crestbridge group of companies which has been undertaking, in Jersey, Channel Islands, similar services to those which Ohad provides from Bahrain.

Ohad is administered by a board of directors composed of the following directors:

Alexander Anders Ohlsson	British National holding passport number 622251305	Chairman
Graham Edward Journeaux	British National holding passport number 622258479	Director
Paul Dennis Perris	British National holding passport number 622238004	Director

Neither the Trustee nor any of its directors have any interest in conflict with the interests of the Trust and the Unitholders other than that the Trustee is also the trustee and custodian of the Settlor.

The holding of the trustee and custodian position in the Settlor, however, does not affect the independence of Ohad from the Settlor insofar as Ohad is not a beneficiary of the Settlor's property and does not have an economic interest in the Settlor (other than the right to receive trustee and custodianship fees) that would comprise its ability to exercise the duties and powers as set out in the Trust Instrument in the interest of the Unitholders.

9.1.1 Services to be Provided by the Trustee

The Trustee's duties under the Trust Instrument include the following:

1. ensure that legal title to the Trust Property is vested in its own name on behalf of the Trust and keep it, including its accounting, segregated from any other assets held by the Trustee in any other capacity;
2. receive the contributions from Unitholders who subscribe for Units in accordance with this Prospectus and all receipts and other proceeds arising from the Trust Property;
3. do all such things and carry out all such formalities as are required for the purpose of validly establishing the Trust in accordance with the Trust Law and allow the Offering by the Offeror of the Units thereof in the Initial Public Offering as contemplated in this Prospectus;
4. maintain all the documents pertaining to the Trust, for a minimum of ten (10) years, including agreements with the Relevant Persons, registration documents, copies of the Prospectus, copies of the Trust Instrument, financial statements of the Trust, copies of title deeds of the Trust Property, and bank statements;
5. provide each Unitholder and the Settlor, upon request, with copies of this Prospectus, the Trust Instrument, contractual agreements and annual or semi-annual financial reports issued by the Trust or any other information requested by said Unitholder or the Settlor unless any such contractual agreement or information is deemed by the Trustee as secret and/or confidential or disclosure thereof may prejudice, in the opinion of the Trustee, the interests of the Unitholders because of its price-sensitive nature or for any other reason, in which case the Trustee shall be entitled to request, at its discretion, either the entry by the Unitholder and/or the Settlor into a non-disclosure agreement with the Trust or to refuse disclosure of such information altogether and/or to limit disclosure thereof by omitting any sensitive data, provided that the Trustee shall inform the requesting Unitholder and/or the Settlor in writing of its determination and the relevant reasons. Any such determination is conclusive and not appealable;
6. appoint all Relevant Persons to be mandatorily appointed in accordance with RP-1.1.7 of Volume 7 of the CBB Rulebook, ensure that the relevant agreements meet all form and content requirements set forth in the applicable Chapter of Module RP of Volume 7 of the CBB Rulebook, delegate to any such Relevant Person the necessary authority to discharge its obligations and ensure compliance of the Relevant Persons with the terms and conditions of such agreements;
7. operate the Trust in accordance with the standard of care expected in furtherance of the Investment Objective as set forth in this Prospectus and in the Trust Instrument, and use all powers and authorities vested in the Trustee under the Trust Instrument for such purpose;
8. ensure that the activities are conducted by itself and by any other person to which powers and authority has been delegated by the Trustee in compliance of the Trust Instrument, the Regulations and the Prospectus;

9. supervise the establishment by the Trust Board of policies to ensure compliance by the Trust, the Trustee, any Relevant Person, any Subsidiary and any Director, officer or agent of the Trust or any Subsidiary with Anti Money Laundering Laws; Anti-Corruption Laws and Anti-Market Abuse Laws;
10. periodically review and update, with the assistance of the Investment Manager, the Investment Policy in accordance with the Trust Instrument and propose, if the Trustee deems it in the interest of the Unitholders, changes to the Investment Policy for approval by the Ordinary Resolution of the Unitholders;
11. provide at its own expense office facilities and staff to facilitate the carrying of the business of the Trust;
12. ensure that all dealing of the Trust occur on an arms-length basis and without the intention of giving any preferential treatment to any person, whether this person is a Related Party or any other person whomsoever;
13. ensure that the Administrator properly keeps the accounts of the Trust and duly and timely completes the Monthly NAV Statement and, after approval of such statement by the Trustee, submits such statement to the Central Bank of Bahrain and Bahrain Bourse subject to compliance with the Regulations;
14. ensure that the Property Appraiser is appointed every two years in accordance with the Regulations and that it appraises the value of the real estate assets included in the Trust Property at a minimum of once per year;
15. report to the Unitholders in accordance with the terms of the Trust Instrument and this Prospectus;
16. continue to act as trustee of the Trust until a Replacement Trustee has been appointed and actually commenced its operations as trustee of the Trust;
17. appoint Directors who meet all proper and fit requirements under the Regulations and that are approved by the Central Bank of Bahrain;
18. appoint the Shari'ah Board and ensure that it is independent, suitably qualified, and provided with sufficient resources and access to information to effectively undertake its role;
19. adopt a governance framework in compliance with the Regulations and IFSB-6;
20. ensure that all evidence of title to any assets or property included in the Trust Property, including without limitation the title deeds relating to real estate assets, are properly kept and safeguarded by the Custodian;
21. ensure that the Administrator draws up the annual and semi-annual financial statements of the Trust and that the annual and semi-annual financial statements of the Trust are fully audited annually and semi-annually by the Auditor. The Trustee shall ensure that such financial statements are submitted to the Central Bank of Bahrain and Bahrain Bourse;
22. ensure that the Administrator draws up the Quarterly Statistical Return and, following approval thereof by the Trustee, submits it the Central Bank of Bahrain in compliance with the Regulations;
23. ensure continuous compliance of the Trust and the Trust Property with the Regulations;
24. appoint a suitably qualified property manager and ensure that such property manager at all times manages the real estate assets included in the Trust Property in accordance with good estate management practices;
25. appoint the Investment Manager in order to assist the Trustee in the furtherance of the Investment Objectives and in the implementation of the Investment Policy as required under the Regulations;
26. if certain powers and authorities are delegated to another person mandatorily in accordance with Module RP of Volume 7 of the CBB Rulebook or voluntarily, exercise all reasonable care in the selection of potential delegates and agents, and supervise the proceedings and activities of such delegates and agents to ensure that the functions intended to be carried out by them are properly carried out;
27. arrange for distributions in accordance with the Trust Instrument and the Prospectus;
28. refrain from investing or acquiring Units in the Trust either directly or indirectly, except as proxy for other Unitholders;
29. ensure that all reporting to be undertaken by the Trustee and the Relevant Persons is submitted to the Central Bank of Bahrain, the Bahrain Bourse and/or the Unitholders in an accurate and timely manner;
30. notify the Central Bank of Bahrain, the Bahrain Bourse and any other competent authority in the event of a breach of the Prospectus, the Trust Instrument or the Regulations;

31. declare its role as Trustee of the Trust whenever undertaking activity on behalf of the Trust; and
32. ensure that the meeting of the Unitholders or the Board of Directors is properly held in accordance with the Prospectus and the Trust Instrument and that all resolutions taken at any such meeting are properly documented and recorded.

9.1.2 Trustee Team Overview

The Trustee's team comprises of the following professionals:

- **Dr. Graham Journeaux**

Director

Dr. Graham Journeaux has a degree in chemistry and subsequently obtained a doctorate in metallurgy. He then trained as a Chartered Account (of the Institute of Chartered Accountants of England and Wales) with Ernst & Young. He held the position of managing director of a trust company in Jersey and then became one of the founders, and a shareholder, of Ohad Trust BSC(c) where he currently holds the position of Acting Managing Director. Graham also sits on the board of various fund companies and unit trusts.

- **Naser Obaid**

Associate Director

Naser Obaid holds the position of Associate Director at Ohad Trust B.S.C (c). He has more than 20 years of extensive experience in the financial services and investment banking industry. Naser joined Ohad in 2007 and is currently overseeing the operations of the company. Naser started his career with KPMG in the republic of Yemen and then moved to Bahrain with Deloitte & Touche in 1996. He oversaw the financial audits for various industries including banking, manufacturing, trading and services. In 2000, Naser joined TAIB Bank and played an essential role in the back office support functions for funds, real estate, private equity and other structured products, holding the position of Assistant Vice President. Naser holds a Master of Accountancy and Management Audit from Bangalore University and a Bachelor of Commerce from Osmania University.

9.1.3 Fees Payable to the Trustee

The annual Trustee's fees charged to the Trust for the services provided are expected to equate to BHD 20,000 per annum.

9.2 The Investment Manager

The Trustee has appointed Eskan Bank BSC(c), having its registered office at the first floor, Almoayyed Tower, P.O. Box 5370, Seef District, Manama, Kingdom of Bahrain, as Investment Manager. Eskan Bank is licensed by the Central Bank of Bahrain as a restricted conventional retail bank under license number 58750-1.

Eskan Bank was established in 1979 with a unique social role to provide mortgage backed financing for citizens of the Kingdom of Bahrain on low-to-medium incomes, and also to engage in community related property development activities. Since 2005, Eskan Bank has expanded its activities and now offers investment banking, retail banking, Shari'a-compliant financing, property development, property management, and treasury and capital management services.

Today, Eskan Bank is the Kingdom's leading provider of residential mortgage backed financing, and a significant player in the property development market. Since inception, Eskan Bank has provided mortgage backed financing totalling BHD 715.6 million benefiting 50,834 Bahraini families. Eskan Bank's property development and investment activities embrace real estate investment, construction and property management; as well as finance for the construction of social and affordable homes, community projects and commercial projects.

Integral to setting out the framework towards achieving its objectives and accomplishing its strategic goals is Eskan Bank's distinguished board of directors. Members are independently selected from a broad variety of investment banking, retail, public administrators, industry and senior governmental officials and appointed by The Council of Ministers. The current board of directors of Eskan Bank is composed of the following directors:

H.E. Eng. Basim bin Yacob Al Hamer	Chairman
Mr. Mohammed Abdulrahman Bucheeri	Vice Chairman
Mr. Yusuf Abdulla Taqi	Member
Mr. Riyad Saleh Al Saei	Member
Mr. Kamal Murad Ali Murad	Member
Ms. Rana Ebrahim Faqihi	Member
Mr. Yusuf Saleh Sultan Khalaf	Member
Dr. Zakareya Sultan Mohamed AlAabbasi	Member
Ms. Najla Mohamed Al-Shirawi	Member

Furthermore, Eskan Bank's executive committee was established to undertake some of the responsibilities and authorities of the board of directors and consists of experienced and eminent bankers that are pioneers in the fields of retail, Islamic and investment banking. The current executive committee of Eskan Bank is composed of the following members:

Mr. Mohammed Abdulrahman Bucheeri	Chairman of Executive Committee
Mr. Riyadh Saleh Al Saei	Vice Chairman of Executive Committee
Mr. Kamal Murad Ali Murad	Member
Ms. Rana Ebrahim Faqih	Member

Eskan Bank's authorized share capital is BHD 400,000,000, of which BHD 108,300,000 (represented by 1,083,000 shares with a nominal value of BHD 100 each) has been issued to date. The entire issued share capital is owned by the government of the Kingdom of Bahrain. As at 30 June 2016, the total assets of Eskan Bank exceeded BHD 617.7 million.

The Investment Manager and none of its directors have any interest in conflict with the interests of the Trust and the Unitholders other than as follows:

- (a) The Investment Manager as at the date of this Prospectus owns 100 units issued by the Settlor (BPMT) representing 43% of the outstanding units issued by the Settlor and it has been appointed by the trustee of the Settlor as the investment manager of the Settlor's property which, before settlement thereof into EBRIT, comprised the Inaugural Trust Property; and
- (b) Ms. Najla Al-Shirawi, a current board member of the Investment Manager, also currently holds the title of Chief Executive of SICO, the appointed Lead Manager, Sub-Investment Manager and Market Maker of the Trust.

9.2.1 Services to be Provided by the Investment Manager

The Investment Manager's duties under the Trust Instrument include the following:

1. Managing the Trust Property in accordance with the Trust Instrument, the Investment Policy and the Prospectus with a view to achieving the objectives of the Trust as set out in the Trust Instrument;
2. Continuously carrying out and reviewing the Investment Policy of the Trust and proposing any change to the Investment Policy that the Investment Manager deems advisable in furtherance of the objectives of the Trust provided that any such change would have to be approved by the Unitholders in accordance with the applicable provisions of the Trust Instrument for it to become effective;
3. Periodically (and in any event no less than quarterly) reporting to the Trustee and the Board of Directors in relation to the activities carried out under the Investment Management Agreement, including on the Trust's strategy and overall performance and immediately inform the Trustee of any management act involving (i) the acquisition of a new investment; (ii) the disposal of any capital asset of the Trust; (iii) the entry into by the Trust of any agreement or the undertaking by the Trust of any obligation or liability; (iv) the disbursement by the Trust of more than BD 5,000 or (v) any other event that, in the opinion of the Investment Manager, is material for the interests of the Trust;
4. Reporting to and coordinating with the Shari'ah Board in order to ensure that all investments proposed to be made by the Trust are compliant with Islamic Shari'ah and are properly vetted by the Shari'ah Board in accordance with the Trust Instrument;
5. Appointing suitable advisers to assist the Trust in any legal, regulatory, financial or other matters that require professional advice or assistance in managing the Trust or administering the affairs of the Trust;
6. Handling any queries and grievances from Unitholders in respect to the activities performed by the Investment Manager under the Investment Management Agreement; and
7. Fulfilling any duties and reporting or other requirements applicable to the Investment Manager under the Trust Instrument or under Rules RP-5.5 and RP-5.6 of Volume 7 of the CBB Rulebook.

9.2.2 Investment Manager Team Overview

The senior management team of the Investment Manager with responsibility to the Trust include the following members:

- **Ahmad Tayara**
Deputy General Manager – Eskan Bank
Mr. Ahmad Tayara has over twenty years of experience in both Islamic and Conventional Banking, particularly in the areas of Investment Banking, Equity Capital Market, Corporate Finance, Real Estate, Private Equity and Corporate Banking. He has worked for leading institutions such as Shamil Bank of Bahrain (now known as Ithmaar Bank- Bahrain). Prior to joining Eskan Bank, he was General Manager – Investment Banking at Elaf Bank. Mr. Tayara holds a Bachelor of Science and Master of Science degree from McGill University, Canada. He assumed the present position in early 2012.

9.2.3 Fees Payable to the Investment Manager

The Investment Manager will be entitled to receive the following fees payable from the Trust Properties:

- a) BHD 50,000 per annum if the Trust's Gross Asset Value over a trailing 12-month period is below or equal to BHD 25,000,000; or
- b) 0.5% per annum of the Gross Asset Value of the Trust if the Trust's Gross Asset Value over a trailing 12-month period is in excess of BHD25,000,000.

The Investment Manager is entitled to a performance incentive should (A) distributions of Net Distributable Income to Unitholders calculated at the end of each Financial Year, by dividing such distributions by the Offer Price, exceed 7.0% (the amount of such excess distribution, the "**Excess Distribution**") and (B) the NAV calculated at the end of the same Financial Year be higher than the NAV calculated at the end of the last Financial Year where a performance incentive was paid to the Investment Manager or, should no performance incentive have been paid to the Investment Manager prior to the end of a Financial Year, the NAV calculated at the end of such Financial Year be higher than the NAV as at the Issue Date. In any such case the Excess Distribution shall be allocated at 30:70 between the Investment Manager and the Unitholders.

9.3 The Sub-Investment Manager

The Investment Manager has appointed SICO as the Sub-Investment Manager to the Trust. Headquartered in the Kingdom of Bahrain, with a growing regional footprint including a subsidiary in Abu Dhabi, SICO is one of the GCC's premier investment banks, providing a selective range of specialist products and services. These include brokerage, market making, asset management, corporate finance, real estate, and custody and fund administration, which are underpinned by an independent, value-added research capability. Established in 1995, and listed on the Bahrain Stock Exchange in 2003 as a closed company, SICO operates under a wholesale banking license from the Central Bank of Bahrain. The firm has a wholly-owned subsidiary – SICO Funds Services Company (SFS) – which is a specialized regional custody house.

SICO is backed by a prominent shareholding base. This includes the Social Insurance Organization of the Kingdom of Bahrain, National Bank of Bahrain, Ahli United Bank, BBK, Arab Banking Corporation, and Gulf Investment Corporation.

9.3.1 Services to be Provided by the Sub-Investment Manager

The Investment Manager has appointed the Sub-Investment Manager to assist across all services being provided by the Investment Manager, including:

1. Managing the Trust Property in accordance with the Trust Instrument, the Investment Policy and the Prospectus with a view to achieving the objectives of the Trust as set out in the Trust Instrument;
2. Continuously carrying out and reviewing the Investment Policy of the Trust and proposing any change to the Investment Policy that the Sub-Investment Manager deems advisable in furtherance of the objectives of the Trust provided that any such change would have to be approved by the Investment Manager and the Unitholders in accordance with the applicable provisions of the Trust Instrument for it to become effective;
3. Periodically (and in any event no less than quarterly) reporting to the Investment Manager, the Trustee and the Board of Directors in relation to the activities carried out under the Sub-Investment Management Agreement, including on the Trust's strategy and overall performance and immediately inform the Trustee of any management act involving (i) the acquisition of a new investment; (ii) the disposal of any capital asset of the Trust; (iii) the entry into by the Trust of any agreement or the undertaking by the Trust of any obligation or liability; (iv) the disbursement by the Trust of more than BD 5,000 or (v) any other event that, in the opinion of the Investment Manager, is material for the interests of the Trust;
4. Reporting to and coordinating with the Shari'ah Board in order to ensure that all investments proposed to be made by the Trust are compliant with Islamic Shari'ah and are properly vetted by the Shari'ah Board in accordance with the Trust Instrument;
5. Appointing suitable advisers to assist the Trust in any legal, regulatory, financial or other matters that require professional advice or assistance in managing the Trust or administering the affairs of the Trust;
6. Handling any queries and grievances from Unitholders in respect to the activities performed by the Investment Manager and the Sub-Investment Manager under the Sub-Investment Management Agreement; and
7. Fulfilling any duties and reporting or other requirements applicable to the Investment Manager under the Trust Instrument or under Rules RP-5.5 and RP-5.6 of Volume 7 of the CBB Rulebook.

9.3.2 Sub-Investment Manager Team Overview

The primary team members of the Sub-Investment Manager pertaining to this role include:

- **Wissam F. Haddad**

Head of Corporate Finance

Wissam has over 14 years of experience in investment banking, private equity and corporate finance. He has worked with leading regional investment banks and private equity houses including the National Bank of Dubai's (NBD) Sana Capital, Unicorn Capital, and the National Commercial Bank's (NCB) Eastgate Capital Group among others. Wissam has worked on transactions across various sectors and structures including real estate developments, industrial mergers and acquisitions, and asset securitizations as well as various corporate finance advisory mandates. Wissam is a graduate from Concordia University, Montreal, Canada with a Bachelors of Commerce.

- **Ayman Gad-Allah**

Manager, Capital Markets Advisory-Corporate Finance

Ayman has nine years' of experience in the investment banking industry in the MENA region with a successful track record of IPOs deals and M&A transactions. Ayman worked on numerous major financial deals, totaling around US\$ 1.5 billion including three major IPOs. During his career, Ayman worked for reputable investment banks in Egypt and Qatar where he gained in-depth knowledge covering the MENA region and GCC and extensive experience in financial modeling and analysis in a variety of sectors. He holds a Bachelor Degree in Accounting and successfully completed the CFA Level 1 examination.

9.3.3 Fees Payable to the Sub-Investment Manager

No fees will be charged to the Trust for the services provided to be provided by the Sub-Investment Manager as such fees will be for the account of the Investment Manager.

9.4 The Custodian

Ohad Trust B.S.C.(c) has been appointed by the Trust as its Custodian. A profile of Ohad Trust can be found in Section 9.1.

9.4.1 Services to be Provided by the Custodian

1. Open, maintain, and control the Trust's Shari'ah compliant subscription, trading and investment cash accounts with licensed banks in Bahrain. Such accounts will also include, but not be limited to, the initial Subscription Bank Account set up with the Receiving Bank to receive the Subscription Funds;
2. Open and maintain the Trust's securities accounts with authorised institutions;
3. Hold and safeguard any document of title, promissory note, check or other document of title or certificate of deposit or other certificate representing credit claims held by the Trust from time to time;
4. Ensure that all assets belonging to the Trust, including cash accounts, are segregated from other accounts of the Custodian and its clients;
5. Directly collect and receive all income and other payments, distributions and entitlements pertaining to the Trust;
6. Make all payments and settlements on behalf of and for the interest of the Trust, in line with the prospectus and coordinate with the Paying Agent in respect to payment of distributions;
7. Safeguard all of the assets belonging to the Trust;
8. Ensure that all assets belonging to the Trust are held in the name of the Trust or, where relevant market practices and/or legal requirements dictate, held on behalf of the Trust, provided that proper legal arrangements are in place;
9. Execute any corporate actions relating to the Custodian's services;
10. Report on a periodic basis all the transactions completed and assets held by the Custodian;
11. Undertake any reconciliations between bank statements and Custodian-held assets of the Trust;
12. Maintain all records and documentation relating to all transactions made on behalf of the Trust; and
13. Reconcile the Trust's records pertaining to assets held, with statements obtained from sub-custodians, brokers and agents, on a regular and timely basis.

9.4.2 Custodian Team Overview

The Custodian's team comprises of the following professionals:

- **Dr. Graham Journeaux**

Director

Dr. Graham Journeaux has a degree in chemistry and subsequently obtained a doctorate in metallurgy. He then trained as a Chartered Account (of the Institute of Chartered Accountants of England and Wales) with Ernst & Young. He held the position of managing director of a trust company in Jersey and then became one of the founders, and a shareholder, of Ohad Trust BSC(c) where he currently holds the position of Acting Managing Director. Graham also sits on the board of various fund companies and unit trusts.

- **Naser Obaid**

Associate Director

Naser Obaid holds the position of Associate Director at Ohad Trust B.S.C (c). He has more than 20 years of extensive experience in the financial services and investment banking industry. Naser joined Ohad in 2007 and is currently overseeing the operations of the company. Naser started his career with KPMG in the republic of Yemen and then moved to Bahrain with Deloitte & Touche in 1996. He oversaw the financial audits for various industries including banking, manufacturing, trading and services. In 2000, Naser joined TAIB Bank and played an essential role in the back office support functions for funds, real estate, private equity and other structured products, holding the position of Assistant Vice President. Naser holds a Master of Accountancy and Management Audit from Bangalore University and a Bachelor of Commerce from Osmania University.

9.4.3 Fees Payable to the Custodian

The annual Custodian fees charged to the Trust for the services provided are expected to equate to BHD 2,000 per annum.

9.5 The Administrator

Keypoint Consulting WLL has been appointed by the Trustee as administrator to the Trust pursuant to the terms of the administration agreement. Keypoint Consulting WLL is a limited liability company incorporated in Bahrain and holds a Fund Administrator license issued by the CBB.

9.5.1 Services to be Provided by the Administrator

The Administrator shall have the following duties to the Trust:

1. Maintain the books of accounts of the Trust on an ongoing basis;
2. Prepare monthly management accounts for the Trust;
3. Calculate, on a monthly basis, the Net Asset Value of the Trust based on information received from various sources including valuations provided by the Property Appraiser and rent collections and property expenses details provided by the Property Manager;
4. Provide periodic dividend calculations as stipulated in the Prospectus and the Trust Instrument at the Trust level;
5. Prepare semi-annual financial statements and annual financial statements of the Trust;
6. Provide the Auditor with the Trust's accounts and any breakdown and supporting information as may be required for completion of the audit of the annual and semi-annual financial statements;
7. Handle all Unitholders' queries relating to role of administrator;
8. Monitor regulatory compliance along with compliance of the Trust with its Investment Policy, as depicted in its Prospectus and Trust Instrument;
9. Prepare and submit the CBB's Quarterly Statistical Return of the Trust;
10. Maintain copies of minutes of all meetings held, arranged and called by the Board as provided to the Administrator by the Board or the Trustee;
11. Maintain copies of minutes of all meetings of the Unitholders of the Trust and of the shareholders of the Subsidiaries as provided to the Administrator by the chairperson of any such meeting;
12. Comply with all duties and reporting requirements including but not limited to NAV calculations, annual and semi-annual financial reports submissions, and any other duties or reporting requirements stipulated in the Volume 7 of the CBB Rulebook pertaining to the administrator's duties and responsibilities, particularly Rules RP-2 and RP-7;

13. Upon receipt of confirmation from the Trustee, report NAV per Unit to Bahrain Bourse on a monthly basis;
14. Maintain all documents created or held by the Administrator pertaining to the Trust for a period of ten (10) years or as required by the CBB;
15. Maintain the books of accounts of any special purpose companies established to hold the Trust Property and prepare financial statements on a semi-annual and annual basis;
16. Arrange the annual submission of audited financial statements to the board of directors of the special purpose companies or the Board of the Trust for onward submission to the MOIC in accordance with the Companies Law;
17. Provide any clarification to the Trust or any special purpose company, as the case may be, on any queries raised by the MOIC on the submitted financial statements;
18. Fulfill any other obligation of the Administrator under the Trust Instrument as agreed by the Trustee and the Administrator from time to time; and
19. Provide any other services as reasonably required and within the general scope of an administrator or as required under applicable laws and regulations.

9.5.2 Administrator Team Overview

The senior managers of the Administrator with responsibility to provide services to the Trust are as follows:

- **Nandakumar Narasimhan**

Director - Investment Administration

Nandakumar joined Keypoint in July 2006 when it was formed and has since led the Investment Administration Team. He has 20 years of experience in fund formations, fund administration, share registry, financial and management accounting, budgeting and financial modeling. Nandakumar has previously worked for leading financial institutions such as Deutsche Bank, Franklin Templeton Investment and Zurich Financial Services. He also worked as a Project Manager for a share registrar system development for various funds. Nandakumar has also advised many clients in the region on matters relating to take overs, mergers, acquisitions, business re-organizations and business strategy. Nandakumar completed his Bachelor's Degree in Mathematics from Bharathiar University India, in April 1994 and is also an Associate Member of The Institute of Chartered Accountants of India since November 1997.

- **Yogesh Raghavendra**

Executive Manager - Investment Administration

Yogesh is a Senior Manager in the Investment Administration Department with 10 years' experience in Financial and Management Accounting, Budgeting, Financial Modeling and Auditing. Yogesh previously worked with HSBC Bank Middle East (UAE) as a Client Services Manager responsible for the management of operations relating to the Fund Services & Global Custody business. Yogesh has a Masters Degree in Financial Services Management from the University of Mumbai, India and is an associate member of The Institute of Chartered Accountants of India since 2004.

9.5.3 Fees Payable to the Administrator

The annual Administrator fees charged to the Trust for the services provided are determined as follows:

- a) BHD10,000 if the weighted average of the NAV across the year is less than or equal to BHD 25 million; or
- b) the higher of BHD17,500 or 0.07% of the weighted average of the NAV across the year if the weighted average of the NAV across the year is greater than BHD 25 million; and
- c) BHD 1,000 per year per Subsidiary.

9.6 Registrar

The Trust has appointed the Bahrain Bourse to provide registry services.

Bahrain Bourse is a licensed exchange by the Central Bank of Bahrain. Bahrain Bourse is a self-regulated multi-asset marketplace providing its stakeholders, investors, issuers, intermediaries, and data vendors, with a comprehensive suite of exchange-related facilities including offering listing, trading, clearing, settlement, depositary and central registry services for various financial instruments.

9.6.1 Services to be Provided by the Registrar

The Registrar shall have the following duties to the Trust:

1. Maintaining a record of the Register that holds the Units in electronic form;
2. Registering the issuance, transfer and/or mortgage of and executing the allotment, redemption and/or conversion of Units in accordance with the rules and regulations of the Bahrain Bourse, the CBB and the Trust Instrument;
3. Ensuring that all Unitholders are GCC Citizens;
4. Responding to correspondence and other communication in relation to the Register;
5. Providing Unitholding confirmations;
6. Providing Unitholding reports to the Trustee annually and/or on request by or on behalf of the Trustee;
7. Providing reports to the Unitholders in respect to (i) monthly NAV calculations; (ii) annual and semi-annual financial statements; and (iii) any other information or disclosure to be made in accordance with the Trust Instrument, the Prospectus and Module RP-8 of Volume 7 of the CBB Rulebook;
8. Providing the Trustee with online access to the Register offering real time information;
9. Managing, organizing and attending the Annual General Meeting (AGM) and any other meeting of the Trust in accordance with the instructions of the Trustee;
10. Assisting the Trust in meeting the requirements of the Bahrain Bourse, in its capacity as a licensed exchange upon which the Units are listed, and the CBB, including replying to all of their enquiries;
11. Maintaining automated systems and related procedures and controls that are consistent with current registry technology and best industry practices;
12. Providing services related to AGM's or other meetings' proxy forms verification;
13. Undertaking each of the duties applying to registrar/transfer agents generally under Rule RP-2 of Volume 7 of the CBB Rulebook and the duties and reporting obligations set out in Rule RP-8.4, RP-8.5 and RP-8.6 of Volume 7 of the CBB Rulebook; and
14. Safekeeping all documents signed by the Unitholders (along with know your client documentation) in respect to the issuance, transfer, mortgage, allotment, redemption and/or conversion of the Units in original form or in the form of a certified copy in accordance with applicable regulations.

9.6.2 Registrar Team Overview

The senior manager of the Register with responsibility to oversee services to the Trust is the following:

- **Shaikh Khalifa bin Ebrahim Al Khalifa**

Chief Executive Officer, Bahrain Bourse

Shaikh Khalifa bin Ebrahim Al Khalifa is currently the Chief Executive Officer of Bahrain Bourse. From 2010, Shaikh Khalifa joined the Bourse as Deputy Director for CSD and Information Technology with 10 years of business development consultancy experience. In addition to the responsibility of managing day to day operations for depositary, clearing and settlement, and IT, he was also responsible for the creation and implementation of Bahrain Bourse's business and functional strategies. He was also instrumental in restructuring Bahrain Bourse to be in line with the mission, vision and the goals of the organization. He was appointed as Chief Operating Officer of BHB in 2013 and then as Chief Executive Officer in 2014. Shaikh Khalifa graduated from the King Fahd University of Petroleum and Minerals with a BSc degree in Science of Finance. He also completed his post graduate studies earning an MBA from CASS Business School - London.

9.6.3 Fees Payable to the Registrar

The annual Registrar fees charged to the Trust for the services provided are dependent on the number of outstanding Unitholders and are expected to range between BHD 2,000 and BHD 10,000 per annum.

9.7 Property Appraiser

Savills was founded in the UK in 1855 and has become the largest firm of real estate advisors in the UK, Europe and Asia and is ranked fourth globally. It is listed on the London Stock Exchange and has a staff of over 30,000 working from 700 offices globally. The firm's turnover exceeds \$1.5 billion with annual net profits of over \$150 million. It is rated as the UK's real estate super brand for the last 7 years. In Bahrain its global associate is DMB International W.L.L.

9.7.1 Services to be Provided by the Property Appraiser

The Property Appraiser's duties to the Trust are as follows:

1. Undertaking a semi-annual update of valuation and the detailed report of the underlying real estate assets within the Trust Property dated 30th June of each Financial Year; and
2. Undertaking detailed annual valuations and providing a detailed report of the underlying real estate assets within the Trust Property dated 31st December of each Financial Year.

9.7.2 Property Appraiser Team Overview

The senior manager of the Property Appraiser responsible for the services provided to the Trust is as follows:

- **Donald Bradley, FRICS**
Chief Executive – Northern Gulf
Donald Bradley is Savills CEO serving the northern Gulf and is based in Bahrain with over 40 years specialist experience. He qualified as a Chartered Surveyor in 1976 and moved to the Middle East in 1982. He was previously the CEO for Cluttons and on the main executive board in London, from 2008 the CEO of Knight Frank Middle East and since 2014 the CEO of Savills Northern Gulf. He was elected a Fellow of the RICS in 1986 and is a registered valuer and accredited Expert Witness. He has valued most of the master planned projects and portfolios across the MENA region including Bahrain Bay, Bahrain World Trade Centre, The Sheraton Hotel, Durrat Al Bahrain, Diyaar Al Muharraq, Bahrain Financial Harbour and equivalent projects in every Gulf State. He has acted for the Saudi CMA, HSBC, The US Department of State, and The UK Foreign Office on the valuation of its global portfolios in MENA, North and South America, Asia/ Pacific and Sub Sahara.

9.7.3 Fees Payable to the Property Appraiser

The annual Property Appraiser fees charged to the Trust for the services provided are expected to equate to BHD 5,450 per annum (noting the requirements in the Rulebook to replace the Property Appraiser every two years).

9.8 Property and Facility Managers

Property and facility management activities for Segaya Plaza and Danaat Al Madina will be undertaken by Cluttons.

Cluttons

Cluttons is a global real estate services company, with a presence in over 50 countries. Cluttons was on one of the first surveying and property advisory businesses to open offices in the Middle East and now offers dedicated real estate services across the Arabian Gulf, with offices in Abu Dhabi, Dubai, Sharjah, Bahrain and Oman. Cluttons provides clients with residential sales and letting services, commercial leasing and investment, consultancy, property and facilities management, and valuations, fulfilling their property needs across the Middle East. Cluttons delivers its high-quality real estate services to clients ranging from international corporates and institutional investors, to private individuals and families. With a strong presence in the Middle East since 1976, Cluttons is a trusted market leader in the region, having grown its operations and established a proven track record of success over the last 40 years. Founded in 1765, Cluttons employs over 700 staff worldwide and has a fast-growing international presence, including a network of offices in the UK, Europe, Middle East, Asia Pacific, India and Africa.

9.8.1 Services to be Provided by the Property Manager

The Property Manager shall provide comprehensive property management, facility management and leasing agent services that include the following:

1. Undertaking comprehensive property financial management services including but not limited to maintaining property accounts, rent and service fee collections, and arranging insurance;
2. Providing tenant management services;
3. Arranging and overseeing comprehensive property services including but not limited to preventative and breakdown maintenance, security, and cleaning; and
4. Undertaking leasing activities to ensure occupancy rates are maintained and enhanced.

9.8.2 Property and Facility Management Team Overview

The following team members will be providing property and facility management services to the Trust:

- **Stephen Browne**
Director, Head of Property and Facilities Management
Stephen is Head of property and facilities management, and a Chartered Building Surveyor with experience in managing refurbishment projects, contract administration, as well as experience in occupational health and safety. Stephen has over the last 16 years' experience in the property and facilities management sector. Stephen previously worked as an Estates Operation Manager for the Broadgate development EC2 in the United Kingdom.

- **Thomas Carter, DipSurv, MBIFM**

Associate Director- Head of Bahrain Agency Department

Thomas is an Associate Director and Head of the Bahrain Agency department with over 7 years' experience in the Middle East. He specializes in commercial agency with experience in property and facilities management also. Thomas is responsible for ensuring maximum occupancy throughout the property management stock and project work. His recent projects include: Successful leasing at Dragon Mall, Advisory role in design of Durrat Marina Retail Park, and Appointment to lease Bahrain's largest mix use development.

- **Michelle Dickinson**

Property Manager

Michelle is a property and facility manager with 15 years experience in staff training, conveyancing, and budgeting. Michelle previously worked with Chas Everit Property Group as a Sales Manager and as a Leasing Manager at Tyson Properties. Over the last 3 years she has been based in the Middle East, with her most recent experience in Bahrain as a Marketing and Leasing Co-ordinator at CBRE in Enma Mall.

9.8.3 Fees Payable to the Property Manager

The Property Manager shall be entitled to a monthly fee of BHD 9,400 in addition to leasing agency fees equivalent to 1-month rent on successfully arranging new tenants.

9.9 Board of Directors

The Trust has a board of directors composed of three members. Two Board Members have been designated and appointed by the Trustee and the remaining Board Member has been designated and appointed by the Investment Manager. One of the two Board Members designated and appointed by the Trustee serves as Chairman and the Board Member designated by the Investment Manager serves as Deputy Chairman. The Deputy Chairman acts as the Chairman in the latter's absence. The Board Members have been approved by the Central Bank of Bahrain. The Board Members are appointed for a term of three Financial Years subject to renewal.

9.9.1 The Trust's Board Members

The Trust's Board of Directors currently comprises of the following members:

- **Dr. Graham Journeaux**

Chairman, representing the Trustee

Dr. Graham Journeaux has a degree in chemistry and subsequently obtained a doctorate in metallurgy. He then trained as a Chartered Account (of the Institute of Chartered Accountants of England and Wales) with Ernst & Young. He held the position of managing director of a trust company in Jersey and then became one of the founders, and a shareholder, of Ohad Trust BSC(c) where he currently holds the position of Acting Managing Director. Graham also sits on the board of various fund companies and unit trusts.

- **Aref Qambar**

Deputy Chairman, representing the Investment Manager

Aref Qambar has over twenty six years of experience in Islamic and Conventional Banking, particularly in the areas of Financial Planning, Corporate Finance, Human Resources and Administration Management. He has worked for leading institutions such as Bank of Bahrain and Kuwait and Shamil Bank (Ithmaar). Prior to joining Eskan Bank, he was Deputy CEO at Manafae Investment Company in Kuwait. Aref is a Certified Public Accountant (CPA), USA. He assumed his present position at Eskan Bank in 2013, and he is currently also a Board member in Danaat Al Lawzi company.

- **Naser Obaid**

Director, representing the Trustee

Naser Obaid holds the position of Associate Director at Ohad Trust B.S.C (c). He has more than 20 years of extensive experience in the financial services and investment banking industry. Naser joined Ohad in 2007 and is currently overseeing the operations of the company. Naser started his career with KPMG in the republic of Yemen and then moved to Bahrain with Deloitte & Touche in 1996. He oversaw the financial audits for various industries including banking, manufacturing, trading and services. In 2000, Naser joined TAIB Bank and played an essential role in the back office support functions for funds, real estate, private equity and other structured products, holding the position of Assistant Vice President. Naser holds a Master of Accountancy and Management Audit from Bangalore University and a Bachelor of Commerce from Osmania University.

Each Board Member elects domicile for the purposes hereunder at the registered address of the Trust.

9.9.2 Responsibilities of the Board of Directors

The Trust's Board of Director is responsible for:

- a) general oversight of the management and performance of the Trust including (A) ensuring that the Investment Manager has systems and procedures in place to detect and remedy breaches of the Investment Policy in a timely manner; (B) periodically monitoring the Trust's compliance with the Investment Policy, as depicted in the Trust Instrument and in the Prospectus; (C) regularly reviewing the performance of the Investment Manager and the other Relevant Persons and the investment performance of the Trust against the Trust Objectives; (D) ensuring that the Trust Property is properly valued by the Property Appraiser and valuation methodologies are approved and disclosed in the Prospectus; (E) ensuring that the Administrator's NAV calculation process accurately and fairly represents the Trust's Net Asset Value and the NAV calculation methodology is approved and disclosed in the Prospectus; (F) overseeing the disclosure of information to all Unitholders in a fair, transparent and timely manner;
- b) ensuring the adoption by the Trust of an adequate governance framework, in compliance with IFSB-6 and best industry practices, and of the following policies: (A) code of ethics; (B) use of assets of the Trust; (C) related party transactions; (D) prevention of market abuse and money laundering; and (E) any other policy or procedure which it deems necessary or appropriate to ensure proper governance of the Trust. All such policies and procedures shall be binding upon the Trustee, the Investment Manager, any other Relevant Person, their respective directors, officers and employees involved in the operation and management of the Trust and the Board shall ensure continuous compliance therewith by all such persons;
- c) ensuring the correctness of the information contained in the Prospectus and approving the Prospectus, the subscription documents, the constitutive documents of the Trust and its material contracts;
- d) authorizing the assumption by the Trust of any obligations under the various material contracts entered into by the Trust and any changes to agreements entered into with the Shari'ah Board;
- e) approving the members of the Shari'ah Board;
- f) ensuring continuous compliance with the Regulations and the listing requirements of the Bahrain Bourse;
- g) reporting to the Central Bank of Bahrain any breach or event that, in the opinion of the Board, may materially directly or indirectly impact the Trust; and
- h) any other duty and responsibility that the Board is required to assume under the Regulations.

9.9.3 Meetings and Resolutions of the Board of Directors

Voting and attendance proxies for Board of Directors meetings are prohibited at all times. The Board of Directors shall meet in Bahrain, or such other location agreed by all Board Members, at the written invitation of the Trustee or any Board Member, which must be sent out at least seven (7) days before the date of the Board of Directors meeting. The Board of Directors shall meet at least four times during each Financial Year.

The meeting of the Board of Directors shall be valid if attended by a majority of the Board Members provided that the Chairman or his Deputy is present. Attendance at a meeting of the Board of Directors shall be valid where attendance is by way of telephonic or video conference where each Board Member may hear and be heard by each other Board Member provided that, in any such case, the Board of Directors meeting shall be deemed to have occurred at the place where the Chairman was at the relevant time. The resolutions of the Board of Directors shall be passed by a majority vote of the Board Members present and, in the event of an equal vote, the Chairman shall have a casting vote other than for the matters in respect to which a special consent of the Board is required under this Prospectus and the Trust Instrument. Abstaining Board Members shall be counted in respect to a meeting being quorate but shall not be counted for the purposes of determining the majority vote of the Board Members present.

The Board may disqualify from membership any Board Member (i) who fails to attend three consecutive meetings without a legitimate excuse or (ii) who failed to attend at least 75% of Board meetings in any Financial Year. In any such case, the Board shall inform the Central Bank of Bahrain and the person who designated and appointed the disqualified Board Member thereof and will invite such person to designate and appoint a new Board Member subject to approval of the Central Bank of Bahrain.

In case of a meeting of the Board of Directors convened without prior invitation, such meeting of the Board of Directors shall be deemed to be valid only if attended by all the Board Members. The Board Members may pass resolutions in writing where each resolution therein is approved unanimously by all Board Members provided that, however, resolutions in writing will not count toward fulfillment of the Board of Directors' obligation to meet at least four times during each Financial Year.

The Board of Directors may appoint a secretary to the Board of Directors from among the Board Members or from outside its membership and shall maintain a special register, kept with the Administrator, in which shall be recorded the minutes of the Board of Directors' meetings which shall be signed by the Chairman and the secretary of the Board. A dissenting Board Member may request that his views be recorded.

Each Board Member shall disclose in writing to the Board any interest that he/she has which may be in conflict with the interests of the Trust and/or the Unitholders and shall abstain from deliberations and voting in any resolution where he/she is so conflicted. Should the Board Member fail to disclose such interest and should his/her participation in deliberations or vote have been essential for the passing of the relevant resolution, then each of the Trustee, the Board Members who did not vote in favour of such resolution and any Unitholder may apply to a court to have such resolution set aside.

The Board of Directors and the Board Members shall act with honesty, integrity, due skill, care and diligence and in the best interest of the Trust and the Unitholders. The liability of the Board Members vis-à-vis the Trust shall be the same as the one of the directors of Bahraini public shareholding companies vis-à-vis their company.

9.9.4 Resignation and Revocation of the Board of Directors

Each Board Member may resign from his/her office before expiration of his/her term of office provided that he/she shall continue to hold his/her office until a new Board Member, duly approved by the Central Bank of Bahrain, has been designated and appointed by the person who firstly designated and appointed such Board Member. In case of resignation, the Board of Directors shall promptly communicate the same to the Central Bank of Bahrain. Subject to approval by the Central Bank of Bahrain, each Board Member may be removed and replaced by the person who designated and appointed him/her. In any such case, the removed Board Member shall cease from his/her office immediately following approval of such removal by the Central Bank of Bahrain, and the person removing such Board Member shall hold harmless and keep indemnified the Trust of any damage, loss or expense that the Trust may incur as a result of claims brought by the removed Board Member in connection with his/her removal.

9.9.5 Remuneration of the Board of Directors

Remuneration of the Board Members shall be included in the consideration paid by the Trust to the Trustee and the Investment Manager for the provisions of their respective services and no separate remuneration shall be paid by the Trust to each individual Board Member and each Board Member shall waive any claim to remuneration vis-à-vis the Trust as a condition for his/her appointment. The person designating and appointing each Board Member shall hold harmless and keep indemnified the Trust of any damage, loss or expense that the Trust may incur as a result of claims brought by such Board Member in connection with his/her appointment or services to the Trust.

9.10 The Shari'ah Board

The Trust has a Shari'ah Board of three members. The Shari'ah Board has been appointed by the Trustee with the approval of the Board of Directors. Each member of the Shari'ah Board has been also approved by the Central Bank of Bahrain. No member of the Shari'ah Board has been delegated with executive powers in respect to activities and operations of the Trust, by the Board of Directors or otherwise.

9.10.1 Members of the Shari'ah Board

The following are the current members of the Shari'ah Board:

- **Dr. Sheikh Nezam Yacouby**
Chairperson
 - Member of several Shari'ah Supervisory Boards around the world
 - Member of the Shari'ah Supervisory Board for the Accounting and Auditing organization of the Islamic Financial Institutions (AAOIFI)
 - Recipient of several Awards in the field of Islamic Finance and Islamic Services
 - Doctorate Degree – Hogue University, Bahrain Branch.
- **Dr. Sheikh Abdulaziz Khalifa AlQassar**
Vice Chairperson
 - Professor of Comparative Jurisprudence, Faculty of Sharia and Islamic Studies, Kuwait University
 - Doctorate degree in Comparative Jurisprudence, AL-Azhar University, Egypt
 - Member of Shari'ah's and Fatwa in a number of institutions
 - Researcher in Islamic Jurisprudence and Contemporary Financial Transactions.
- **Sheikh Abdunnasser Al-Mahmood**
Member
 - Over 21 years of Experience in Shari'ah Audit and Islamic Banking
 - Master in Business Administration
 - B.Sc. in Shari'ah and Islamic Studies
 - Associate Diploma in Shari'ah Control.

Each member of the Shari'ah elects domicile for the purposes hereunder at the registered address of the Trust.

9.10.2 Responsibilities of the Shari'ah Board

The Shari'ah Board shall have all the following powers and responsibilities:

1. ensuring that the Trust's activities and investments comply with Shari'ah principles including compliance with the investment restrictions set forth in the Investment Policy for Shari'ah compliance purposes;
2. reviewing and confirming the compliance with Shari'ah of the Prospectus and the constitutive documents of the Trust and all amendments thereto from time to time;
3. confirming the compliance with Shari'ah of any investment of the Trust from time to time;
4. confirming the compliance with Shari'ah of any loan made by the Trust or indebtedness incurred by the Trust from time to time;
5. confirming the compliance with Shari'ah of any insurance coverage acquired by the Trust including insurance coverage for the Trust Property from time to time;
6. confirming the compliance with Shari'ah of any other activity that, at the discretion of the Trustee, acting reasonably, may present potential Shari'ah compliance issues;
7. drafting and issuing an annual report in accordance with AAOIFI Standards to be incorporated in the annual audited financial statements of the Trust in respect to (A) the verifications carried out in the course of the Financial Year to ensure Shari'ah compliance of the Trust and (B) rendering an opinion as to the Trust's overall Shari'ah compliance, pursuant to Rule SCC-2.2.4 of Volume 7 of the CBB Rulebook; and
8. giving instructions to the Trustee in relation to the purification (tanqiyyah) of tainted income, whereby income that is found by the Shari'ah Board contaminated by prohibited (haram) elements is removed from the Trust.

The Shari'ah Board shall have the right to request the Trustee, and the Trustee shall be obliged to provide, all records, documents and information requested by the Shari'ah Board for the purposes of exercising its responsibilities and the Shari'ah Board shall also have access to any Relevant Person or any other service provider of the Trust for the same purposes.

9.10.3 Remuneration and Functioning of the Shari'ah Board

The remuneration of the Shari'ah Board, the mechanisms for the calling of meetings of the Shari'ah Board, the passing of any resolution at such meeting, the recording of such meeting and any other matter relating to the functioning of the Shari'ah Board shall be laid down in the document of appointment of the Shari'ah board and/or in any bylaws of the Shari'ah Board to be issued by the Trustee, with approval of the Board, in accordance with the terms of the Trust Instrument. The Trust is not expected to incur any fees in relation to the Shari'ah Board.

9.11 The Auditor

The Auditor has been appointed by the Trustee for a term of one year and may be removed and replaced by the Trustee from time to time, provided that any replacement Auditor shall be a firm of international chartered accountants and otherwise suitable under the Regulations. The Auditors' fees shall be paid out of the Trust Property. The appointment and removal of the Auditor shall be subject always to the prior approval of the Central Bank of Bahrain. The Auditor shall be a Bahrain-based entity and shall be independent from the Trustee or any other Relevant Person in accordance with the requirements imposed by the Central Bank of Bahrain, it being understood that the mere circumstance that the Auditor has been engaged as external auditor by the Trustee in respect to itself or any other trust or company in respect to which it provides trust services or by any Relevant Person does not undermine the independence of the Auditor. The engagement of the Auditor may be renewed for another one year term for maximum of six years only so that, following the expiry of the sixth year from its appointment, the Auditor shall be replaced with a new Auditor subject to approval by the Central Bank of Bahrain.

The Auditor shall audit the annual and semi-annual financial statements of the Trust as well as review the Monthly NAV Statement and any other statement as to the NAV of the Trust published in accordance with the Trust Instrument or the Prospectus. The Auditor shall comply with all reporting requirements and disclosure obligations set forth in Regulations including RP-11.5 and RP-11.6 of Volume 7 of the CBB Rulebook.

Deloitte & Touche Middle East

The current Auditor of the Trust is Deloitte & Touche Middle East. Deloitte & Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL) and is the first Arab professional services firm established in the Middle East region with uninterrupted presence since 1926. Deloitte is among the region's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with more than 3,000 partners, directors and staff. It is a Tier 1 Tax advisor in the GCC region since 2010 (according to the International Tax Review World Tax Rankings). It has received numerous awards in the last few years which include Best Employer in the Middle East, best consulting firm, and the Middle East Training & Development Excellence Award by the Institute of Chartered Accountants in England and Wales (ICAEW).

9.11.1 Services to be Provided by the Auditor

The Auditor will undertake the following activities for the Trust:

1. Semi-annual audit of the Trust accounts;
2. Annual audit of the Trust accounts; and
3. Review of the Trust's NAV on a quarterly basis.

9.11.2 Audit Team Overview

The senior managers of the Auditor with responsibility to oversee services to the Trust are the following:

- **Zahi Zeini**

Office Managing Partner, Bahrain - Accounting and Audit

Zahi is an audit partner based in Bahrain and the managing partner of the Deloitte's Middle East Bahrain practice. He has over 23 years of experience of audit and advisory services across various industries. Besides leading the audit of large groups in the region, Zahi's experience includes business transactions projects, including financial due diligence, public offerings, comfort letters, investigations and fact findings. His area of expertise also includes complex accounting matters under IFRS (financial instruments, hedge accounting, consolidations, business combinations, etc.) anti-money laundering, and internal controls.

- **Rushdi Kikhia**

Partner, Bahrain - Accounting and Audit

Rushdi is an Audit Partner based in Bahrain. He has over 18 years of experience of audit and advisory services across various industries. Besides leading the audit of large multinational groups in the region, Rushdi's experience includes business transactions projects, including financial due diligence, public offerings and external and internal audits. His area of expertise also includes complex accounting matters under IFRS (financial instruments, consolidations, business combinations, impairments, construction contracts, investments etc.) and anti-money laundering.

9.11.3 Fees Payable to the Auditor

The annual Audit fees charged to the Trust for the services are expected to equate to BHD 7,950 per year.

9.12 The Paying Agent

Karvy Computershare W.L.L. has been appointed as the paying agent to the Trust.

Karvy Computershare W.L.L. has been in the registry services business for almost 40 years in Bahrain. Paying agent services is an integral part of registry services. Earlier it was part of KPMG Fakhro and was subsequently sold by to Karvy Computershare Pvt. Ltd. (KCPL) in stages since 2011. KCPL is the largest registry services provider in India to corporates and mutual funds and caters to 70 million investors. KCPL is a 50:50 joint venture between Karvy Consultants of India and Computershare of Australia. Computershare is the world's largest registry services company and serves 15,000 clients in 20 countries across the globe and services 120 million investors. Computershare is listed on the Australian Stock Exchange and has a market capitalization of around USD 6 billion.

9.12.1 Services to be Provided by the Paying Agent

The Paying Agent will undertake the following services to the Trust:

1. Calculating the distribution amounts for all the eligible Unitholders;
2. Preparing the distribution cheques register;
3. Distribution of distribution cheques to Unitholders;
4. Liaising with the designated printers for cheques stationery;
5. Managing the printed and uncollected cheques in safe custody; and
6. Reporting details of Unitholders, amount, cheque numbers for the collected / uncollected distribution cheques on monthly basis.

9.12.2 Paying Agent Team Overview

- **Avneesh Mishra**

CEO-Middle East Business

Avneesh Mishra is a Chemical Engineer and a management graduate and has over 27 years of experience in banking and financial services vertical. He started his career in 1988 with a project consulting company in India and then moved to Citigroup's Investment Research division which he subsequently headed before taking up a position in Mashreq Bank, Dubai in 2000. Before moving to Karvy Computershare W.L.L. in April 2013, Avneesh was heading the Facilities and Securities Agency business under the Corporate and Investment Banking group in Mashreq Bank as Director, Investment Banking.

- **Srinivas Sudheer**

Senior Manager @ Compliance Officer

Sudheer is an MBA graduate with over 18 years of experience in documenting share registry policies and procedures for all the registry operations, drafting agreements and proposals, and compliance of risk management policies. He joined KPMG Fakhro in the year 2006 and became part of Karvy Computershare W.L.L. in 2011 when the business began moving from KPMG Fakhro. He is well experienced in payment services, reconciliation and execution of corporate actions. He has expertise in managing depository participant services, handling huge volumes in public/rights offerings, share splits and private placement mandates. He is also well conversant with the processes of disbursement of benefits through electronic credit facilities. In the last 10 years in Bahrain, he has managed the administration of 2 private placement mandates, 2 share swap offers besides handling practically all the IPOs and rights offerings floated in the country.

9.12.3 Fees Payable to the Paying Agent

The Paying Agent shall be entitled to fees dependent on the number of Unitholder cheques issued and the fees are expected to equate to around BHD 2,000 per year.

9.13 The Market Maker

SICO has been appointed as market maker for the Trust by the Investment Manager.

9.13.1 Services to be Provided by the Market Maker

The Market Maker will undertake the following services to the Trust with an initial market making portfolio size of BHD 1,000,000:

1. Manage the opening price and the initial trades on the first day of listing;
2. Assist in creating liquidity for the Units on the Bahrain Bourse;
3. Assist in creating an efficient secondary market for the Units;
4. Maintain a two-way (i.e., bid and offer) quote for the Units on the Bahrain Bourse;
5. Narrow the price spread between the bid and the offer; and
6. Minimize excessive price volatility resulting from trading small lots and/or speculation and manipulation.

9.13.2 Market Maker Team Overview

- **Abderahman Saif**

Head of Investments and Treasury

Abderahman Saif has over 16 years experience in investments and treasury. Prior to joining SICO, he was with the Asset Management team at Taib Bank. He has also worked for Gulf International Bank and Bank ABC. A Certified Investment Representative, A.Rahman holds an MSc in Finance from DePaul University – Charles H. Kellstadt Graduate School of Business, a BSc in Accounting from the University of Bahrain, and a Treasury & Capital Markets Diploma from the Bahrain Institute of Banking & Finance. He has also undertaken specialised training at INSEAD, France.

- **Shaikha M. Kamal**

Portfolio Manager- Investments and Treasury

Shaikha Kamal has over 10 years experience in investment and treasury with SICO. A Certified Investment Representative, Shaikha holds a MSc in Finance from DePaul University, and a BSc in Business Information System from the University of Bahrain.

9.13.3 Fees Payable to the Market Maker

The Market Maker shall be compensated directly by ESKAN Bank in its capacity as the Investment Manager and no additional costs shall be incurred by the Trust.

9.14 The meeting of the Unitholders

Please refer to Section 13 (*Meeting of Unitholders*) below.

9.15 Trustee Conflict of Interest

If a Trustee, any Affiliate of the Trustee, or any director or officer (or their spouse) of the Trustee or of any Affiliate of the Trustee:

- (i) is a party to a proposed material contract or transaction with the Trust (or an Affiliate thereof); or
- (ii) is a director or officer of, or otherwise has a material interest in, any person who is a party to a proposed material contract or transaction with the Trust (or an Affiliate thereof); or
- (iii) otherwise has a direct or indirect personal interest in conflict with the interest of the Trust in respect to a proposed material contract or transaction with the Trust (or an Affiliate thereof);

the Trustee shall disclose in writing to the Trust Board the nature and extent of such interest before entering into any agreement or executing any document that would commit the Trust to such material contract or transaction and shall call a meeting of the Trust Board in order to resolve upon such material contract or transaction. All Board Members appointed on designation of the Trustee shall abstain from discussing and voting in relation to any such resolution and the Trust Board may approve such material contract or transaction only with the favourable vote of all Directors other than those appointed upon designation of the Trustee and the Trust Board shall have the right, or the obligation if so requested by the Central Bank of Bahrain or the BCDR, to appoint a third party entity authorized to provide trust services in Bahrain to enter into any such material contract or transaction on behalf of the Trust.

The Trustee shall not and shall ensure that no Affiliate, director or officer (or their spouse) of itself or any Affiliate of itself, acquire an interest in a person that is a party to a material contract or transaction with the Trust or become directors or officers in any such person without the prior approval of the Trust Board. All Board Members appointed on designation of the Trustee shall abstain from discussing and voting in relation to the relevant resolution which may be adopted only with the favourable vote of all Directors other than those appointed upon designation of the Trustee.

Should a material contract or transaction be entered into in breach of the above, the Directors, other than those appointed upon designation of the Trustee, the Board of Directors or any Unitholder, in addition to exercising any other rights, or remedies in connection with such failure exercisable at law, may apply to a court for an order setting aside the contract or transaction and directing that such person account to the Trust for any profit or gain realized to the maximum extent permitted under Bahrain law.

9.16 Related Party Transactions

Any of the following actions cannot be undertaken by the Trust without the prior approval of the Trustee and the Unitholders by means of an Ordinary Resolution of the Unitholders:

- (i) an acquisition by the Trust or any of its Subsidiaries of a property or an investment in a property, whether by co-investment or otherwise, in which any Related Party of the Trust has any direct or indirect interest, whether as owner, operator, trustee or investment manager or investment advisor;
- (ii) the entry into an agreement, or the waiver, exercise or enforcement of any rights or remedies under, or any material change to any agreement, between the Trust (or any of its Subsidiaries) and any Related Party of the Trust;
- (iii) the incurrence of, or refinancing, increase or renewal of any indebtedness of the Trust or any Subsidiary of the Trust owed to any Related Party of the Trust; and
- (iv) decisions relating to any claims of the Trust or a Subsidiary of the Trust by or against one or more parties to any agreement with any Related Party of the Trust.

In addition to any requirement set forth above, any acquisition by the Trust or any of its Subsidiaries of a property or an investment in a property, whether by co-investment or otherwise, in which any Related Party of the Trust has any direct or indirect interest, whether as owner, operator, trustee, investment manager or investment advisor can only be made if the following conditions are met:

1. the acquisition price is not higher than the lowest value indicated in at least two fairness opinions issued by independent and reputable investment banks, accounting firms and/or property appraisers. Should any of the fairness opinions express the value in the form of a range of values (rather than a discrete value), the average value of the endpoints of such range shall be considered the value indicated by such fairness opinion for the purpose of this Section 9.16; and
2. the yield that may be reasonably generated by the acquired property or investments, computed as a rate of return on the amount paid in cash or in kind by the Trust, is at least equal to the weighted average yield generated by the existing portfolio of properties and investments.

Without prejudice to the paragraphs above, any related party transaction can only be made after having made all necessary disclosures to the Unitholders in accordance with applicable laws and regulations including publishing an updated Prospectus or a new offering document and/or circular to the extent required by the Regulations.

To the extent that the Investment Manager becomes aware of any conflict of interest between itself or any of its associated persons and the Trust it shall report it to the Board of Directors and it shall refrain from contracting on behalf of the Trustee with itself or with associated persons or otherwise acting in relation to any conflict of interest unless duly authorized in accordance with this Section 9.16.

10 Financial Position (Simplified)

As of the date of this Prospectus, the Trust's simplified statement of financial position is as follows:

BHD	
ASSETS	
Segaya Plaza Company B.S.C.(c)	11,250,000
Danaat AlMadina Company B.S.C.(c)	8,650,000
Cash	172,279
Total Assets	20,072,279
LIABILITIES & EQUITY	
Rent Security Deposits Payable	72,279
Total Liabilities	72,279
Equity	
Share Capital	2,000
Retained Earnings	200,000
General Reserves	19,798,000
Total Equity & Liabilities	20,072,279
NAV Per Unit	BHD 0.101

11 Independent Assurance Report



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Report on Examination of Prospective Financial Information of Eskan Bank Realty Income Trust

Report on the projected financial information

We have examined the projected consolidated statement of financial position, the projected consolidated statement of profit or loss, and the projected consolidated statement of cash flows for the years from 31 December 2017 to 31 December 2024 of Eskan Bank Realty Income Trust (the "Trust") as given in relevant section of the prospective financial information in accordance with International Standard on Assurance Engagements (ISAE 3400), The Examination of Prospective Financial Information issued by the International Auditing and Assurance Standards Board.

Management's responsibility for the financial statements

The management is responsible for the preparation and presentation of the financial projections, the factors and assumptions as detailed in the Offering Document based on which these statements have been prepared.

Auditor's responsibility

Our responsibility is to evaluate the basis of compilation of the projected financial statements and considering whether these have been compiled based upon assumptions as detailed in the Offering Document.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information issued by the International Auditing and Assurance Standards Board.

Opinion

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that those assumptions do not provide a reasonable basis for the projections. Further, in our opinion, the projections are properly prepared on the basis of the assumptions set out in relevant section and are consistent with appropriate accounting policies and are in accordance with International Financial Reporting Standards.

Even if the events anticipated under hypothetical assumptions as described above occur, the actual results are still likely to be different from the projections since other anticipated events frequently do not occur as expected and the variation may be material.

BDO

Manama, Kingdom of Bahrain
1 November 2016



12 Financial Projections

This Section 12 contains the Trust's projected consolidated statement of financial position, statement of profit and loss and statement of cash flow as at 31 December 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 (the "Financial Projections"). The financial model used to prepare these projections utilises both overarching and specific assumptions (together "the Assumptions") with respect to key inputs. Detailed assumptions are explained in the ensuing sections. Financial projections are based on general expectations of future results and are subject to significant variations from actual results.

Overarching assumptions

- Bahrain will demonstrate healthy GDP growth and the overall property market, its occupancy rates, and the market's overall rental yields will perform positively and at least remain at current levels.
- The Inaugural Trust Properties will be able to achieve the projected utilisation rates and the Investment Manager and Property Manager will be able to source quality tenants.

Specific assumptions

- Occupancy rates
- Leasable areas
- Rentals
- Key cost items such as dividend distribution expenses, audit fees, administration expenses, trustee costs, custody costs, registrar fees, Bahrain Bourse listing fees, fund management costs, market making expenses and property operating expenses
- Growth rates for each of the above assumptions

12.1 Projected Statement of Comprehensive Income

A summary of the illustrative projected consolidated statement of comprehensive income for the years 2017 to 2024 is presented below. The projected numbers are rounded to nearest thousand for presentation purposes.

Exhibit 14: Projected Statement of Comprehensive Income

BHD '000	2017	2018	2019	2020	2021	2022	2023	2024
Rental income at 100% Occupancy								
Segaya Plaza	1,014.5	1,044.9	1,044.9	1,044.9	1,076.2	1,076.2	1,076.2	1,096.2
Danaat Al Madina	776.1	776.1	776.1	776.1	787.0	799.8	799.8	799.8
Revenue from ancillary services	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
Vacancy costs (lost rental income)								
Segaya Plaza	0.0	-20.0	-20.0	-20.0	-20.6	-20.6	-20.6	-20.6
Danaat Al Madina	-191.5	-34.0	-34.0	-34.0	-34.4	-35.0	-35.0	-35.0
Net rental income	1,608.6	1,776.6	1,776.6	1,776.6	1,817.9	1,830.1	1,830.1	1,850.1
Service charges received at 100% Occupancy								
Segaya Plaza	33.6	34.7	34.7	34.7	35.7	35.7	35.7	35.7
Danaat Al Madina	102.0	102.0	102.0	102.0	103.2	104.9	104.9	104.9
Vacancy cost (lost service charges)								
Segaya Plaza	0.0	-1.7	-1.7	-1.7	-1.8	-1.8	-1.8	-1.8
Danaat Al Madina	-25.6	-3.9	-3.9	-3.9	-4.0	-4.0	-4.0	-4.0
Net Service Fees Received	110.1	131.0	131.0	131.0	133.1	134.8	134.8	134.8
Net rental and service fees	1,718.7	1,907.6	1,907.6	1,907.6	1,951.0	1,964.9	1,964.9	1,984.9
Property operating expenses (see Section 12.6 for initial breakdown)	-384.4	-386.6	-386.6	-395.2	-396.8	-396.8	-396.8	-407.2
Total Trust overheads (see Section 12.7 for initial breakdown)	-116.9	-116.9	-118.0	-118.0	-119.2	-119.2	-120.4	-120.4
Net operating income (NOI)	1,217.4	1,404.1	1,403.0	1,394.4	1,435.1	1,448.9	1,447.7	1,457.3
Depreciation	-	-	-	-	-	-	-	-
Fair value gain or (loss)	-	-	-	-	-	-	-	-
Net income	1,217.4	1,404.1	1,403.0	1,394.4	1,435.1	1,448.9	1,447.7	1,457.3
Net Distributable Income	1,105.1	1,291.8	1,290.7	1,282.1	1,322.8	1,336.6	1,335.4	1,344.9
Payout Ratio (% of Net Income)	90.8%	92.0%	92.0%	91.9%	92.2%	92.2%	92.2%	92.3%
Yield On Offer Price Before Any Performance Supplement	5.6%	6.5%	6.5%	6.5%	6.7%	6.8%	6.7%	6.8%
Unitholder's Performance Supplement (by the Investment Manager)	82.9	-	-	-	-	-	-	-
Net Distributable Income to Unitholders (Including Any Performance Supplement)	1,188.0	1,291.8	1,290.7	1,282.1	1,322.8	1,336.6	1,335.4	1,344.9
Yield On Offer Price (including Any Performance Supplement)	6.0%	6.5%	6.5%	6.5%	6.7%	6.8%	6.7%	6.8%

12.2 Projected Statement of Financial Position

A summary of the illustrative projected consolidated statement of financial position for the years 2017 to 2024 is presented below. The projected numbers are rounded to nearest thousand for presentation purposes.

Exhibit 15: Projected Statement of Financial Position

BHD '000	2017	2018	2019	2020	2021	2022	2023	2024
Non-current assets								
<i>Investment Property</i>								
Segaya Plaza	11,250.0	11,250.0	11,250.0	11,250.0	11,250.0	11,250.0	11,250.0	11,250.0
Danaat Al Madina	8,650.0	8,650.0	8,650.0	8,650.0	8,650.0	8,650.0	8,650.0	8,650.0
Total non-current assets	19,900.0	19,900.0	19,900.0	19,900.0	19,900.0	19,900.0	19,900.0	19,900.0
Current assets								
Cash (excluding cash from Capital Expenditure Reserve)	113.6	113.6	113.6	113.6	113.6	113.6	113.6	113.6
Capital Expenditure Reserves (Cash)	132.4	244.7	357.1	469.4	581.7	694.0	806.3	918.7
Total current assets	246.1	358.4	470.7	583.0	695.3	807.7	920.0	1,032.3
Total assets	20,146.1	20,258.4	20,370.7	20,483.0	20,595.3	20,707.7	20,820.0	20,932.3
Equity								
Paid up capital	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General reserves	19,797.0	19,797.0	19,797.0	19,797.0	19,797.0	19,797.0	19,797.0	19,797.0
Statutory reserves	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Retained earnings	346.1	458.4	570.7	683.0	795.3	907.7	1,020.0	1,132.3
Total equity	20,146.1	20,258.4	20,370.7	20,483.0	20,595.3	20,707.7	20,820.0	20,932.3
Total equity & liabilities	20,146.1	20,258.4	20,370.7	20,483.0	20,595.3	20,707.7	20,820.0	20,932.3

12.3 Projected Statement of Cash Flows

A summary of the illustrative projected consolidated statement of cash flows for the years 2017 to 2024 is presented below. The projected numbers are rounded to nearest thousand for presentation purposes.

Exhibit 16: Projected Statement of Cash Flows

BHD '000	2017	2018	2019	2020	2021	2022	2023	2024
Net income	1,217.4	1,404.1	1,403.0	1,394.4	1,435.1	1,448.9	1,447.7	1,457.3
Depreciation	-	-	-	-	-	-	-	-
Change in Fair Value	-	-	-	-	-	-	-	-
Operating cash flows	1,217.4	1,404.1	1,403.0	1,394.4	1,435.1	1,448.9	1,447.7	1,457.3
Capital Expenditure Reserves	-112.3	-112.3	-112.3	-112.3	-112.3	-112.3	-112.3	-112.3
Investing cash flows	-112.3	-112.3	-112.3	-112.3	-112.3	-112.3	-112.3	-112.3
Distributions to Unitholders (ex. any Performance Supplement)	-1,105.1	-1,291.8	-1,290.7	-1,282.1	-1,322.8	-1,336.6	-1,335.4	-1,344.9
Financing cash flows	-1,105.1	-1,291.8	-1,290.7	-1,282.1	-1,322.8	-1,336.6	-1,335.4	-1,344.9
Net change in cash	-	-	-	-	-	-	-	-
Beginning cash balance	113.6	113.6	113.6	113.6	113.6	113.6	113.6	113.6
Ending cash balance	113.6	113.6	113.6	113.6	113.6	113.6	113.6	113.6

12.4 General assumptions

- Projected financial information and the assumptions have been prepared by the Trust for a period of 8 years starting from 2017.
- Financial statements have been prepared using fair value treatment that does not consider the properties as depreciating assets but rather tests them against any fair value adjustments.

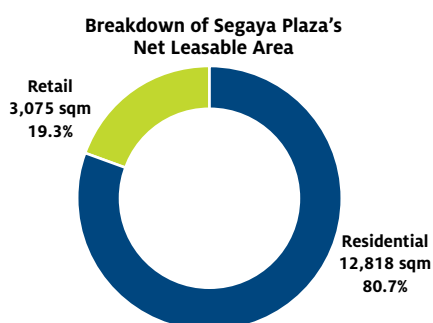
12.5 Revenue assumptions

Total income of the Trust comprise of rental income, service fees and income from lease of roof space for antenna. Rental income represents approximately 93.2% of total income on average during the projection period.

a) Segaya plaza

Segaya Plaza is a mixed retail and residential property located in Segaya. The chart below shows the analysis of net leasable area of Segaya Plaza:

Exhibit 17: Area mix of Segaya Plaza (sq metres)



The table below shows the details of the current leased residential apartments of Segaya Plaza:

	No. of apartments	Average area / apartment (Sqm)	Monthly rent/ apartment (BHD)	Lease start date	Lease expiry date	Lease term (Years)
1 bedroom	20	90	400			
2 bedroom	70	126	500			
2 bedroom (large)	5	140	550	16-Jul-15	16-Jul-17	2.0
3 bedroom	10	162	650			
Total	105					

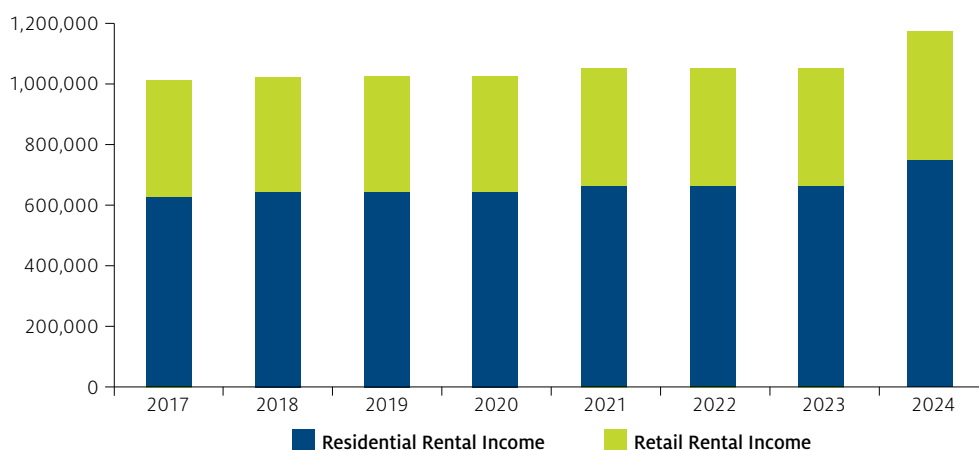
The table below shows the details of the currently leased retail outlets of Segaya Plaza:

Tenant	Area ranges for the retail outlets	Average monthly rent / retail outlet	Lease start date (as per signed agreements)	Lease expiry date (with automatic renewal provisions)	Lease term (years)
1			1-May-13	30-Apr-18	5
2			1-May-13	30-Apr-18	5
3			1-May-13	30-Apr-21	8
4			1-May-13	30-Apr-21	8
5			1-Feb-14	31-Jan-17	3
6			15-Dec-13	14-Dec-16	3
7			1-May-14	30-Apr-17	3
8	160sqm to 300sqm	BHD 2,224	15-Jul-13	14-Jul-21	8
9			1-Mar-14	28-Feb-17	3
10			15-May-14	14-May-19	5
11			1-May-14	30-Apr-17	3
12			1-Apr-14	31-Mar-17	3
13			15-Aug-13	14-Aug-18	5
14			15-Oct-13	14-Oct-18	5
15			15-Oct-13	14-Oct-18	5
Average					4.8

- Total revenue from Segaya plaza comprises of rental income from residential and retail outlet, income from retail service charge and lease rental income of roof space to a telecommunications company for the installation of a telecommunications antenna.
- Currently, the residential apartments of Segaya are fully occupied and based on the relationship with the tenants and the nature of the tenant, it is expected that the tenant in the residential apartments will renew its lease agreements. Therefore 100.0% occupancy is assumed for the residential apartments during the projection period. Furthermore, a 3.0% increase in monthly rent is assumed during 2018, 2021 and 2024 for residential apartments in Segaya Plaza based on general historical market rental trends.
- Occupancy of the retail outlets is currently 100% and is assumed to be 95.0% from 2018 onwards, allowing a 5.0% vacancy rate on the conservative expectation that a few tenants may not renew their agreements and for the time required for sourcing a new tenant. Furthermore, a 3.0% increase in monthly rent is assumed during 2018 and 2021 for the retail outlets of Segaya Plaza based on the general historical market rental trends.
- Projected rental income (net of vacancy) from residential and retail outlets in Segaya Plaza, during the projection period is shown in the chart below:

Exhibit 18: Projected annual rental income (ex. service charge income)

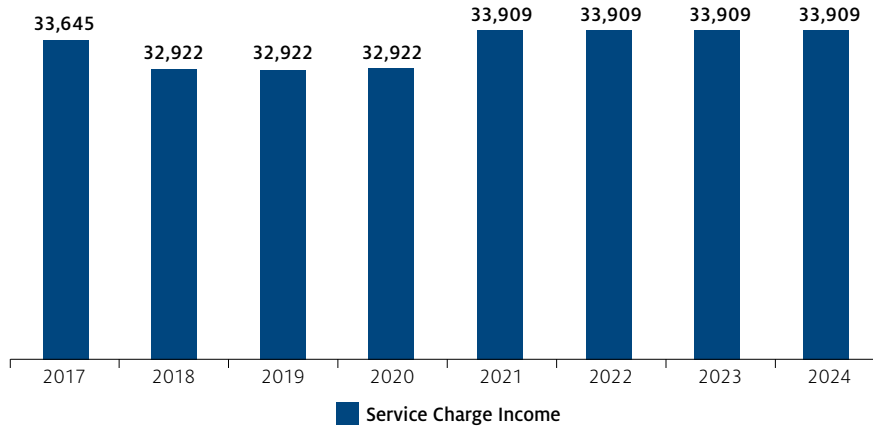
Segaya Plaza (BHD)



- Rental income (net of vacancy) from residential and retail outlets are expected to contribute approximately 63.0% and 37.0% respectively to the total rental income on average during the projection period.
- Roof space in Segaya Plaza is expected to be provided on lease to a local telecommunications company for the installation of a telecommunications antenna at a monthly rent of BHD800 resulting in an annual lease rental income of BHD9,600 during the projection period.
- Based on the lease agreements, all tenants of retail outlets in Segaya Plaza are required to pay a fixed percentage of annual rent as service charge to the Trust.
- Based on occupancy rates, rate of service charge and annual rent assumptions mentioned above, projected income from service charge (net of vacancy) in Segaya Plaza is shown in the chart below (the dip in 2018 is based on the 5% vacancy for tenant turnover):

Exhibit 19: Projected annual income from service charge

Segaya Plaza (BHD)

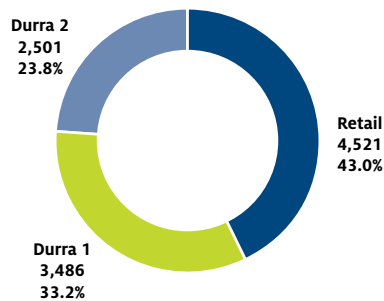


b) Danaat Al Madina

Danaat Al Madina is a mixed use development (residential, retail and commercial office) located in Isa Town. Only the retail outlets and office buildings in Danaat Al Madina are owned by the Trust. The residential apartments in Danaat Al Madina have been sold off on a freehold basis and therefore do not form part of the Trust.

The chart below shows the analysis of net leasable area of Danaat Al Madina:

Exhibit 20: Area mix of Danaat Al Madina (sq metres)



The table below shows details of the leased retail outlets of Danaat Al Madina as of 31 October 2016:

Tenant	Area ranges for the retail outlets	Average monthly rent / retail outlet	Lease start date (as per signed agreements)	Lease expiry date (with automatic renewal provisions)	Lease term (years)
1			1-Sep-15	31-Aug-20	5
2			1-Dec-15	30-Nov-20	5
3			1-Dec-15	30-Nov-20	5
4			1-Dec-15	30-Nov-20	5
5			1-Dec-15	30-Nov-20	5
6			1-Nov-15	31-Oct-17	2
7			1-Aug-15	30-Nov-20	5
8	21sqm to 700 sqm	BHD 1,180	1-Dec-15	30-Nov-20	5
9			1-Jan-16	31-Dec-17	2
10			1-Nov-15	31-Oct-17	2
11			1-Dec-15	30-Nov-20	5
12			1-Feb-16	31-Jan-21	5
13			1-Feb-16	31-Jan-21	5
14			1-May-16	30-Apr-21	5
15			1-Jun-16	31-May-20	4
16			1-Jul-16	30-Jun-26	10
17			1-Jul-16	30-Jun-26	10
18			15-Jun-16	14-Jun-21	5
Average					5.0

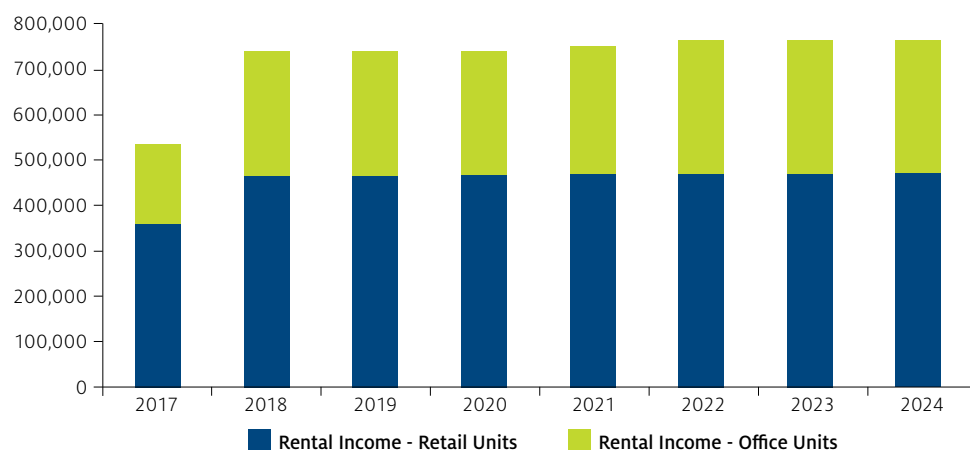
The table below shows the details of leased offices of Danaat Al Madina as of 31 October 2016:

Tenant	Area ranges for offices currently leased	Monthly rental range for current office leases	Lease start date (as per signed agreements)	Lease expiry date (with automatic renewal provisions)	Lease term (years)
1			1-Sep-15	31-Aug-20	5.0
2			1-Sep-15	31-Aug-20	5.0
3			1-Apr-16	31-Mar-18	2.0
4	83sqm to 2,501sqm	BHD353 to BHD8,000	1-Apr-16	31-Mar-19	3.0
5			1-Apr-16	31-Mar-19	3.0
6			1-Apr-16	31-Mar-19	3.0
7			1-May-16	30-Apr-26	10.0
Average					4.4

- Total revenue from Danaat Al Madina comprises of both rental income and service charges from retail outlets and offices.
- With all the freehold residential apartments sold, and a number of tenants having moved in, Danaat Al Madina, the retail outlets and offices, which have achieved an occupancy rate of over 63% since handover in April 2015, are expected to be leased out on an expedited basis over the next 12 months
- An ongoing vacancy rate averaging 5% is assumed for the Danaat Al Madina office and retail outlets based on the expectation that a few tenants may not renew their agreements and the time required for sourcing a new tenant may render the property vacant for a short period.
- No increase in monthly rent is assumed during the projection period.

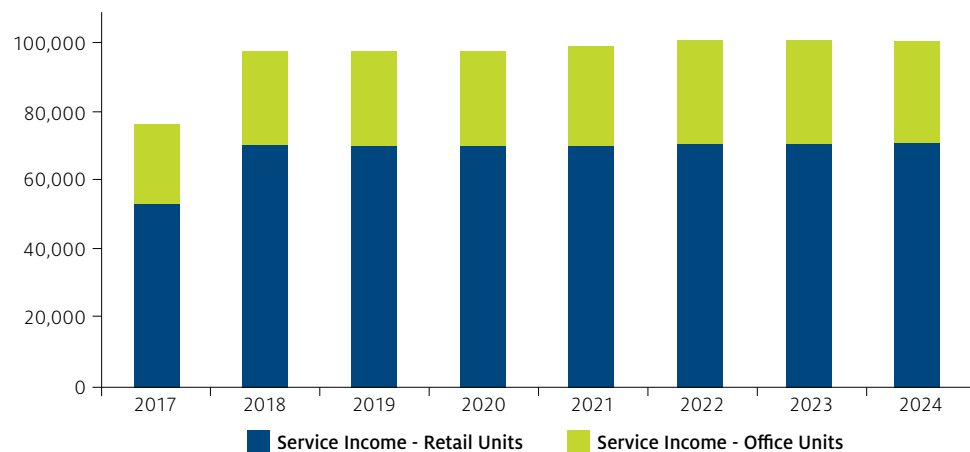
- Projected rental income (net of vacancy and excluding service charges) from the retail outlets and offices in Danaat Al Madina, during the projection period is shown in the chart below:

Exhibit 21: Projected annual rental income (ex. service charges) Danaat Al Madina (BHD)



- Rental income (net of vacancy charges and excluding service charges) from the retail outlets and the offices are expected to contribute an average of approximately 61.5% and 38.5%, respectively, to the total rental income on average during the projection period.
- Service charges are expected to range between 10% and 15% of tenancy lease rates.
- Based on the projected occupancy and lease rates, the projected income from service charge (net of vacancy) in Danaat Al Madina is shown in the chart below:

Exhibit 22: Projected annual service charge income Danaat Al Madina (BHD)



12.6 Operating expenses assumptions

- Operating expenses comprise of property management fees, utilities cost, security cost, cleaning and landscaping costs, mechanical and electrical services, lift and escalators, suspended access equipment, repairs and maintenance, insurance cost, exceptional expenditure and commissions.
- Based on the Property Manager's estimates, operating expenses of Segaya Plaza comprise approximately 58% of the Trust's total operating expenses on average during the projection period.

- The annual operating expenses are expected to increase at a rate of 3% after every four years (i.e. during years 2020 and 2024). Operating expenses expected for 2017 are mentioned in the table below:

Exhibit 23: Operating expense breakdowns

BHD	Segaya Plaza	Danaat Al Madina
Management		
Property management fees	30,000	20,790
Municipality tax	47,025	-
Office running costs	690	762
Sub total	77,715	21,552
Utilities		
Electricity, water and sewerage charges	50,500	22,680
Sub total	50,500	22,680
Soft services		
Security	17,200	17,627
Internal cleaning	13,878	25,236
Hygiene services	-	3,010
External landscaping & pest control	1,680	2,520
Sub total	32,758	48,393
Hard services		
MEP maintenance	13,850	7,779
Fire alarm / life safety systems maintenance	1,850	1,134
Swimming pool / fountain maintenance	1,480	340
Air conditioning maintenance	12,000	1,890
Satellite	200	-
Lift Inspections & Consultancy	4,500	3,600
Suspended Access Maintenance	840	-
Internal Maintenance	2,140	3,213
External Repairs & Maintenance	2,800	1,078
Furnishings / Decoration	3,900	158
Sub total	43,560	19,192
Buildings insurance (inclusive of loss of rent)	8,000	5,560
Contingency	4,351	36,225
Project Works	5,000	-
Lease commissions	1,895	2,974
Marketing	2,000	2,000
Sub total	21,246	46,759
Total annual operating expenses	225,779	158,576

12.7 Trust Overheads

- Recurring expenses comprise mainly of administrative expenses which include: distribution expenses, valuation fees, administration expenses, audit fees, trustee costs, custody costs, registrar costs, regulatory fees, annual listing fees, and fund management expenses.
- The table below shows the details of the recurring expenses of Trust during 2017:

	BHD
Fund Management	50,000
Trustee costs	20,400
Administration	12,240
SPV recurring legal expenses and dividend distribution expenses	10,000
Audit costs	7,950
Valuation	5,100
Custody costs	2,040
Registrar costs	2,040
Regulatory fees	2,040
Listing fees	5,100
	116,910

- Recurring expenses of Trust are projected to increase at 2.0% after every two years except fund management expenses which are assumed to remain constant during the projection period.

12.8 Balance sheet assumptions

Non-current assets

- Non-current assets of the Trust comprise of real estate assets held within the Inaugural Trust Properties which are made up of Danaat Al Madina and Segaya Plaza. These properties are recognised initially in 2016 on the basis of the independent valuation carried out by the Property Appraiser.
- Non-current assets are recognized using fair value treatment that does not consider the properties as depreciating assets but rather tests them against any fair value adjustments.

Current assets

- Current assets of the Trust comprise of cash and Capital Expenditure Reserve.
- Capital Expenditure Reserve is the amount to be set aside annually for expected long term capital expenditures (over and above regular and scheduled preventative maintenance) in Segaya Plaza and Danaat Al Madina.
- The annual Capital Expenditure Reserve contribution by the Trust during the projection period is expected to be BHD99,679 from which approximately 73.9% (BHD73,076) relates to Segaya Plaza while the remaining 26.1% (BHD25,973) relates to Danaat Al Madina (with additional amounts relating to Danaat Al Madina's common areas expected to be contributed by the owners of the sold off apartments).

Equity

a) Paid up capital

Each of Segaya Plaza Company BSC(c) and Danaat Al Plaza Company BSC(c) share capital stands at BHD 1,000 with the remaining equity expected in the form of General Reserves and retained earnings.

b) General Reserves

General Reserves, together with any retained earnings, represent the maximum amount up to which distributions to Unitholders may be made; therefore, they do not necessarily represent cash available for distribution at any given time.

c) Distributions

Approximately 6.5% of the Offer Price in distributions to Unitholders for each year is targeted and expected during the projection period.

d) Statutory reserves

In accordance with the provisions of the Companies Law, an amount equivalent to 10.0% of each of the Trust's Subsidiaries net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50.0% of the issued share capital is set aside.

13 Meeting of Unitholders

13.1 Annual Meeting

There shall be in each Financial Year, commencing in 2018, a meeting of the Unitholders, at such time and place in Bahrain and for such purposes as the Trustee may prescribe for the purpose of presenting the audited financial statements of the Trust for the immediately preceding year, appointing or removing the Investment Manager of the Trust and transacting such other business as the Trustee may determine or as may properly be brought before the meeting (the “**Annual General Meeting**” or “**AGM**”). The AGM shall be held after delivery to the Unitholders of a meeting notice in accordance with Section 13.3 below, and the AGM shall be held within four months after the end of each Financial Year, or such earlier period as required by the Regulations.

13.2 Other Meetings

In case of resignation and/or removal of the Trustee, the Trustee shall immediately call a special meeting of the Unitholders at such place in Bahrain as the Trustee may determine for the purpose of appointing a Replacement Trustee. In case of a failure by the Trustee to call such meeting within five (5) Business Days from the date of resignation or removal, each Board Member shall be entitled to call such special meeting in its stead.

The Trustee or the Board of Directors shall have power at any time to call special meetings of the Unitholders at such time and place as the Trustee or the Board of Directors may determine. Unitholders holding in the aggregate not less than 15% of the outstanding Units of the Trust may demand the Trustee in writing to call a special meeting of the Unitholders for the purposes stated in the demand notice. The demand notice shall state, in reasonable detail, the business proposed to be transacted at the meeting and shall be sent the Trustee and to the Board of Directors at the principal office of the Trust. Upon receiving the demand notice, the Trustee shall call a meeting of Unitholders to transact the business referred to in the demand notice, unless:

1. a record date for a meeting of the Unitholders has been already fixed and notice thereof has been given in accordance with this Section 13; or
2. in connection with the business as stated in the demand notice:
 - a) it clearly appears to the Trustee, acting reasonably, that the matter covered by the demand is submitted by the Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustee, the Directors or officers, if any, of the Trust;
 - b) it clearly appears to the Trustee, acting reasonably, that the matter covered by the demand falls outside the competence of the meeting of the Unitholders;
 - c) it clearly appears to the Trustee, acting reasonably, that the matter covered by the demand does not relate in a significant way to the business or affairs of the Trust;
 - d) substantially the same matter covered by the demand was submitted to Unitholders in a meeting of Unitholders held within two years preceding the receipt of the Unitholder's request and the matter covered by the demand was defeated; or
 - e) it clearly appears to the Trustee, acting reasonably, that the rights conferred by this Section 13.2 are being abused to secure publicity.

Subject to the foregoing, if the Trustee does not within 15 days after receiving the demand notice call a meeting, any Unitholder who signed the demand notice or any Board Member may call the meeting in accordance with this Section 13.

13.3 Notice of Meeting of Unitholders

The Trustee or any other person entitled to call the meeting in accordance with Section 13.2 will send notice to the Unitholders through the Registrar and Transfer Agent. Such notice shall be published in at least two daily Arabic newspapers; one of them at least must be local. The publication shall be made at least fifteen (15) Business Days before the meeting and shall include the agenda of the meeting. The notice shall specify the place, day and hour of the meeting and the terms of any resolution to be proposed thereat and shall otherwise include such information as would be provided to shareholders of a public shareholding company governed by the Companies Law in connection with a meeting of shareholders. Non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting to the extent that the notice has been published in accordance with this Section 13.3. The notice will also be sent to the Board of Directors, the Administrator, the Investment Manager, the Sub-Investment Manager, the Custodian, the Auditors, the Bahrain Bourse and the Central Bank of Bahrain.

Notwithstanding the foregoing, a meeting of Unitholders may be held at any time without notice if all the Unitholders are present or represented there at or those not so present or represented have waived notice and the Central Bank of Bahrain consents it. Any Unitholder (or a duly appointed proxy of a Unitholder) may waive any notice required to be given under the provisions of this Section 13.3, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice. Attendance at a meeting of Unitholders shall constitute a waiver of notice unless the Unitholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called.

The Trustee, the Board of Directors, the Investment Manager, the Sub-Investment Manager, the Administrator, the Custodian, the Auditors shall be entitled to receive notice of, to attend and to be heard at meetings of Unitholders but shall not be entitled to vote at or be counted in the quorum for such meetings unless they hold Units in their own name (except for the Trustee who is prohibited from holding Units in its own name) or as nominee for Unitholders or have received an instrument of proxy from the Unitholders in accordance with this Section. Accordingly for the purposes of the following provisions of this Section, Units held or deemed to be held (except as aforesaid) by the Trustee shall not be regarded as outstanding Units and shall not be counted in respect of a meeting being quorate nor shall same be permitted to vote.

The chairperson of any AGM or other meeting of Unitholders shall be the Chairman of the Board of Directors or, in his/her absence, the Deputy Chairman or, in the absence of the Chairman and the Deputy Chairman, any other person appointed as chairperson of the meeting by the majority of the Unitholders present in person or by proxy. The Chairman and the Deputy Chairman shall be deemed absent if they are not present within 30 minutes from the beginning of the meeting as set out in the meeting notice.

13.4 Quorum

A quorum for any meeting of the Unitholders shall be individuals present in person or represented by proxy, not being less than two (2) in number, provided that if the Trust has only one Unitholder, the Unitholder present in person or by proxy constitutes a meeting and a quorum for such meeting, and representing in the aggregate not less than 40% of the total number of outstanding Units on the record date for the meeting in case the meeting has been called in order to vote exclusively on matters whose approval requires an Ordinary Resolution of the Unitholders (the “**Ordinary Quorum**”) or not less than 50% plus 1 Unit in case the meeting has been called in order to vote also on matters whose approval requires an Extraordinary Resolution of the Unitholders (the “**Special Quorum**”) or, in case of adjournment of the meeting called in order to vote also on matters whose approval requires an Extraordinary Resolution of the Unitholders pursuant to Section 13.10 below, not less than 25% of the total number of outstanding Units on the record date for the meeting (“**Adjourned Meeting Special Quorum**”). If a quorum is present at the opening of a meeting, the Unitholders may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. The chairperson of any meeting at which a quorum of Unitholders is present may, with the consent of the majority of the Unitholders present in person or by proxy, adjourn such meeting and no notice of any such adjournment need be given provided that no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

In the event of the Ordinary Quorum not being present at the appointed place on the date for which the meeting for voting exclusively on matters whose approval requires an Ordinary Resolution of the Unitholders is called within one hour after the time fixed for the holding of such meeting, the meeting, if called by request of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than ten (10) Business Days later and to such place and time as may be appointed by the chairperson of the meeting, who shall serve a notice of such adjourned meeting of Unitholders in the same manner as for an original meeting (except where the original notice sent already included the place, day and hour of any adjournment of the meeting) and provided that such notice shall state that the Unitholders present at the adjourned meeting whatever their number and the number of Units held by them will form a quorum.

If at such adjourned meeting the Ordinary Quorum is not present within 30 minutes after the time fixed for the holding of such adjourned meeting, the Unitholders present either personally or by proxy shall, whatever their number and the number of Units held by them, form a quorum, and any business requiring an Ordinary Resolution of the Unitholders may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

In the event of the Special Quorum not being present at the appointed place on the date for which the meeting for voting also on matters whose approval requires an Extraordinary Resolution of the Unitholders is called within one hour after the time fixed for the holding of such meeting:

- (i) if the agenda includes also matters whose approval requires an Ordinary Resolution of the Unitholders and the Ordinary Quorum is not present, the meeting, if called by request of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than ten (10) Business Days later and to such place and time as may be appointed by the chairperson of the meeting, who shall serve a notice of such adjourned meeting of Unitholders in the same manner as for an original meeting (except where the original notice sent already included the place, day and hour of any adjournment of the meeting) and provided that such notice shall state that the Unitholders present at the adjourned meeting whatever their number and the number of Units held by them will form a quorum to vote in respect to any resolution whose approval requires an Ordinary Resolution of the Unitholders;
- (ii) if the agenda includes also matters whose approval requires an Ordinary Resolution of the Unitholders and the Ordinary Quorum is present, then the meeting may transact any business in respect to which an Ordinary Resolution of the Unitholders is required and, in relation to the business requiring an Extraordinary Resolution of the Unitholders, if called by request of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than ten (10) Business Days later and to such place and time as may be appointed by the chairperson of the meeting, who shall serve a notice of such adjourned meeting of Unitholders in the same manner as for an original meeting (except where the original notice sent already included the place, day and hour of any adjournment of the meeting); and

- (iii) if the agenda does not include matters whose approval requires an Ordinary Resolution of the Unitholders, then the meeting, if called by request of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than ten (10) Business Days later and to such place and time as may be appointed by the chairperson of the meeting, who shall serve a notice of such adjourned meeting of Unitholders in the same manner as for an original meeting (except where the original notice sent already included the place, day and hour of any adjournment of the meeting).

If at such adjourned meeting the Adjourned Meeting Special Quorum is not present within 30 minutes after the time fixed for the holding of such adjourned meeting, the Unitholders present either personally or by proxy shall, whatever their number and the number of Units held by them, form a quorum, and any business requiring an Ordinary Resolution of the Unitholders, if any, may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same provided that the Unitholders present either personally or by proxy shall not form a quorum in respect to any business requiring an Extraordinary Resolution of the Unitholders and, if the Adjourned Meeting Special Quorum is not present within 30 minutes after the time fixed for the holding of such adjourned meeting, the meeting shall be terminated in respect to any business requiring an Extraordinary Resolution of the Unitholders.

13.5 Voting

At any meeting any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairperson or by one or more Unitholders present in person or by proxy recorded as holding in the aggregate not less than 20% of all the Units participating to such meeting. Unless a poll is so demanded, a declaration by the chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. If a poll is duly demanded, it shall be carried out in such manner as the chairperson may direct and the result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairperson or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time and place as the chairperson may direct. No notice need be given of a poll not taken immediately. A demand for a poll may be withdrawn at any time. Subject as aforesaid the demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

On any resolution put to the vote at any meeting of Unitholders, each Unitholder who (being an individual) is present in person or (being a corporation) is present by one of its officers as representative shall on a show of hands have one vote. On a poll, each Unitholder who is present in person or by proxy or by representative shall have one vote for every Unit of which he or it is a holder. A person entitled to more than one vote need not use all his votes or cast them the same way.

Votes on matters requiring an Extraordinary Resolution of Unitholders for approval shall always be given on a poll and no demand for a poll on such resolutions shall be necessary.

Any Unitholder shall disclose in writing to the chairperson any direct or indirect interest that he/she has which may be in conflict with the interests of the Trust and/or the Unitholders and shall abstain from deliberations and voting in any resolution where he/she is so conflicted. Should the Unitholder fail to disclose such interest and should his/her participation in deliberations or vote have been essential for the passing of the relevant resolution, then each of the Trustee, any Board Members or any Unitholder who did not vote in favour of such resolution may apply to a court to have such resolution set aside. Abstaining Unitholders shall be counted in respect to a meeting being quorate but shall not be counted for the purposes of determining the majority or special majority required for the passing of, respectively, an Ordinary Resolution of the Unitholders or an Extraordinary Resolution of the Unitholders.

13.6 Record Dates

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof or for the purpose of any other action, the Trustee may from time to time, without notice to the Unitholders and to the extent permissible under the Regulations, instruct the Registrar and Transfer Agent to close the transfer books for such period, not exceeding 35 days, as the Trustee may determine; or without closing the transfer books the Trustee, through the Registrar and Transfer Agent, may fix a date not more than 60 days prior to the date of any meeting of the Unitholders or other action as a record date for the determination of Unitholders entitled to receive notice of and to vote at such meeting or any adjournment thereof or to be treated as Unitholders of record for purposes of such other action, and any Unitholder who was a Unitholder at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, even though she has since that date disposed of her Units, and no Unitholder becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof or to be treated as a Unitholder of record for purposes of such other action. If, in the case of any meeting of Unitholders, no record date with respect to voting has been fixed by the Trustee, the record date for voting shall be close of business on the last Business Day before the meeting.

Unitholders may examine the list of Unitholders of record during usual business hours at the registered office of the Registrar and Transfer Agent, and at the meeting of Unitholders for which the list was prepared.

13.7 Proxies

Whenever the vote or consent of Unitholders is required or permitted under the Trust Instrument, such vote or consent may be given either directly by the Unitholder or by a proxy. In the case of a Unitholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at a meeting of the Unitholders. A proxy need not be a Unitholder nor shall there be any limitation on the number of Unitholders or Units which may be represented by a single person acting as proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation either under the common seal or under the hand of an officer or attorney authorised in writing. A proxy shall be entitled to attend, vote by show of hands or in a poll, require a poll and be counted in any quorum in the same way as the Unitholder(s) represented by such proxy.

The original instrument appointing a proxy and a copy of the power of attorney or other authority (if any) under which it is signed shall be deposited at such place as the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Trustee not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote and, in default of the foregoing, the instrument of proxy shall be treated as invalid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

An instrument of proxy may be in the following form or in any other form which the Trustee shall approve:

"I _____ holder of _____ passport number _____
[duly authorized by _____] being a Unitholder of and in the Trust known as the **Eskan Bank Realty Income Trust** [pursuant to/in my capacity as] _____ hereby appoint _____ holder of _____ passport number _____ as my proxy to vote for me and on my behalf at the meeting of Unitholders in the said Trust to be held on _____ day of _____ and at any adjournment thereof.

As witness my hand this _____ day of _____."

An instrument of proxy executed in compliance with the foregoing shall be valid unless challenged at the time of or prior to its exercise and the person challenging the instrument shall have the burden of proving, to the satisfaction of the chairperson of the meeting at which the instrument is proposed to be used, that the instrument of proxy is invalid. Any decision of the chairperson of the meeting in respect of the validity of an instrument of proxy shall be final and binding upon all persons. An instrument of proxy shall be valid only at the meeting with respect to which it was given or any adjournment thereof. A vote cast in accordance with any proxy shall be valid notwithstanding the death, incapacity, insolvency or bankruptcy of the Unitholder giving the proxy or the revocation of the proxy unless written notice of the death, incapacity, insolvency, bankruptcy or revocation of the proxy has been received by the chairperson of the meeting asserting invalidity or revocation of the proxy prior to the time the vote is cast.

13.8 Minutes

Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books by the Trustee, and retained by the Administrator on behalf of the Trustee, and any such minutes as aforesaid if signed by the chairperson of the meeting shall be presumptive evidence of the matters therein stated, and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions stated in such minutes to have been passed thereat to have been duly passed.

13.9 Joint Holders

The vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of each other joint Unitholder, and for this purpose, seniority shall be determined by the order in which the names appear on the records.

13.10 Matters on which Unitholders Shall Vote

- a. None of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held by the passing of an Ordinary Resolution of the Unitholders:
 - (i) the removal and replacement of the Trustee;
 - (ii) the removal and replacement of the Investment Manager;
 - (iii) allotment and issue of further Units and determination of the issue price;
 - (iv) exercise of any action for breach of the Trustee's duties under this Prospectus and the Trust Instrument provided, for the sake of clarity, that nothing herein shall limit the individual right of each Unitholder (A) to receive payment of any distribution declared and approved in accordance with the Trust Instrument and the Prospectus; (B) to attend to and vote at the Annual General Meeting or any other meeting of the Unitholders; (C) to receive information and disclosures in accordance with the terms of the Prospectus and the Trust Instrument which vest in and may be exercised by each Unitholder individually; and (D) to apply for setting aside certain contracts entered into in conflict of interest as provided by the Prospectus and the Trust Instrument;
 - (v) approval of the annual audited financial statements of the Trust;
 - (vi) any change to the Investment Policy of the Trust other than any change that may be brought by the Trustee without approval by the Unitholders under the terms of the Investment Policy;
 - (vii) any matter submitted by the Trustee to the vote of the Unitholders pursuant to the Trust Instrument;
 - (viii) the approval of Related Party Transactions pursuant to Clause 5.9 (Related Party Transactions) of the Trust Instrument and Section 9.16 of this Prospectus; and
 - (ix) the taking of any action upon any matter, which under the Regulations would require approval by an Ordinary Resolution of the Unitholders.
- b. None of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held by the passing of an Extraordinary Resolution of the Unitholders:
 - (i) any amendment to the Trust Instrument or to the Prospectus except as contemplated in the Trust Instrument and subject to the prior approval of the CBB. Investors will be notified of any significant amendments to the Prospectus through written notification by the Trustee within a period of 30 Calendar Days from the date of such amendment;
 - (ii) any change to the name of the Trust or to the Investment Objectives;
 - (iii) any alteration to the duration of the Trust within the limits set forth in the Prospectus and the Trust Instrument;
 - (iv) any application for the de-listing of the Units from Bahrain Bourse;
 - (v) the sale or transfer of the assets of the Trust and its Subsidiaries as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the assets of the Trust and its Subsidiaries as approved by the Trustee);
 - (vi) any conversion of the Trust from its intended regulatory status as a Bahrain Domiciled Retail Collective Investment Undertaking, Bahrain Domiciled Real Estate Investment Trust and Shari'ah Compliant Collective Investment Undertaking into another regulatory status;
 - (vii) any merger, demerger or amalgamation of the Trust and its Subsidiaries (other than as a part of an internal reorganization of the assets of the Trust and its Subsidiaries as approved by the Trustee);
 - (viii) the termination and/or liquidation of the Trust or its Subsidiaries (other than as part of an internal reorganization as approved by the Trustee);
 - (ix) any partial redemption of the Units outstanding in accordance with the terms of the Trust Instrument and the Prospectus; and
 - (x) the taking of any action upon any matter, which under the Regulations would require approval by an Extraordinary Resolution of the Unitholders.

Nothing in this Section 13 however, shall prevent the Trustee from submitting to a vote of Unitholders any matter which they deem appropriate. Except with respect to the matters specified in this Section 13 or matters voluntarily submitted to a vote of the Unitholders by the Trustee, no vote of the Unitholders shall in any way bind the Trustee.

13.11 Conduct of Meetings

To the extent that the rules and procedures for the conduct of a meeting of Unitholders are not prescribed herein, the rules and procedures shall be such reasonable rules and procedures as are determined by the chairperson of the meeting and such rules and procedures shall be binding upon all parties participating in the meeting.

13.12 Binding Effect of Resolutions

Every resolution passed at a meeting in accordance with the provisions of this Section 13 shall be binding upon all Unitholders, whether present at or absent from the meeting. Subject to Section 13.10, no action taken by Unitholders at any meeting of Unitholders shall in any way bind the Trust or the Trustee.

13.13 Resolution in Lieu of Meeting

A resolution signed in writing by all of the Unitholders entitled to vote on that resolution at a meeting of Unitholders shall be valid as an Extraordinary Resolution of the Unitholders.

13.14 Actions by Unitholders

Any action, change, approval, decision or determination required or permitted to be taken or made by the Unitholders hereunder shall be effected by a resolution passed by the Unitholders at a duly constituted meeting or by written resolution in lieu thereof, all in accordance with this Section 13.

14 General

14.1 Nature of Trust

The Trust is an unincorporated Closed Ended CIU created as a trust under the Trust Law. The Trust is not and is not intended to be, shall not be deemed to be and shall not be treated, as a commercial company under the Companies Law nor shall the Trustee or the Unitholders or any of them or any Director, officers or other employees of the Trust, if any, or any one of them for any purpose be, or be deemed to be, treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venture partners. Neither the Trustee nor any Director, officer or other employee, if any, of the Trust shall be, or be deemed to be, agents of the Unitholders. The relationship of the Unitholders to the Trustee, to the Trust and to the Trust Property shall be solely that of beneficiaries of the Trust and their rights shall be limited to those conferred upon them by the Trust Instrument.

The Trust has been approved by the Central Bank of Bahrain as a Bahrain Domiciled Retail Collective Investment Undertaking and as a Bahrain Domiciled Real Estate Investment Trust.

14.2 Rights of the Unitholders

The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustee are limited to those contained in the Trust Instrument and, except as provided in the Trust Instrument, no Unitholder shall be entitled to call for any partition or division of the Trust Property or for a distribution of any particular asset forming part of the Trust Property or of any particular monies or funds received by the Trustee. The legal ownership of the property of the Trust and the right to conduct the activities of the Trust are vested exclusively in the Trustee, and no Unitholder has or is deemed to have any right of ownership in any of the property of the Trust, except as specifically provided in the Trust Instrument. Except as specifically provided in the Trust Instrument, no Unitholder shall be entitled to interfere with or give any direction to the Trustee with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustee under the Trust Instrument. The Units shall be dematerialized registered securities and shall confer upon the holders thereof only the interest and rights specifically set forth in the Trust Instrument.

14.3 Accounting Principles

AAOIFI

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Prospectus and the Trust Instrument, such determination or calculation shall, to the extent applicable and except as otherwise specified herein, be made in accordance with AAOIFI Standards, and all financial data prepared pursuant to this Prospectus and the Trust Instrument shall be prepared in accordance with such principles, consistently applied. In the event of a change in AAOIFI Standards, the Trustee shall revise (if appropriate) the financial data prepared pursuant to this Prospectus and the Trust Instrument to reflect AAOIFI Standards as then in effect, in which case all financial data shall be made on a basis consistent with AAOIFI Standards in existence as at the date of such revisions.

In the absence of AAOIFI Standards applicable to any asset or liability or item of revenue or expense, IFRS shall be applied in its stead.

General Reserve Equity Accounts

In addition to paid up capital, retained earnings and other equity accounts, the Trust and its Subsidiaries intend to utilize 'general reserve accounts' within their respective equity constituents. Moreover, the majority of the Trust and its Subsidiaries capitalization is expected to be made into these general reserve accounts. Such general reserve accounts will be categorized as unrestricted. Accordingly, these general reserve accounts may be utilized by the Trust to pay out distributions over and above amounts available in the Trust/Subsidiary's retained earnings and net income.

Treatment of Investment Property

The real estate assets within the Trust Property are expected to be accounted for as investment property carried at fair value. Accordingly, any revaluation gains or losses will be booked into the Trust and/or its Subsidiaries profit & loss statement. Furthermore, under such treatment, the real estate assets will not be subjected to depreciation for accounting purposes.

14.4 Base Currency

The base currency of the Trust shall be Bahraini Dinars. Contributions and distributions shall accordingly be made in Bahraini Dinars.

14.5 Trust Instrument and Prospectus Binding on Unitholders

The terms and conditions of the Trust Instrument and the Prospectus and any instrument or prospectus supplemental to it shall be binding on each Unitholder, and all persons claiming through it as if the Trust Instrument, Prospectus and any such supplemental instruments and prospectuses had been executed by such Unitholder and contained covenants on the part of each Unitholder for itself and all such persons to observe and be bound by the terms of the Trust Instrument and Prospectus and any such supplemental instruments and prospectuses respectively and an authorisation by each Unitholder to do all such acts as this Prospectus, the Trust Instrument or any such supplemental prospectus or instrument may permit or require the Trustee to do.

14.6 Determinations of Trustees Binding

All determinations of the Trustee which are made in good faith with respect to any matters relating to the Trust, including, without limitation, whether any particular investment or disposition meets the requirements of this Prospectus and Trust Instrument, shall be final and conclusive and shall be binding upon the Trust and all Unitholders and Units of the Trust shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

14.7 Expenses

The Trustee shall pay out of the Trust Property all expenses incurred in connection with the administration and management of the Trust and its investments, including without limitation:

- (i) charges connected with Shari'ah compliant financing transactions;
- (ii) fees and expenses of any Relevant Person and/or any lawyers, accountants, auditors, appraisers and other agents or consultants employed by or on behalf of the Trust or the Trustee;
- (iii) fees and expenses of the Trustee;
- (iv) fees and expenses connected with the acquisition, disposition and ownership of real property interests or other property;
- (v) Shari'ah compliant insurance as considered necessary by the Trustee;
- (vi) expenses in connection with payments of distributions on Units of the Trust;
- (vii) expenses in connection with communications to Unitholders and the other bookkeeping and clerical work necessary in maintaining relations with Unitholders;
- (viii) expenses of amending this Prospectus, the Trust Instrument or terminating the Trust;
- (ix) fees and charges of transfer agents, registrars, and other trustees and custodians;
- (x) all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of Units and other required governmental filings;
- (xi) all costs and expenses in connection with the incorporation or establishment, organization and maintenance of corporations and other entities formed to hold real property or other property of the Trust;
- (xii) real property and brokerage commissions at commercial rates in respect of the acquisition and disposition of any investment acquired or disposed of by the Trust; and
- (xiii) asset management fees, leasing fees, capital expenditure supervision fees, acquisition fees, disposition fees and financing fees in respect of any real property owned by the Trust.

Capitalization of any such expense may be undertaken by the Trustee, in consultation with the Administrator, where permissible in accordance with the accounting principles set forth in Section 14.3 above.

14.8 Accounts and Records

The Administrator, on behalf of the Trustee, shall prepare and maintain all books of accounts, and maintain records as provided by the Trustee or the Investment Manager, for legal and accounting purposes and shall make all entries thereto in connection with any occurrence which would require any such entry. The Administrator, on behalf of the Trustee, shall also:

- i. prepare (for approval by the Trustee) the annual accounts of the Trust in respect of each Financial Year;
- ii. prepare (for approval by the Trustee) the semi-annual financial statements;
- iii. prepare the Monthly NAV Statements;
- iv. prepare (for approval by the Trustee) and submit the Quarterly Statistical Returns;
- v. liaise with the Auditor and ensure that the annual financial statements and the semi-annual financial statements are audited by the Auditor and that the Monthly NAV Statements are reviewed by the Auditor; and
- vi. comply with such other reporting requirements as are required by RP-7.5.1 of Module RP or Module CRR.

15 Reporting

15.1 Annual and Semi-annual financial statements

The Trustee shall use its best endeavors to make sure that, following listing on the Bahrain Bourse, Unitholder reports published shall be made available on the website of the Bahrain Bourse. The Trustee shall circulate to the Unitholders, to the Central Bank of Bahrain and to the Bahrain Bourse:

- (i) the Trust's audited semi-annual financial statements within two (2) months from the end of the second Quarter of each Financial Year;
- (ii) the annual report including the audited consolidated financial statements for the entire Financial Year within four (4) months from the end of the Financial year; and
- (iii) any other document or report required under the Regulations.

The annual report shall be compiled in accordance with the Regulations and in conformity with the accounting principles set forth in Section 14.3 and shall include:

- (i) A summary of key developments within the last twelve (12) months in relation to the Trust Property;
- (ii) An annual valuation report prepared by the Property Appraiser and in line with internationally acceptable valuation standards including details of the basis of the Property Appraiser's fees;
- (iii) Financial statements audited by the Auditor;
- (iv) Report of the Shari'ah Board as to the verifications made and opinion on the Shari'ah compliance of the Trust in the relevant Financial Year;
- (v) An annual statement of changes in the NAV of the Trust;
- (vi) Details of the each property including its address, acquisition date, land area, breakdown by property type (office, retail, residential etc.), gross areas, built up areas and lettable areas, valuation and valuation cap rates, average passing rent per square meter, current occupancy levels and leasing incentives, annualized net rent, lease terms and impending lease expiries, operating profits after property expenses, the internal rate of return since acquisition, percentage of ownership and control provisions, form of ownership (freehold or leasehold), duration of leasehold term remaining, year of construction and any major refurbishment, impending capital expenditure etc.;
- (vii) To the extent that any financing has been made available to or has been utilized by the Trust (A) details of the net finance charges incurred by the Trust; (B) an explanation of the market value of the debt; (C) details of the proportion of fixed versus floating debt profit charges; (D) details of the maturity profile of the debt; (E) an analysis of the proportion of debt that is secured by specific assets versus unsecured assets; and (F) details of the weighted average cost of debt.
- (viii) details of any transaction entered into in compliance with Sections 9.15 (Conflict of Interest) and 9.16 (Related Party Transactions).
- (ix) Should the Trust Property include assets that are jointly owned by the Trustee and by third parties, the Trustee shall include in the Trust's annual report the following additional information: (A) the name and brief description of such jointly owned property; (B) description of the business activity of the joint owner; (C) percentage ownership between the owners of the joint property and the Trust; (D) the accounting period of such jointly owned property, if different from the Trust; (E) any material restrictions on repayments to be made on such jointly owned property; (F) distribution schedule to be received by the Trust on such jointly owned property; (G) details of debt on such jointly owned property and the extent of guarantees or recourse to the Trust; (H) nature of the agreement and relationship between the Trust and the other owners of the jointly owned property; and (I) a general narrative on the performance of such jointly owned property.

16 Distribution Policy

16.1 Annual distributions

The Trust shall, subject to the prior approval by the CBB, distribute to the Unitholders on each Distribution Date such amounts for the preceding Distribution Period as the Trustee determines in its sole discretion provided that any such amount should be at least equal to 90% of its Net Distributable Income (after accounting for all expenses and reserves and ensuring sufficient cash is available for such distribution and the ongoing operation of the Trust) for the relevant Distribution Period as resulting from its audited financial statements for such period (the “**Annual Distribution**”). The non-distributed Net Distributable Income shall be carried forward to the subsequent Financial Year or otherwise treated by the Trustee, acting through the Administrator, in accordance with the accounting principles set forth in Section 14.3.

16.2 Interim distributions

The Trust may, subject to the prior approval by the CBB, distribute, at its discretion, to the Unitholders on each Interim Distribution Date such amounts for the preceding Interim Distribution Period as the Trustee determines in its sole discretion. In case of Interim Distribution, the Annual Distribution in respect to the Financial Year including the relevant Interim Distribution Period shall be reduced by an amount equal to the Interim Distribution.

16.3 Extraordinary distributions

The Trust may, subject to the prior approval by the CBB, distribute, at its discretion, to the Unitholders on each Extraordinary Distribution Date, in whole or in part, the amount of the Net Distributable Income carried forward from any previous Financial Year which is available for distribution in accordance with the Regulations and the accounting principles set forth in Section 14.3.

16.4 General provisions on distribution

Any distribution shall, subject to the prior approval by the CBB, be made on a Distribution Date, Interim Distribution Date, Extraordinary Distribution Date or, as the case may be, Partial Redemption Distribution Date proportionately to persons who are Unitholders as of the close of business on the record date for such distribution (the “**Record Date for Distributions**”) which shall be the last Business Day of the calendar month immediately preceding the month in which the Distribution Date, Interim Distribution Date, Extraordinary Distribution Date or, as the case may be, Partial Redemption Distribution falls or such other date, if any, as is fixed by the Trustee in accordance with Section 13.6.

For the purposes hereunder, “**Net Distributable Income**” shall mean, for any period, with respect to the Trust, net income attributable to the Trust and its Subsidiaries on a consolidated basis, as determined in accordance with the accounting principles set forth in Section 14.3; provided that Net Distributable Income for any such period may be adjusted (in whole or in part) by the Trustee in the interest of the Trust and the Unitholders for the following effects which may or may not have been recorded in the profit or loss for the relevant period:

- (i) Adding back depreciation and/or impairment charges, pertaining to the Trust Property, made in accordance with the accounting principles set forth in Section 14.3;
- (ii) Deducting the allocation to the Working Capital Reserve as set forth in Section 6.2;
- (iii) Deducting the allocation to the Capital Expenditure Reserve as set forth in Section 6.3;
- (iv) Deducting any amounts retained for purposes approved by Ordinary Resolution of the Unitholders;
- (v) Deducting any unrealized fair value gains pertaining to the Trust Property;
- (vi) Adding back any provision, write-off or adjustment made in accordance with the accounting principles set forth in Section 14.3; and
- (vii) Deducting any amounts that may be formally requested to be retained for any reason by the Central Bank of Bahrain or the Ministry of Industry, Commerce and Tourism or the BCDR.

Distributions shall be made by cheque payable to or to the order of the Unitholder or by electronic funds transfer or by such other manner of payment approved by the Trustee from time to time. The payment, if made by cheque, shall be made available for receipt at the offices of the Paying Agent. Furthermore, the payment, if made by cheque, shall be conclusively deemed to have been made upon hand-delivery of a cheque to the Unitholder or to his/her agent duly authorized in writing unless the cheque is not paid on presentation. The Trustee may issue a replacement cheque if it is satisfied that the original cheque has not been received or has been lost or destroyed upon being furnished with such evidence of loss, indemnity or other document in connection therewith that they may, in their discretion, consider satisfactory.

17 Gross and Net Asset Value

Gross Asset Value

- a) The Gross Asset Value of the Trust is determined by the Administrator on a monthly basis by aggregating the value of all the Trust Property determined as provided in this Section and adding to it:
 - i. a reasonable estimate by the Trustee of the total amount of any claim for repayment of any taxation (if any) levied on capital (including capital gains) accrued before the Relevant Time; and
 - ii. an amount equal to any loan or advance made out of the Trust Property.
- b) The valuation of any real estate shall be the Market Value of such real estate as determined by the Property Appraiser, after deducting all expenses in relation to such real estate.
- c) Subject to the further guidelines set out in this Section the value of any part of the Trust Property other than real estate shall be determined by the Trustee.
- d) Subject to the Investment Policy, an asset which is a security of any description will be valued on the basis of the best price available for the security concerned on a market on which the security is traded.
- e) If there is no price of the asset in question under the provisions above, it shall be valued at a reasonable estimate of the amount which would be received by a seller by way of consideration for an immediate transfer or assignment from such seller at arm's length less any transaction charges which would be payable by the seller.
- f) If the Market Dealing Offer Price or the Market Dealing Bid Price of an asset is not known because, in the markets on which the asset is traded, prices at which transactions are effected are published without distinguishing between what is an offer price and what is a bid price, the Trust Instrument shall have effect as if for the references to the Market Dealing Offer Price and to the Market Dealing Bid Price respectively there were substituted references to latest published price for a transaction of any size in the investment in question.

Net Asset Value

The Net Asset Value shall be determined by the Administrator on a monthly basis by taking the Gross Asset Value and deducting therefrom a reasonable estimate by the Trustee of the total amount of liabilities, potential liabilities and provisions payable or potentially payable out of the Trust Property.

Net Asset Value of a Unit

The Net Asset Value of a Unit is determined by the Administrator on a monthly basis by dividing the Net Asset Value by the number of Units in issue or deemed to be in issue at the time of the determination.

Any valuation of the Trust Property may be carried out in any circumstances when markets are closed.

18 Unitholders the Trust

18.1 Major Unitholders of the Trust

The Bahrain Property Musharaka Trust holds 100% of the Trust's Units prior to the IPO. The Trust is expected to have the following Unitholder ownership structure (as the Offer is not underwritten, the final outcome of the Offering will be subject to change):

Exhibit 24: Major Unitholders Immediately Post-Offering

Name	Nationality	Units held immediately Prior to the Offering	Number of Units to be offered for sale in the IPO	Minimum number of Units held immediately Post the Offering
Bahrain Property Musharaka Trust (BPMT)	Bahraini	198,000,000 Units representing 100% of all issued Units	144,394,499 Units, representing 72.9% of all issued Units	Subject to a fully subscribed Offer, BPMT will hold 53,605,501 Units post the Offer representing 27.1% of the issued Units*
New Unitholders	Bahraini/GCC	-	-	Subject to a fully subscribed Offer, new Unitholders will own 144,394,499 Units representing 72.9% of the issued Units

*As the Offer is not underwritten the final outcome of the Offering will be subject to change but BPMT will not own less than the minimum number provided above, immediately post the Offering.

18.2 Unitholder Rights

The Trust has only one class of units and holders of these units have equal rights.

19 The Offering

19.1 The Offering

The Trust has issued 198,000,000 Units with a Net Asset Value of BHD 0.101 per Unit and at an Offer Price per Unit of BHD 0.100 as at the date of this Prospectus. The Units are currently 100% owned by the Pre-Offer Unitholder, Bahrain Property Musharaka Trust (“**BPMT**”). BPMT will offer 72.9% of the Units in the IPO. The Offer is directed at institutional and retail investors in the Kingdom of Bahrain and institutional investors in the wider GCC, under the terms and subject to the conditions contained in this Prospectus. The Offer Price represents no premium per Unit and is made at a slight discount (of around 1%) to the Net Asset Value per Unit as of the date of this Prospectus. The Offer Units shall rank in all respects pari passu with all other Units.

19.2 Plan of Distribution

Minimum Subscription

The minimum allowable subscription for investors is 5,000 Offer Units for a total minimum subscription value of BHD 500 and in incremental subscriptions of one Offer Unit.

19.3 Method and Expected Timetable

Exhibit 25: Summary of the key dates for the Offering:

Tuesday November 22, 2016 to Tuesday December 6, 2016	Offer Period
Tuesday November 22, 2016	Subscription Opening Date The Offering will start at 8am
Tuesday December 6, 2016	Subscription Closing Date The Offering will close at 4pm
Thursday December 8, 2016	Subscription results and Allotment basis announcement date
Wednesday December 14, 2016	Allotment Date
Thursday December 22, 2016	Distribution of Allotment Notice / Distribution of Refunds Date
Thursday December 29, 2016	Issue Date
Monday January 2, 2017	Commencement of Trading Date on the Bahrain Bourse

The Receiving Bank may extend the collection hours or days during the Offer Period after obtaining the necessary approvals. The Offer Period may be extended by the Offeror after obtaining all necessary approvals for such extension. Any extension to the Offer Period will be announced in two local daily local newspapers, one in Arabic and the other in English.

The Subscription Funds shall be payable in full at the time of the application for the Offer Units at any time during the Offer Period and prior to the Receiving Bank's closing time on the Subscription Closing Date. For further information relating to the process for applying for the Offer Units refer to Section 24 ('Subscription Terms and Conditions') of this Prospectus.

The results of the subscription and confirmation of the basis of Allotment will be published in two local newspapers in the Kingdom of Bahrain within two Business Days of the Subscription Closing Date. The decision of the Trust and the Lead Manager on the basis of Allotment and on each individual Allotment shall be final.

On the Distribution of Refunds Date, the Receiving Bank will return, in Bahraini Dinars, the Subscription Funds paid by Applicants in respect of Offer Units they applied for and were not allotted. No profit or interest shall be payable to Applicants in respect of Subscription Funds collected by the Receiving Bank regardless of whether such funds are returned to the Applicant in whole or in part.

19.4 Price Stabilisation

The Offeror has appointed SICO to act as a market maker to undertake market making activities and facilitate stock price stabilization and liquidity of the Units on the Bahrain Bourse.

19.5 Use of Proceeds

Proceeds raised in the IPO will be fully utilized to buy out Units from the Pre-Offer Unitholder (as set forth in Section 18) of the Trust.

19.6 Expenses of the Issue

As a listed REIT, the Trust will incur ongoing expenses depicted in Section 12. One off expenses related to the Offering, including but not limited to advisory, marketing, and initial valuations will be incurred and borne entirely by the Pre-Offer Unitholder.

20 Material Contracts

20.1 Trust Instrument

The Trust Instrument is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Trust Instrument. Certain salient terms of the Trust Instrument are summarized in other sections of this Prospectus and all prospective investors in the Units should refer to the Trust Instrument itself to confirm specific information or for a detailed understanding of EBRIT. The Trust Instrument may be made available for inspection at the offices of the Trustee for potential Applicants during the Offer Period and subsequently to all Unitholders.

The Trustee, on behalf of the Trust, has executed a Trust Instrument with the Settlor on November 3, 2016 pursuant to which EBRIT has been created subject to registration thereof with the competent directorate of the Central Bank of Bahrain. The Trust Instrument has been subsequently amended and restated so as to ensure, inter alia, compliance with the Trust Law which replaced the Financial Trust Law.

Pursuant to the terms of the Trust Instrument the Trustee agrees to hold and administer the property, real, personal or otherwise, tangible or intangible, which has been or is hereafter transferred, conveyed or paid to or otherwise received by the trust or to which the Trust is otherwise entitled, including the Inaugural Trust Property, and all rents, income, profits and gains therefrom in trust for the use and benefit of the Unitholders, their successors, permitted assigns and personal representatives upon the trusts and subject to the terms and conditions thereafter declared and set forth. With all the powers and authorities contained in and subject to the provisions of the Trust Instrument, the Trustee will apply or otherwise deal with the Trust Property in furtherance of the Trust Objectives in accordance with the Trust Instrument and in compliance with the Regulations; having ultimate responsibility for the Trust and undertaking all actions, appointments, and decisions in accordance with the terms of the Trust Instrument and subject to the Regulations and Regulatory Consents. Under the terms of the Trust Instrument the Trust shall operate as an unincorporated Closed Ended CIU and is intended to qualify as a Bahrain Domiciled Retail Collective Investment Undertaking and as a Bahrain Domiciled Real Estate Investment Trust.

The Trust Instrument provided that, in consideration for the transfer by the Settlor to the Trustee of the Trust Property pursuant to Article 12 of the Trust Law, the Trust shall issue 198,000,000 Units to the Settlor (the “**Inaugural Issue**”). The price at which the Trust Property is contributed to the Trust is equal to BHD 19,800,000. The Trust Instrument also provides that, subject to approval by an Ordinary Resolution of the Unitholders and obtainment of the Regulatory Consents, the Trustee may allot and issue further Units at such time or times and in such manner (including, without limitation, as consideration for the acquisition of new properties or assets) and for such consideration as the Trustee, with the approval by an Ordinary Resolution of the Unitholders, shall determine.

The Trust Instrument specifies eligibility requirements and term of office of the Trustee and defines the scope of its power and authority. In particular, it provides that Trustee shall remain in office for the entire duration of the Trust unless a Replacement Trustee has been appointed by an Ordinary Resolution of the Unitholders following removal or resignation of the Trustee in accordance with the terms of the Trust Instrument, provided that in either case the Trustee shall remain in office until the later of (i) the Replacement Trustee has actually commenced its activities and (ii) the Trust Property has been transferred to the Replacement Trustee. The Trust Instrument also provides that the Trustee, while discharging its duties (for which see Section 9.1.1 of this Prospectus) shall act honestly, in good faith and in the best interests of the Trust and the Unitholders and in connection therewith, that it shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Trustee in its capacity as trustee shall not be required to devote its entire time to the investments, business or affairs of the Trust. The Trustee shall not be liable in carrying out its duties under the Trust Instrument except in cases where the Trustee fails to act honestly, in good faith and in the best interests of the Trust and the Unitholders or, in connection therewith, fails to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Furthermore, the Trust Instrument provides that all determinations of the Trustee which are made in good faith with respect to any matters relating to the Trust, including, without limitation, whether any particular investment or disposition meets the requirements of the Trust Instrument, shall be final and conclusive and shall be binding upon the Trust and all Unitholders and Units of the Trust shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

The Trust Instrument specifies the eligibility requirements, the rules of appointment, revocation or removal and functioning of the Board of Directors of the Trust. The Trust Instrument also sets forth the responsibilities of the Board of Directors (see Section 9.9.2 of this Prospectus). The Trust Instrument also regulates eligibility requirements, rules of appointment and functioning of the Shari’ah Board of the Trust and the relevant responsibilities (see Section 9.10.2 of this Prospectus). The Trust Instrument lays down competence and rules of functioning of the meeting of the Unitholders which are summarized in section 13 of this Prospectus.

Clause 9 of the Trust Instrument regulates distributions by the Trust (see Section 16 of this Prospectus). Clause 10 of the Trust Instrument deals instead with the termination of the Trust by providing that the Trust shall continue from date of registration with the Register of Trusts kept by the Central Bank of Bahrain pursuant to Article 25 of the Trust Law until its expiry date other than in the following instances and dates of early termination (which termination shall only be effective following approval thereof by the Central Bank of Bahrain to the extent that such approval is required for termination to be effective under LDR-1.3 (Prior Approval) of Volume 7 of the CBB Rulebook):

- (i) The date falling six months from its authorization if the Trust has not commenced its operations within such date;

- (ii) On the date specified for termination in a resolution of a duly convened and held meeting of the Unitholders passed with an Extraordinary Resolution of the Unitholders;
- (iii) On the date falling six months after the Trustee becomes aware of the decrease of the Net Asset Value below the minimum amount required for a Bahrain Domiciled Real Estate Investment Trust under BRT-2.3.1 (Minimum Size of a B-REIT) of Volume 7 of the CCB Rulebook, if such minimum value is not reinstated within such 6 months period;
- (iv) In case of supervening impossibility of achieving the Trust Objectives ascertained by the Trustee, with the unanimous approval of the Board; the date specified by the Trustee in a written notice given to Unitholders as the date of termination of the Trust;
- (v) The date specified for compulsory dissolution in any court order issued under the CBB Law, the Regulations or any other applicable law; or
- (vi) In case of revocation of the authorization by the Central Bank of Bahrain and non-appeal or unsuccessful appeal of such revocation by the Trustee, the date specified by the Central Bank of Bahrain in the revocation decree or, as the case may be, the date specified by a court in the course of appeal proceedings provided that, if no such date is specified, the Trust shall be automatically terminated on the date in which such decree or court decision becomes final, binding and unappealable.

The Trust Instrument also contains certain protections and indemnities given to the Trustee and each of its officers, agents and employees. These include an indemnity to the Trustee and each of its officers, agents and employees against all and any liabilities (including liabilities in tort), claims, costs or expenses (including reasonable legal fees) incurred or threatened by reason of it being or having been the Trustee, provided however that such person shall not be so exculpated or indemnified with respect to any matter arising from its fraud, wilful illegal act, gross negligence or wilful misconduct.

The Trust Instrument provides that amendments to the Trust Instrument may only be made with the approval of an Extraordinary Resolution of the Unitholders and the approval of the CBB. However, the Trustee may, with the approval of the Board of Directors and the approval of the CBB but without the approval of the Unitholders, make the following amendments to the Trust Instrument:

- (i) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (I) the Trustee; (II) the Trust; or (III) the distribution of Units;
- (ii) which, in the opinion of the Trustee, provide additional protection for the Unitholders;
- (iii) to remove any conflicts or inconsistencies in the Trust Instrument or to make minor corrections which are, in the opinion of the Trustee, necessary or desirable and not prejudicial to the Unitholders;
- (iv) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustee, are necessary or desirable and not prejudicial to the Unitholders;
- (v) which, in the opinion of the Trustee, are necessary or desirable as a result of changes in accounting standards from time to time that may affect the Trust or its beneficiaries;
- (vi) which, in the opinion of the Trustee, are necessary or desirable for the Trust to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of such laws, including to qualify as a Bahrain Domicile Retail Collective Investment Undertaking, Bahrain Domiciled Real Estate Investment Trust or Shari'ah Compliant Collective Investment Undertaking; and
- (vii) to lift foreign ownership restrictions under Section 3.3(d) of the Trust Instrument;
- (viii) any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustee, is not prejudicial to Unitholders and is necessary or desirable.

The determination of the Trustee and approval by the Board of Directors in respect to whether a certain amendment is prejudicial shall be conclusive and binding on all Unitholders absent a fraudulent intent, wilful misconduct or grossly negligence assessment of the Trustee.

The Trust Instrument is governed by, and shall be construed in accordance with, the laws of Bahrain and each of the parties irrevocably agrees that the BCDR shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Trust Instrument and, for such purposes, irrevocably submits to the jurisdiction of the Dispute Resolution Committee.

20.2 Investment Management Agreement

The Investment Management Agreement is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Investment Management Agreement. Certain salient terms of the Investment Management Agreement are summarized in other sections of this Prospectus and all prospective investors in the Units should refer to the Investment Management Agreement itself to confirm specific information or for a detailed understanding of the role, functions and powers of the Investment Manager.

The Trustee, on behalf of the Trust has executed an Investment Management Agreement with the Investment Manager pursuant to which the Trustee delegates certain responsibilities relating to the management of the Trust to the Investment Manager and provides that the Investment Manager shall, while carrying out the duties specified under the Investment Management Agreement, observe and comply with the Trust Instrument and with the applicable provisions of the Prospectus and with any resolution of the Trustee and/or the Board of Directors of which it has been given notice or any other instruction given to it by the Trustee provided that the Investment Manager may rely and act upon any instructions which purport to have been given (and which are reasonably accepted by the Investment Manager as having been given) by the Trustee through any person notified in accordance with the Investment Management Agreement to the Investment Manager, receipt of which shall be acknowledged by the Investment Manager in writing.

The Investment Manager shall act upon any such instructions unless the Investment Manager promptly advises the Trustee that it reasonably believes, in its discretion, such compliance may not be in the best interests of the Trust or its Unitholders, may involve a significant degree of risk to the Trust, may not be practicable, might involve the Trust or the Investment Manager contravening any law, regulation or rule or might be inconsistent with the Trust Instrument, Investment Policy, any statement contained in the Prospectus (or other similar document) or any other term of this Agreement, in which case the Investment Manager may lawfully disregard the instructions of the Trustee and, in so far as within its powers pursuant to the Investment Management Agreement, act differently it being understood that the selection, acquisition in any manner, realization in any manner, and the management of the Trust Property shall in all respects be the sole responsibility of the Investment Manager and not the Trustee and in relation to such matters the Trustee shall rely exclusively on the Investment Manager.

The power and responsibilities of the Investment Manager are set forth in clause 5 of the Investment Management Agreement (see Section 9.2 of this Prospectus) and the Investment Manager shall act with due care, skills and diligence in managing the Trust Property and effectively employ the resources and procedures necessary for the proper performance of the Trust. The Investment Manager is also bound, inter alia, to observe high standards of integrity and fair dealing in managing the Trust Property to the best and exclusive interest of the Unitholders.

The Investment Management Agreement provides that, to the extent that any resolution is put to vote to the Unitholders upon initiative or advice of the Investment Manager or any resolution concerns the termination of the agreement with the Investment Manager, the Investment Manager shall not exercise and shall procure that any of its Associated Persons (as this term is defined in the Investment Management Agreement) do not exercise, the voting rights attached to the Unit it holds providing that nothing therein would prevent the Investment Manager or such Associated Persons from participating in any such meeting for quorum purposes.

The Investment Manager shall be entitled to subcontract, at its own expense, with the approval of the Trustee (which approval shall not be unreasonably withheld), the performance of its services in whole or in part to a third party entity duly licensed to provide investment management services, provided that no such subcontracting will release or otherwise alleviate the Investment Manager from its responsibilities and obligations under the Investment Management Agreement.

The Investment Management Agreement shall be for an indefinite term provided that, subject to the prior approval of the CBB and without prejudice to the provisions of the Trust Instrument applicable in respect to termination of the agreement with the Investment Manager, the Investment Management Agreement may be terminated by either party by giving not less than sixty (60) days written notice of termination to the other party or by immediate notice if required to do so by any competent regulatory authority. Early termination is instead contemplated in the event of:

- (i) the Investment Manager being prohibited from carrying its services under the Investment Management Agreement by Bahrain Law or by any rules, regulations, orders or directives made or issued by any person, body or organization which, pursuant to any applicable law, has or is recognized as having supervisory authority in respect of the Investment Manager's activity; or
- (ii) breach of a material clause in the Investment Management Agreement by the other party and its failure to rectify such breach within two weeks from its receipt of notice to that effect by the notifying party; or
- (iii) the commencement of any insolvency or bankruptcy proceedings against the other party; or
- (iv) the commencement of any investigation of the Investment Manager's reputation, probity or financial health; or
- (v) the other party compounding with its creditors or taking or suffering any similar action in consequence of debt; or an encumbrance taking or threatening to take possession, or any distress execution sequestration being threatened, levied or enforced upon or against any of its assets.

In the event of termination of the Investment Management Agreement, for whatever reason, the Investment Manager shall invoice and the Trustee, on behalf of the Trust, shall pay the management fee accrued up until the termination of the Investment Management Agreement and the Investment Manager shall promptly deliver to the Trustee any document in respect of the Trust held by it pursuant to this Agreement and will direct any sub-contractor or agent appointed in accordance with the Investment Management Agreement to do the same.

The Investment Management Agreement provides for the non-exclusivity of the services rendered by the Investment Manager and for the rights of the Investment Manager or any Associated Person to, inter alia, purchase Units of the Trust or sell investments to or purchase investments from the Trust or contract or enter into any financial, banking, currency, advisory or other transactions on an arms' length basis with the Trust, or any Unitholder of the Trust or any company or body any of whose securities are held by or for the account of or otherwise connected with the Trust or otherwise be interested in any such transaction. The Investment Management Agreement also contains certain limitations of liability of the Investment Manager and indemnities given by each party to the other party and its officers, directors, employees, members and agents against all liability, loss or expense sustained in connection with, and against all claims or actions based upon or arising out of, any negligent acts or omissions of the indemnifying party or its officers, directors, employees or agents, or based upon the performance or non-performance of the Investment Management Agreement, or based upon any violation of any statute or ordinance, and the defense of any such claims or actions.

Pursuant to clause 19 of the Investment Management Agreement, and whilst not a mandatory obligation on the Investment Manager, the Investment Manager intends to supplement (the "**Performance Supplement**") the annualized Net Distributable Income of the Trust for any Interim Distribution Period or Distribution Period up until the Release Date (as defined below) in which the annualized Net Distributable Income falls below 6 percent of the Offer Price. Should the annualized Net Distributable Income of the Trust, excluding any income arising by any payment to be made under clause 19 of the Investment Management Agreement achieved in any Interim Distribution Period or Distribution Period prior and up to (and including) the Release Date be lower than 6 percent of the Offer Price (any such difference, the "**Return Shortfall**"), the Investment Manager intends to compensate for such Return Shortfall by paying to the Trust an amount equal to the lower of (A) the Return Shortfall and (B) the Net Distributable Income distributed on the Locked-up Units (as defined below) in respect to the same Interim Distribution Period or Distribution Period.

If the Investment Manager has made one or more payments under clause 19 of the Investment Management Agreement and, in any subsequent Distribution Period following such payments including Distribution Periods subsequent to the Release Date the annualized Net Distributable Income of the Trust for such Distribution Period exceeds 7 percent of the IPO value, the Trust shall pay to the Investment Manager a special performance bonus equal to the lower of (A) the amount of the Net Distributable Income in excess of 7% of the IPO Value not already attributable to the Investment Manager as performance fee and (B) the amount of any payment made by the Investment Manager under clause 19.2 of the Investment Management Agreement less any amount paid by the Trust to the Investment Manager under clause 19.4 of the Investment Management Agreement in any preceding Distribution Period.

The Investment Management Agreement provides that the Investment Manager shall retain at all times prior to the Release Date a minimum of 42,544,048 Units of the Trust representing 21.5% of the total outstanding Units (the "**Locked-up Units**"). "**Release Date**" as used in the Investment Management Agreement means the latest day of the second consecutive Interim Distribution Period and/or Distribution Period where the annualized Net Distributable Income of Trust per Unit during such period is equal to or exceeds at least 6 percent of the Offer Price.

The Investment Management Agreement shall be governed by and construed in accordance with the laws of the Kingdom of Bahrain and any dispute, controversy or claim arising out of or relating to this contract in any way whatsoever, or the breach, avoidance, termination or invalidation thereof, shall be finally determined by arbitration administered by the Bahrain Chamber for Dispute Resolution (BCDR-AAA) in accordance with its Arbitration Rules. The number of arbitrators shall be one. The place of arbitration shall be the Kingdom of Bahrain. The language of the arbitration shall be English.

20.3 Tenancy Agreements

The Trustee, on behalf of the Trust has executed (or assigned, as applicable) a number of tenancy agreements with the real estate assets of the Inaugural Trust Properties' tenants. The tenancy agreements comply with the Real Estate Laws and include the duration of tenancy, the rent per unit, the responsibility of the tenant and the landlord, the service costs charged, along with standard tenancy agreement terms and conditions.

21 Disputes, Related Party Transactions and Conflicts of Interest

21.1 Disputes, Legal Proceedings and Litigation

The Trust is not involved, as of the date of this Prospectus, in any litigation, arbitration or administrative proceeding that would, individually or in the aggregate, have a material adverse effect on its financial condition and result of operations.

21.2 Related Party Transactions and Potential Conflicts of Interest

Rule BDR-4.3 (Significant Influence / Conflicts of Interest) of Volume 7 of the CBB Rulebook, to the extent applicable to the Trust, provides certain obligations relating to related party and potentially conflicted transactions. Such obligations include restrictions on acquiring any investments or securities issued by Relevant Persons as well as any investments or securities issued by any director of the CIU or of any Relevant Person and its Affiliates that, individually or collectively, owns more than 5% of those securities. Furthermore, a retail CIU may not invest in another CIU that has the same operator, nor may it enter into a transaction where a Relevant Person is the counterparty. With a letter of the Central Bank of Bahrain dated May 9, 2016, the CBB has granted a conditional exemption in respect to the above mentioned restrictions. All conditions for benefiting from such exemption have been implemented in the Trust Instrument and this Prospectus.

The following details depict the potential conflicts of interest and related party transactions inherent with the structure of the Trust:

a) **Common Shari'ah Board**

Members of the Trust's appointed Shari'ah Board are also members of Eskan Bank's Shari'ah Supervisory Committee. Eskan Bank is also the Trust's Investment Manager. Whilst the Shari'ah Board has the same membership composition, the members must act on an independent basis and the members are not executives of either entity in any way;

b) **Bahrain Property Musharaka Trust ("BPMT")**

BPMT is a CIU established by Eskan Bank on October 26, 2010 to undertake the ground-up development of Segaya Plaza and Danaat Al Madina (i.e., the real estate assets within the Inaugural Trust Properties). The Trust is acquiring the Inaugural Trust Properties from BPMT. Eskan Bank is also BPMT's and the Trust's Investment Manager. The real estate assets within the Inaugural Trust Properties have been independently valued by the Property Appraiser as set forth in Appendix 29A. BPMT is expected to undergo liquidation shortly after the Initial Public Offering and accordingly will not impose such conflict at that time; and

c) **Ohad Trust B.S.C.(c)**

Ohad Trust B.S.C.(c) is the current trustee and custodian of BPMT. Ohad is also the appointed Trustee and Custodian of the Trust. BPMT is expected to undergo liquidation shortly after the Initial Public Offering and accordingly will not impose such conflict at that time. Furthermore, the holding of the trustee and custodian position in the Settlor does not affect the independence of Ohad from the Settlor insofar as Ohad is not a beneficiary of the Settlor's property and does not have an economic interest in the Settlor (other than the right to receive trustee and custodianship fees) that would compromise its ability to exercise the duties and powers as set out in the Trust Instrument in the interest of the Unitholders.

22 Regulatory Overview and Taxation

22.1 The Central Bank of Bahrain

The Central Bank of Bahrain is a public corporate entity established by the Central Bank of Bahrain and Financial Institutions Law 2006. It was created on 6th September 2006. The CBB is responsible for maintaining monetary and financial stability in the Kingdom of Bahrain. It succeeded the Bahrain Monetary Agency (the “**BMA**”), which had previously carried out central banking and regulatory functions since its establishment in 1973. The CBB implements the Kingdom’s monetary and foreign exchange rate policies, manages the government’s reserves and debt issuance, issues the national currency and oversees the country’s payments and settlement systems. It is also the sole regulator of Bahrain’s financial sector, covering the full range of banking, insurance, investment business and capital markets activities. The CBB, in its capacity as the regulatory and supervisory authority for all financial institutions in Bahrain, issues regulatory instruments that licensees and other specified persons are legally obliged to comply with. These regulatory instruments are contained in the CBB Rulebook. The Rulebook is divided into seven (7) Volumes, covering different areas of financial services activity.

The Offer is subject to, inter alia, the B-REIT module of Volume 7, pertaining to CIUs, of the CBB Rulebook.

22.2 The Bahrain Bourse

Bahrain Bourse (BHB) was established as a shareholding company according to Law No. 60 for the year 2010 to replace Bahrain Stock Exchange (BSE) that was established in 1987. The BHB is the only securities exchange in the Kingdom of Bahrain.

On May 17, 2015, the BHB issued its REIT Listing Rules that describe the listing requirements and rules pertaining to real estate investment trusts.

Clearing and Settlement

Clearing and settlement rules applicable to other securities listed on BHB apply to the Units of the Trust by virtue of Article 10 of the Guidelines on the Trading of Real Estate Investment Trusts (REITs) and Fund Instruments Listed on BHB published by Bahrain Bourse.

The settlement cycle for on-the-exchange trades is T+2. All trades are cleared and settled via a book entry by Bahrain Bourse’s Settlement & Central Depository Department. The BHB maintains the depository for all listed companies and listed CIUs. It organizes cash settlement through the settlement bank to its members for all exchange trades. The cash is netted on a multilateral basis while the securities are settled on a trade-by-trade basis.

Bahrain Bourse and its members guarantee the transfer of cash on the settlement date. In order to provide protection from a defaulting member, BHB also maintains a guarantee fund made up of contributions from the members of Bahrain Bourse.

All net payment obligations and net-to-receive amounts are settled from the clearing account of Bahrain Bourse to the members’ clearing accounts at the settlement bank, on the settlement date. All trades conducted on Bahrain Bourse are transmitted automatically to the CSD as they occur. The settlement period is T+2 on delivery versus payment (online) basis.

The settlement bank would inform the CSD on the settlement date if any member could not cover its cash obligations. The CSD would immediately debit the guarantee fund and credit its clearing account for the shortage. All clearing members are obliged to contribute to the guarantee fund. The CSD would then initiate the process for reimbursement of the guarantee fund and would place a lien on the securities of the defaulting member. If the guarantee fund means were not sufficient, all members would have to make additional contributions. Members exceeding their trade limits are required to pay a percentage of the net-to-pay position as a liquidity reserve on T+1, which is then adjusted within their settlement position on T+2.

In the event that a member fails to meet liquidity reserve obligation, the CSD would then request the trading department to suspend that member from trading.

At 9:30 a.m. each day, after cash settlement has been confirmed by the settlement bank, the securities are transferred within Bahrain Bourse according to the trades that settled.

22.3 Trust Law

The Bahrain Financial Trusts Law No. (23) was ratified on July 11, 2006. All Financial Trusts established in the Kingdom are regulated by the Financial Trust Law and are supervised by the Central Bank of Bahrain. The Financial Trust Law comprises of 43 articles, regulating the creation, duration, the trust instrument, along with the obligations of the settlor and trustee, amongst others. On October 13, 2016, the Trust Law was published in the Official Gazette of the Kingdom of Bahrain, as Law no. 23 of 2016 on trust funds which came into effect 30 days after the publication and which replaces the Financial Trust Law of 2006. The Trust Law introduces rules on conflict of laws and jurisdiction in respect to trust matters and significant novelties in respect to domestic trusts. The Trust Law maintains the requirement for registration of trusts with the Central Bank of Bahrain through the use of a renovated Register of Trusts into which the former Register of Financial Trusts is supposed to be merged. The Trust Law also typifies the legal action of breach of trust by specifying the elements of the liability for breach of trust (with relating exemptions) and the remedies available for such breach. The Trust Law also introduces the jurisdiction of the BCDR in broad terms as such jurisdiction includes not only settlement of disputes but also aspects relating to the functioning of the trust. Finally the Trust Law applies also to trusts, like EBRIT, which have been established prior to its coming into effect though it expressly provides that it does not affect the legality and validity of any trust which legally and validly existed prior to the entry into effect of the law and the legality and validity of any act executed in relation to any of such trust where such act was legal and valid prior to the coming into effect of the new law.

22.4 Real Estate Ownership Laws in Bahrain

In Bahrain, real estate property ownership is permitted to Bahraini and GCC nationals in all areas of Bahrain. Non-nationals and foreign companies are permitted to own property and real estate in new developed areas, including:

- i. The Greater Manama Area, such as Ahmad Al-Fateh District, Hooraa Area, Bu Ghazal Area, Northern District of Manama including Diplomatic Area (areas of high rise residential and commercial structure with elevation of 10 storeys or above);
- ii. Seef District and North Sanabis (with elevation of 3 and more storeys);
- iii. Residential Towers of classes A, B and C all over Bahrain;
- iv. Special Tourist and Investment projects after the approval of the Ministerial Committee of Public Utilities;
- v. New tourism developments such as Durrat Al Bahrain, Amwaj Islands and Al-Areen Desert Resort; and
- vi. Areas which fall within the sphere of the Bahrain Financial Harbour (BFH), the Bandar Al Seef Area and Lulu Islands.

22.5 Taxation

The following is a general description of certain Kingdom of Bahrain tax considerations relating to the Units. It does not purport to be a complete analysis of all tax considerations relating to the Units. Prospective purchasers of the Units should consult their tax advisers as to the consequences under the tax laws of the countries of their respective citizenship, residence or domicile of acquiring, holding and disposing of the Units and receiving payments under the Units.

This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Corporate income tax, withholding tax and tax on capital gains

As at the date of this Prospectus, there are no taxes payable with respect to income, withholding or capital gains under existing Bahrain laws. Corporate income tax is only levied on oil, gas and petroleum companies at a flat rate of 46 per cent. This tax is applicable to any oil company conducting business activity of any kind in Bahrain, including oil production, refining and exploration, regardless of the company's place of incorporation. There are no currency or exchange control restrictions currently in force under Bahrain law and the free transfer of currency into and out of Bahrain is permitted, subject to any anti-money laundering regulations and international regulations in force from time to time.

Municipality tax

Municipality tax at 10% levied on the rental of commercial property (including residential property which is not a primary residence) and municipal tax at 7.5% (furnished) or 10% (unfurnished) is levied on the rental of residential property to expatriates; such tax is payable by the tenant of the property. Separately, a municipal tax of 7% payable by the landlord is levied on the rental of furnished residential property to expatriates. A minor tax ranging between BD2 and BD14 is levied on unrented/unutilized property, payable by the owner of such property.

Registration levies

Registration of transactions relating to the rights on real estate assets with the Survey and Land Registration Bureau is subject to levies varying depending on the type of transaction. As far as property sales are concerned Law No. 13 of 2013 Property Registration Law ("**New Law**") sets a flat registration fee of 2% on all property sales regardless of the purchase price (15% discount of registration fee would apply in respect of applications submitted for registration to the Survey and Land Registration Bureau within 60 days of execution of the sale agreement).

23 Risk Factors and Investment Considerations

An investment in Units in the Trust, particularly as the Offer Units are being offered for the first time, involves a degree of risk and should only be made by prospective investors who have the necessary expertise to fully evaluate the risks and make an informed investment decision and are able to bear the economic risk inherent in the investment. It is strongly recommended that prospective investors also consult their own financial, tax, legal, and other professional advisors regarding the suitability of this investment.

The Board of Directors believes that an investment in the Units may be subject to a number of risks. Before deciding whether to invest, prospective investors should carefully consider and evaluate the risks inherent in the Trust's proposed business, including the risks described below, together with all other information contained in this document. Such risks could have an adverse effect on the Trust's proposed businesses and anticipated financial condition and/or results. In such cases, an investor could lose part or all of its investment. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Trust's proposed business, and the information set out below does not purport to be an exhaustive summary of the risks affecting, or which may affect, the Trust. Unless otherwise stated in the relevant risk factors set forth below, the Trust, the Board and the Lead Manager are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

As this Prospectus contains forward-looking statements, it should be considered that actual results and the timing of certain events could differ materially from those projected in such forward-looking statements due to a number of factors, including those set forth below and elsewhere in this Prospectus.

Applicants should consider carefully whether investment in the Units is suitable for them in light of the information in this Prospectus and their personal circumstances. Applicants should also refer to the part entitled "Important Notice" in the preamble of this Prospectus.

23.1 General Risks

23.1.1 Risks relating to the political, economic and social environment of Bahrain

The Trust Properties are based entirely in Bahrain. The real estate sector in Bahrain has recently witnessed an increased boom that was driven by regional liquidity and strong economic performance. Should the real estate sector in Bahrain slow down due to dramatic shifts in macro-givens, the Trust's tenant base may be adversely affected. This would consequently have an effect on the Trust's anticipated revenues and financial performance. Furthermore, decreased government revenues from reduced oil prices may have a negative effect on Bahrain's economy and in turn on the Trust Properties.

The Trust's profits may also be affected by adverse movements in interest rates. Real estate investment is capital intensive and is usually funded substantially with debt. Whilst the Inaugural Trust Property and the Trust have no debt, future acquisitions and growth in the number of real estate assets may require the use of debt. Accordingly, adverse fluctuations in interest rates could lead to lower profitability.

Investing in securities in emerging markets generally involves a higher degree of risk. Emerging markets, such as Bahrain, are generally susceptible to greater risks than in more developed markets which are likely to have greater stability and settled practices in relation to the manner and environment in which businesses operate. Typically, such emerging market risks will include, to some extent, political, social and economic risks. Any unexpected changes in the political, social, economic or other conditions in Bahrain may have a material adverse effect on the investments that the Trust has made or may make in the future, which may in turn have a material adverse effect on the Trust's business, financial condition and the results of the Trust's operations. Investors should exercise particular care in evaluating the risks involved and must consider those risks in deciding whether an investment in the Units is appropriate.

Specific examples of country risks which may have a material adverse impact on the Trust's business, operating results, cash flows and financial condition, may include:

- General country or regional political, social or economic instability;
- Acts of warfare, terrorism or civil unrest;
- Specific government intervention in the Trust's operations – e.g. protectionism for, or subsidising competing trusts, and rent controls; and
- Changes in regulatory environment (such as the imposition of certain real estate taxes).

Accordingly, all Applicants are urged to consult with their own legal and financial advisors before making an investment in the Units, and Applicants should exercise particular care in evaluating the risks involved and must consider those risks in deciding whether an investment in the Units is appropriate.

23.1.2 Risks relating to the competition

The Trust is currently the only listed real estate investment trust in Bahrain. However, real estate investments are undertaken by a large number of institutional investors, funds and individuals who compete for attractive yielding properties. Furthermore, additional real estate investment trusts may be established and listed on the Bahrain Bourse or on regional bourses targeting local assets. Such competition may hinder the Trust's ability to make new acquisitions at attractive yields.

Furthermore, the real estate assets within the Inaugural Trust Properties are located in areas where other competing properties are present and the new properties may be developed which may compete with the Trust Properties. The appeal and attractiveness of the real estate assets within the Inaugural Trust Properties may decrease in the future especially if new shopping centres and/or office and/or residential buildings are built and/or existing properties undergo upgrading and the real estate assets within the Trust Properties fail to keep pace.

The income from, and the market value of, the real estate assets with the Trust Properties will be dependent on the ability of the real estate assets within the Trust Properties to compete against other properties for tenants. If, in the future, competing properties are more successful in attracting and retaining tenants, the income from the Trust Properties could be reduced, thereby adversely affecting EBRIT's cash flows and the amount of funds available for distribution to Unitholders.

Furthermore, Danaat Al Madina is currently not fully occupied and the Investment Manager and the Property Manager will have to actively seek new tenants in a very competitive environment from the offer side and, should they fail to find tenants for the unoccupied space of Danaat Al Madina property, this would adversely affect EBRIT's cash flows and the amount of funds available for distribution to Unitholders.

23.1.3 Risks relating to the establishment and functioning of an owners association

Danaat Al Madina is a mixed use development with a freehold residential apartments component that does not constitute part of the Trust Property. As certain common areas will be shared between the freehold apartments and the leased retail outlets and offices owned by the Trust, a functional owners association is expected to be established to govern such common areas and their associated operational costs and services, amongst other factors, and the contents of an owners association management agreement and the successful operation of such an association are, at this stage, unknown and untested. The allocation of costs to be shared by the Trust and the owners of the freehold residential apartments may turn out to be significantly different than expected, to the detriment of the Unitholders.

23.1.4 Risks relating to the income generation capabilities of the real estate assets of the Trust Properties

The income generated from, and the value of the real estate assets within the Trust Properties, may be adversely affected by a number of factors, including, but not limited to:

- (i) The ability to collect rent from the tenants on a timely basis or at all;
- (ii) The amounts and extent to which EBRIT may grant rental discounts or rebates to the tenants;
- (iii) Defects affecting the real estate assets within the Trust Properties which could affect the operations of tenants resulting in the inability of such tenants to make timely payments of rent or at all;
- (iv) The tenants seeking protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income or delays in the termination of the tenancy, or which could hinder or delay the re-letting of the space in question or the sale of the relevant property;
- (v) The general macroeconomic and supply and demand trends affecting the economic conditions of Bahrain conditions in the real estate sector in Bahrain;
- (vi) Reduced occupancy rates due to supply and demand trends affecting the real estate markets, the length of potential vacancy periods arising from tenancy expiries and early terminations, and rental rates of other competing properties;
- (vii) The Investment Manager and Property Manager's ability to provide adequate management and maintenance or to purchase or put in place adequate insurance;
- (viii) Changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Rights related to the properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and
- (ix) Acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases, natural disasters or other events beyond the control of the Trustee, the Investment Manager and/or the Property Manager.

23.1.5 Risks relating to increases of operating and other expenses

The Trust's ability to maintain a certain level of distributions to the Unitholders could be affected if its operating and other expenses increase without a corresponding increase in revenue or tenant reimbursement of operating and other costs. In addition to other factors mentioned herein, factors which could increase operating and other costs of the Trust Properties include, but are not limited to, the following:

- (i) Increase in utility costs;
- (ii) Increase in construction, repair and maintenance costs (including mechanical and engineering costs);
- (iii) Increase in third party sub-contracted service costs;
- (iv) Increase in insurance premiums;
- (v) Increase in payroll expenses;
- (vi) Increase in property management costs;
- (vii) Changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- (viii) Increases in costs of financing for operating or capital requirements; and
- (ix) Increase in the service charge and capital expenditure reserve contributions applicable to strata properties.

Additionally, capital expenditures and other expenses may be irregular since on-going repairs and maintenance involves significant and potentially unpredictable expenditures. Both the amount and time of such expenditures will have an impact on the cash flow of the Trust. If the Trust Properties do not generate revenue sufficient to meet operating expenses, debt service and capital expenditure, the Trust's income and ability to make distributions may be materially and adversely affected and could result in depletion or require the sale of assets.

23.1.6 Risks relating to local market oversupply

Oversupply of real estate assets in Bahrain may result in reduced rental yields and valuations which may have an adverse effect on the value of the Units.

23.1.7 Risks relating to the tenancy cycle and concentration

The Trust is heavily exposed to certain tenants. Accordingly, should any such tenants decide to vacate the properties, the Trust's revenues may be negatively affected unless a replacement tenant is immediately secured.

Furthermore, failure by such tenants to meet their obligations under the lease agreement would adversely affect EBRIT's cash flows and the amount of funds available for distribution to Unitholders. Additional costs may be incurred in enforcing lease agreements in connection with tenants breaching such lease agreements.

23.1.8 Risks relating to illiquidity of real estate assets

Real estate investments are relatively illiquid and such illiquidity may affect the Trust's ability to vary its investment portfolio or liquidate part of assets in response to changes in economic, real estate market or other conditions. The Trust may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may be otherwise be sought for such assets if a quick sale is required. The Trust may face difficulties in securing timely and commercially favorable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on the Trust's financial condition and results of operations, with a consequential adverse effect on the Trust's ability to deliver expected distributions to Unitholders.

23.1.9 Risks relating to changes in customer behavior patterns

Changes in customer behavior patterns in Bahrain may adversely affect the Trust's business, prospects, financial condition and result of operations. The increasing trend of consumers shifting their preference from retail shopping to internet shopping may lead to a decrease in shopper traffic to the commercial outlets comprised in the Trust Properties. Furthermore, Bahrain's middle income groups may be affected by rising inflation with shrinking purchase powers in case of the progressive lifting of government subsidies in respect of certain goods of prime necessity. This may adversely affect the tenants of the Trust and, consequently, the operations and results of the Trust.

23.1.10 Risks relating to liquidity, cash flow and financing and funding requirements

The Trust's cashflow liquidity risk may result from a loss of tenants, delays in receiving tenant rental payments and pressures in making early payments for certain debts or supplier purchases.

The Trust may not generate or obtain funds sufficient to make the necessary or desirable capital expenditure and other investments required to maintain the real estate assets of the Trust Properties or to make payments to service providers. The Trust's ability to arrange external financing, and the cost of such financing, depends on numerous factors, including the Trust's future financial condition, general economic and capital markets conditions, profit rates, credit availability from banks or other lenders, investor confidence in the Trust, applicable provisions of securities laws, and political and economic conditions. There can be no assurance that the Trust will be able to arrange any such external financing on commercially reasonable terms, if at all. If the Trust is unable to generate or obtain funds sufficient to make, or is otherwise restricted from making, necessary or desirable capital expenditure and other investments, it may be unable to grow its business, which may have a material adverse effect on its business, financial condition, results of operations and prospects.

23.1.11 Risks relating to policy limits to debt/equity gearing

Under the Investment Policy, the Trust is only permitted to borrow up to 60% of its Gross Asset Value as at the time the borrowing is incurred. The Trust may face adverse business consequences as a result of this limitation on future borrowings. These may include:

- (i) An inability to fund capital expenditure requirements in relation to the Trust's existing asset portfolio or in relation to the Trust's acquisitions to expand its portfolio;
- (ii) A decline in the value of the Trust Properties may cause the borrowing limit under the Investment Policy to be exceeded, thus affecting the Trust's ability to make further borrowing; and
- (iii) Cash flow shortages (including with respect to distributions) which the Trust might otherwise be able to resolve by borrowing funds.

23.1.12 Risks relating to redirection, relocation, termination or delay of transportation infrastructure near the real estate assets of the Trust Properties

There is no assurance that the existing and/or planned transportation infrastructure and public transport services around the real estate assets of the Trust Properties will not be redirected, relocated, terminated or delayed. If the current infrastructure or planned infrastructure is redirected, relocated, terminated, delayed or not completed, it may have an adverse effect on the accessibility of the real estate assets of the Trust Properties, including worsening traffic congestion around the real estate assets of the Trust Properties and reduce the flow of shopper traffic to the retail outlets comprised in the real estate assets of the Trust Properties. This may then have an adverse effect on the demand, appeal and the rental rates for the Trust Properties and have an adverse effect on the financial condition and result of operations of EBRIT.

23.1.13 Risks relating to construction or development work in the vicinity of the real estate assets of the Trust Properties

Construction or development works around the vicinity of the real estate assets of the Trust Properties may cause physical damage to the Trust Properties or disruption to the operations of EBRIT. Any damage to the real estate assets of the Trust Properties will result in disruption to the life, business and/or operation of tenants and may result in EBRIT being unable to collect rental income on space affected by such damage. Shopper traffic may also be affected by potential inconveniences resulting from such damage.

23.1.14 Risks relating to renovations, redevelopment works or physical damage

The quality and design of the real estate assets of the Trust Properties have a direct bearing over the demand for space in, and the rental rates of, the real estate assets of the Trust Properties. The real estate assets of the Trust Properties may need to undergo renovation, upgrading, development, redevelopment or asset enhancement programmes from time to time to retain competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining residential, retail or office space and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. In addition the real estate assets of the Trust Properties may be required to undergo rectification works to comply with local regulatory requirements. The business and operations of the Trust Properties may suffer some disruption and it may not be possible to collect any rental income in full, or at all, on space affected by such renovation or redevelopment works. Any inconvenience caused may also potentially lower shopper traffic. In addition, physical damage to the real estate assets of the Trust Properties resulting from fire or other causes may lead to a significant disruption to the business and operations of the Trust Properties and may impose unbudgeted costs on EBRIT and result in an adverse impact on the financial condition and results of operations of EBRIT and its ability to make distributions to Unitholders.

23.1.15 Dependence on Third Parties

The Trust's performance is dependent on a number of third-parties that are appointed, or are to be appointed, to assist in a number of matters pertaining to the Trust including property management, investment management, valuation and administration. The failure of such third parties to perform their duties in a satisfactory manner or the insolvency of such third parties may have a negative impact on the performance of the Trust.

In particular, but without limitation to the generality of the foregoing, should the Investment Manager and the Property Manager fail to provide adequate management and maintenance the value of the Trust Properties might be adversely affected and this may result in the loss of tenants or lower rental rates, which will adversely affect the financial condition of EBRIT and its ability to make distributions to Unitholders. Failure to provide adequate management and maintenance may also lead to a decrease in shopper traffic, with shoppers being attracted to competitors. This will affect the financial performance of EBRIT.

23.1.16 Risks relating to implementation of investment strategies

There is no assurance that the Trust will be able to implement the Trust's investment strategies or to expand the Trust's portfolio at any specified rate or to any specified size. The Trust may not be able to make any acquisitions or investments on favourable terms or within a desired time frame, which will impede the growth of the Trust. Even if the Trust were able to successfully acquire property or investments, there is no assurance that the Trust will achieve its intended return on such acquisitions or investments. Furthermore, the Trust's external growth and asset selection process may not be successful and may not provide positive returns to Unitholders and acquisitions may divert management's attention away from day-to-day operations and cause disruption to the Trust's operations.

23.1.17 Risks relating to replacement of the Investment Manager

No guarantee can be given that the Investment Manager will remain the manager of the Trust. In the event that the Investment Manager ceases to be eligible to act as the Trust's manager under the Regulations or is removed by an Ordinary Resolution of the Unitholders, the Trust may need to appoint another manager, which may materially and adversely affect the Trust's financial condition and results of operations.

23.1.18 Risks relating to the interpretation of, or changes to, the legislative and regulatory framework

The entire legislative and regulatory framework under which the Trust has been formed and operates has been recently enacted and has not been extensively tested to date in market practice. This implicates a high risk that official interpretation by Bahrain courts, the Central Bank of Bahrain or any other public body may issue or that provisions may be abrogated, replaced, integrated or otherwise modified in any way which might have a material adverse effect on the Trust and its results of operations. Furthermore, the Trust operates with the leeway of the Central Bank of Bahrain as a Bahrain Domiciled Retail CIU in derogation from the Regulations and, should the Central Bank of Bahrain withdraw its consent thereto, this may create a serious disruption to the activities of the Trust and its results of operation. An additional element of risk is constituted by the Trust Law which came into effect only a few days before the publication of this Prospectus and whose implications might not be fully appreciated at the date of this Prospectus. Furthermore, the Trust Law is expected to be implemented through regulations to be issued and that might have an impact on the Trust.

23.1.19 Risks relating to litigations

The Trust is exposed to the risk of litigation or claims by shoppers, contractors or tenants of the real estate assets of the Trust Properties, which may arise for a variety of reasons, including accidents or injuries that may be suffered by them while at the real estate assets of the Trust Properties, tenants' inability to enjoy the use of the real estate assets of the Trust Properties in accordance with the terms of their tenancy and the Trust's failure to perform any of its obligations under any tenancy or other contract or agreement to which it is party. If the Trust is required to bear all or a portion of the costs arising out of such litigation, this may have a material adverse effect on the Trust's business, financial condition, results of operations and prospects.

23.1.20 Risks relating to conflicts of interest

There can be no assurance that conflict of interest may not arise among the Trust, the Trustee, the Investment Manager and the Unitholders albeit the Trust Instrument and the Investment Management Agreement contain provisions aimed at regulating conflicts of interests which are aimed at avoiding that such conflicts may be detrimental to the Unitholders. It cannot be excluded, however, that such rules may capture all situations where a conflict of interest arises or that, albeit applicable in a situation of conflict, they will guarantee that such conflict will be invariably resolved in the best interest of the Unitholders. Furthermore, the Trustee, the Investment Manager and the Property Manager may engage in activities that are in competition with the Trust's operations. Furthermore, the Investment Manager may in the future recommend that the trust acquire additional properties from the Investment Manager or an Affiliate of the Investment Manager subject to compliance with the Trust's rules applicable to related party transactions.

23.1.21 Risks relating to potential environmental liabilities

Under various laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. These laws may impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. The presence of hazardous substances on any Trust Properties may have an adverse effect on the Trust's ability to sell any of the real estate assets of the Trust Properties or borrow using its Trust Properties as collateral. To the extent that the Trust becomes liable for costs of removing any hazardous substances, the Trust's ability to make distributions to Unitholders may be affected.

23.1.22 Risks relating to the absence of operating history

The Trust does not have sufficient operating history by which its performance may be judged. The lack of an established operating history will make it more difficult for investors to assess the Trust's future performance. There is no assurance that the Trust will be able to generate sufficient income from operations to make distributions or that such distributions (if any) will be in line with those set out in this Prospectus. Pro forma financials and past financial results are not indicative of future results.

23.1.23 Risks relating to the tax systems in Bahrain

As on the date of the Prospectus, Bahrain imposes no real estate ownership, income, corporate income or sales taxes. Certain government levies apply in relation to transfer of real property, registration of lease interests, and use of real property by way of leasehold in the form of municipality fees. Other than fees connected to the transfer of real property, which would apply in respect of any prospective purchase of property (as specifically contemplated in the Investment Policy) at a rate of 2%, the other taxes referenced, namely registration of lease interests and municipality fees, are taxes of general application such that they should not reflect a unique risk associated with the Trust. Should the government decide to impose or revise its taxation scheme, future returns may be adversely impacted.

23.1.24 Risks relating to an inactive or an illiquid market for the Units

Whilst the intention is to list the Units on the Bahrain Bourse immediately upon IPO, the transfer of ownership of such Units may still be illiquid and investors may be unable to sell their Units. The Trustee has appointed the Market Maker to reduce this risk.

23.1.25 Risks relating to insurance

The Trust could be exposed to significant risks if insurance cover proves to be inadequate. The Trust maintains all-risk property insurance (with a number of exclusions such as war risk, political risk etc.) with T'azur Company B.S.C.(c). Whilst the Board believes that these policies are sufficient to compensate for foreseeable incidents, there can be no assurance that the proceeds available from the Trust's insurance policies will be sufficient to protect it from all potential loss or damage resulting from any insured events. This could have a material adverse effect on the business, operations and financial conditions of the Trust.

23.1.26 Risks relating to holding title to freehold apartments

Danaat AlMadina Company BSC(c) as of the date of this Prospectus holds the unpartitioned title to the land parcels over which the Danaat Al Madina complex has been built. The strata title relating to the freehold apartments comprised in the Danaat Al Madina complex is in the process of being partitioned and issued in favor of the purchasers of the freehold apartments which do not form part of the Inaugural Trust Property. Albeit it is not intended for EBRIT to retain any economic interest in the freehold apartments, the transfer of the unpartitioned title to EBRIT through Danaat AlMadina Company BSC(c) may implicate the assumption of potential liabilities vis-à-vis the purchasers of the freehold apartments in respect to the freehold apartments, including without limitation claims in respect to the reimbursement of purchase price of the sale in case of any unwinding and/or termination of the sale agreements relating to the freehold apartments for whatever reasons or claims for defects of the freehold apartments sold and/or breach of legal or contractual warranties. Should any such claim be enforced against the Trust, this may negatively affect the Trust's financial situation and result of operations.

23.1.27 Risks relating to limited due diligence that may have not identified all material defects, breaches of laws and regulation or other deficiencies and absence of representations and warranties

Save for due diligence to the legal title to the Inaugural Trust Property, the tenancy contracts and the site visits undertaken by the Property Appraiser, no other due diligence was carried out in respect to the Trust Properties. Furthermore, the due diligence carried out on legal title to the real estate assets of the Inaugural Trust Property may not have revealed all breaches of laws or regulations or defects or deficiencies affecting the Trust Properties including to the title thereof. No technical due diligence was undertaken by or on behalf of the Trustee in respect to the Trust Properties. There can be no assurance that the Trust Properties do not or will not have defects or deficiencies, which will require additional expenditure, special repair or maintenance expenses or the payment of damages or other obligations to third parties. Such costs or liabilities may involve significant and potentially unpredictable levels of expenditure which could have a material adverse effect on EBRIT's business, financial condition, results of operations and prospects. Moreover, no representations, warranties and/or indemnities have been given by the Settlor in respect to the Trust Properties.

23.1.28 Absence of a prior market for the Units

Prior to this Offering, there has been no public market for the Units. The Trust cannot assure potential Applicants that the price at which the Units will sell in the market after this Offering will not be lower than the Offer Price or that an active trading market for the Units will develop and continue after this Offering.

23.1.29 Liquidity and volatility in the Unit price

There may be fluctuations in the securities markets which may result in volatility in the price of the Units. Securities markets have historically, on occasion, experienced periods of significant price and volume fluctuation that are not related to the operating performance of particular Trusts or companies but may be due to changes in local or global market conditions or changes in government regulations or several other reasons. There are no assurances that this will not occur at some point in the future on the Bahrain Bourse and Applicants may not be able to sell their Units at or above the Offer Price. Real estate as an asset class, and as the predominant underlying asset of the Trust, is generally less liquid than a number of other mainstream asset classes and accordingly it may be difficult for the Trust to sell such assets should the need arise.

23.1.30 Future sales and offerings

Following listing of the Trust, if any Unitholder owning a substantial amount of Units sells or is perceived as intending to sell all or a substantial amount of its Units, this may adversely affect the market price of the Units. Furthermore, any such Unitholder may grant a mortgage over all or part of its Units in connection with credit facilities obtained or to be obtained, which may subsequently be enforced.

23.1.31 Real estate valuation is inherently subjective and uncertain

The valuation of real estate assets, the predominant underlying assets of the Trust, is an inherently subjective exercise that cannot be easily verified due to a lack of active and transparent trading. Furthermore, the valuation exercise undertaken by the Property Appraiser is subject to a number of assumptions, the resulting valuation of which may be subject to severe swings due to minor changes to such assumptions. The valuation of any of the real estate assets of the Trust Properties does not guarantee a sale price at that value at present or in the future as values might change and are subject to market conditions as well. The price at which EBRIT may sell any of the Trust Properties may be lower than the value appraised by the Property Appraiser or the value of the consideration paid for its acquisition.

23.1.32 Distribution payment

Distributions will be dependent upon a number of factors (see Section 16 'Distributions Policy'). There can be no assurance that any distributions will ever be paid, nor can there be an assurance as to the amount, if any, which will be paid in any given year. The ability to pay a distribution may also be subject to the terms and conditions of financing agreements entered into by the Trust. Furthermore, the Distribution Policy of the Trust may change from time to time.

23.1.33 Risks relating to forward-looking statements

The Prospectus contains forward-looking statements regarding, among others, forecast and project distribution/yield levels. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies.. The Trust's ability to achieve the forecast and projected distributions/yields is subject to events and circumstances assumed which may not occur as expected, or events and circumstances not anticipated which may arise. No assurance is given that the assumptions will be realized and the actual distributions/yields will be as forecasted. Furthermore, the performance intention given by the Investment Manager under the Investment Management Agreement does not ensure that the investor will achieve a minimum return of 6% per annum. on the Offer Price up to (and including) the Release Date as provided for in the Investment Management Agreement as the this intention is anyhow limited by the amount of Net Distributable Income distributed to the Units held by the Investment Manager as provided for in the clause 19.2 of the Investment Management Agreement and the Investment Manager may become insolvent or otherwise incapable of performing its obligations under the Investment Management Agreement.

23.1.34 Risks relating to distributable income

If the Trust Properties do not generate sufficient Net Distributable Income, the Trust's ability to make distributions to Unitholders could be adversely affected. No assurance is given as to the Trust's ability to pay or maintain distributions. Neither is there any assurance that the level of distributions will increase over time, that there will be contractual increases in rent under the tenancies of the real estate assets of the Trust Properties or that the receipt of rental income in connection with expansion of properties or acquisitions of properties will increase the Trust's cash flows available for distribution to Unitholders.

23.1.35 Risks relating to dilution

Unitholders do not have pre-emption rights in respect to new issues of Units effected in accordance with the terms of the Trust Instrument and this implicates a risk of dilution of their voting rights in the meeting of Unitholders. Furthermore, Unitholders may also face a risk of dilution of the NAV and/or market price of their Units depending on the price at which the new Units are issued and the income-generating capabilities of the assets purchased with the proceeds from such issue.

23.1.36 Risks relating to fluctuations of the market price

The Offer Price may not be indicative of the market price for the Units upon completion of the listing. The trading price of the Units will depend on many factors, including, but not limited to:

- (i) The perceived prospects of the Trust's business and investments and the market for residential, retail and office properties;
- (ii) Differences between the Trust's own forecasts of financial and operating results and those expected by investors and analysts;
- (iii) Changes in analysts' recommendations or projections, if any;
- (iv) Changes in general economic or market conditions;
- (v) The market value of the Trust's assets;
- (vi) The perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- (vii) The balance of buyers and sellers of the Units;
- (viii) The size and liquidity of the Bahraini REIT market;
- (ix) Any changes to the regulatory system, including the taxation system, both generally and specifically in relation to Bahrain REITs;
- (x) The ability of the Investment Manager to implement successfully the Investment Objectives; and
- (xi) Broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

Units may trade at prices that are higher or lower than NAV per Unit. To the extent that the Trust retains operating cash flow for investment purposes, Working Capital Reserves, Capital Expenditure Reserves or other purposes, these retained funds, while increase the value of the Trust's GAV and NAV, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash distributions may adversely affect the market price for the Units. When new Units are issued at less than the market price of Units, the value of an investment in Units may be affected.

23.1.37 Risks relating to the absence of capital protection

The Units are not capital-protected/guaranteed products. There is no guarantee that Unitholders can regain the amount invested. If the Trust is terminated or liquidated, investors may lose a part or all of their investment in the Units.

23.1.38 Risks relating to domestic and international markets

Cyclical movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units. In particular, an increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return compared to other investments. Furthermore, the Bahrain securities market is smaller than certain other international securities market and have in the past experienced substantial fluctuations in the prices of listed securities.

23.1.39 Risks relating to the closed-end nature of the Trust

Unitholders have no right to request the Trustee to redeem their Units. Unitholders may only deal in their listed Units through trading on Bahrain Bourse. Accordingly, apart from selling their Units through trading on Bahrain Bourse, Unitholders may not be able to realize their investments in Units.

23.1.40 Risks relating to non-creation of an active market for the Units

There is no public market for the Units prior to the Offering and an active public market for the Units may not develop or be sustained after the listing. Listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units. Prospective Unitholders must be prepared to hold their Units for an indefinite length of time. Furthermore, it may be difficult to assess the Trust's performance against either domestic or international benchmarks. The REIT market in Bahrain is undeveloped which could lead to a lack of liquidity for the Units and a general lack of investor demand for B-REITs and the Trust. There can be no assurance that an active market for REITs will develop in Bahrain.

Although it is intended that the Units will remain listed on the Bahrain Bourse, there is no guarantee of the continued listing of the Units. Among other factors, the Trust may not continue to satisfy the listing requirements from time to time in force. Furthermore, de-listing may be resolved upon by the Unitholders with an Extraordinary Resolution of the Unitholders. Accordingly, Unitholders will not be able to sell their Units through trading on the Bahrain Bourse of the Units are no longer listed and/or are suspended from trading for an indefinite period.

23.1.41 Role of Eskan Bank

Eskan Bank is not the issuer nor guarantor of the Units and does not undertake any liability vis-à-vis the Unitholders other than in accordance with provisions of the Investment Management Agreement. In particular, Eskan Bank will be responsible for the performance of the Units only in its capacity as the Trust's Investment Manager and within the limits set forth in clause 19 of the Investment Management Agreement (as described in Section 20.2 of this Prospectus) and commits to holding 21.5% of the Units only until the latest day of the second consecutive Interim Distribution Period and/or Distribution Period where the annualized Net Distributable Income of the Trust during such period is equal to or exceeds 6 percent of the IPO Offer Price. Following such date, Eskan Bank may freely dispose of its Unitholding and this may negatively affect the market price of the Units.

24 Subscription Terms and Conditions

All Applicants must carefully read this Prospectus and the Subscription Application Form prior to signing and submitting their Subscription Application Form and transmitting Subscription Funds to the Receiving Bank.

A signed Subscription Application Form submitted to the Receiving Bank will represent a legally binding agreement between the Trust and the Applicant upon acceptance by the Trust of the Subscription Application Form. Once a Subscription Application Form has been accepted by the Receiving Bank and Subscription Funds have been transferred to the Receiving Bank by an Applicant, the Subscription Application Form cannot be withdrawn and Subscription Funds will not be returned except under the circumstances described in this Prospectus. Each Applicant acknowledges that any information in their respective Subscription Application Form may be shared with third parties involved in various stages of the Offering including but not limited to data processing companies.

24.1 Application procedures

The Offer Units are being offered through the Offering. Applicants shall make an application as part of the Subscription Application Form indicating the amount which they wish to subscribe to at the Offer Price per Unit. In order to comply with the terms of this Prospectus, applications to subscribe to the Offer Units must be at the Offer Price.

Subscription Application Forms should be completed in full in Arabic or English and in accordance with instructions contained therein. Applicants must deliver to the Receiving Bank at its designated branches in Bahrain by hand, post or facsimile (with original by post) a signed Subscription Application Form evidencing their commitment to invest in the Offer Units and the original to be received no later than Tuesday December 6, 2016. The Subscription Application Form should be accompanied by the Subscription Funds to be deposited in the manner set out in Section 24.5 of this Prospectus. The Subscription Funds shall be payable in full at the time of the application for the Offer Units.

In accordance with the legal and regulatory requirements applicable in Bahrain and those requirements of any jurisdiction into which an offer to subscribe for Units is made, Applicants, whether institutional or individuals, will be required to present (amongst other things) suitable forms of identification as stated below in this Section.

The Receiving Bank will verify the validity of all copies of the identification documents.

All Applicants are required to have a Bahrain Bourse Investor Number. Applicants who do not have a Bahrain Bourse Investment Number will be required to pay the Investor Number Fee and/or the Securities Account Fee at the time of submitting the Subscription Application Form.

24.1.1 Application by individuals

Except as otherwise provided in this Prospectus, GCC Citizens over the age of 21 are eligible to subscribe to the Offer. Applicants under the age of 21 should make their applications through their legal guardians. Each individual Applicant must submit the following documentation together with a completed Subscription Application Form:

- The original and copy of the individual's valid passport or valid international travel document;
- The original and copy of the individual's valid national identification card or an equivalent document:
 - Bahrain nationals: National Identity Card; and
 - GCC nationals: Official identification card or equivalent document issued by the Applicant's country of citizenship, or, if a resident of Bahrain, Bahraini National Identity Card.
- Proof of permanent residential address if a Subscription Application Form is submitted for Subscription Funds in excess of BHD 5,000. The proof can consist of a copy of a recent utility bill, bank statement or similar statement from another bank or financial institution licenced in the country or official documentation, such as a smartcard, from a public/governmental authority, or a tenancy agreement;
- If an individual Applicant has an existing Bahrain Bourse Investor Number (IN), proof of such IN is required in the form of a Bahrain Bourse investor card or statement of account, or a Bahrain Bourse system print-screen. Proof of such IN can additionally be in the form of an allotment notice from a previous IPO of no earlier than 2006.

The following additional documents are required when a person is signing on behalf of an individual Applicant by way of a power of attorney:

- The original and copy of the valid passport or international travel document of the person applying and signing on behalf of the individual Applicant;
- The original and copy of the valid national identification card or an equivalent document of the person applying and signing on behalf of the individual Applicant; and
- The original and copy of the notarised power of attorney.

The following additional documents are required for applications on behalf of Minors:

- The original and copy of the valid passport or valid international travel document of the legal guardian applying and signing on behalf of the Minor;
- The original and copy of the government-issued valid national identification card or an equivalent document of the legal guardian applying and signing on behalf of the Minor; and
- Unless the legal guardian signing on behalf of the Minor is the Minor's father, the original and copy of the proof of guardianship to the applying Minor.

24.1.2 Application by institutions

All institutions must provide the following documentation together with a completed Subscription Application Form:

- A copy of a valid commercial registration certificate or copy of the certificate of incorporation, or equivalent, for the company;
- A copy of the memorandum and articles of association, or equivalent, of the institution;
- Unless the company is a listed company on the Bahrain Bourse or if the ownership nationality of the company's shares is not clearly detailed in any of the documents required herein, a declaration by an authorized officer of the Company that no portion of the ultimate ownership of the company belongs to a Non-GCC Citizen;
- The original and copy of the valid passport or international travel document of the person(s) signing on behalf of the institution;
- The original and copy of a valid national identification card of the person(s) signing on behalf of the institution:
 - Bahrain nationals: National Identity Card; or
 - GCC nationals: Official identification card or equivalent document issued by the Applicant's country of citizenship, or, if a resident of Bahrain, Bahraini National Identity Card.
- If the institution has an existing Bahrain Bourse Investor Number (IN), proof of such an IN is required in the form of a Bahrain Bourse investor card or statement of account, or a Bahrain Bourse system print-screen. Proof of such IN can additionally be in the form of an allotment notice from a previous IPO of no earlier than 2006; and
- The original and copy of the document authorising the person(s) whose signature(s) appear(s) on the Subscription Application Form to sign such document on behalf of the institution. Such a document can be either a power of attorney or a resolution of the board of the institution.

24.1.3 Acknowledgements

By completing and delivering a Subscription Application Form the Applicant (and, if the Subscription Application Form is being signed on behalf of the Applicant by a third person or a corporation under a power of attorney, that person or corporation on behalf of the Applicant) must agree to the Subscription Terms and Conditions set out in Section 24.1.4 to 24.1.11 below, which shall be legally binding on the Applicant from the time the respective Subscription Application Form is submitted to the Receiving Bank.

In the case of Applicants making a joint application the Subscription Terms and Conditions shall apply to each Applicant and the Applicants' liability shall be joint and several.

24.1.4 Reliance on the Prospectus only

All Applicants shall:

- confirm that, in making an application, the Applicant is not relying on any information or representation in relation to the Trust other than the information contained in this Prospectus, and, accordingly, the Applicant agrees that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof shall have any liability for any information other than the information contained in this Prospectus;
- agree that none of the Receiving Bank or Lead Manager will treat the Applicant as their customer by virtue of the Applicant's application being accepted or owe the Applicant any duties or responsibilities concerning the price of the Offer Units or the suitability for the Applicant of the Offer Units or be responsible to the Applicant for providing the protections afforded to their customers; and
- agree that, having had the opportunity to read this Prospectus, the Applicant shall be deemed to have had notice of all information and representations concerning the Trust and the Offer Units contained herein, including those contained in the Trust Instrument.

24.1.5 Capacity and compliance with laws

All Applicants shall:

- represent and warrant that the Applicant has the legal capacity and authority and is permitted by applicable law to execute and deliver the Subscription Application Form and that, if somebody else signs the Subscription Application Form on behalf of the Applicant, that other person has due authority to do so on behalf of the Applicant, and the Applicant will also be bound accordingly and will be deemed also to have given the confirmations, representations, warranties, undertakings and authorities contained herein and undertake to enclose the other person's power of attorney or appropriate authority or a copy thereof duly certified by a public notary or solicitor or bank with the Subscription Application Form;
- represent and warrant that the Applicant has sufficient knowledge and experience in financial and business matters, and that the Applicant is capable of evaluating and has evaluated the merits and risks of acquiring Offer Units;
- warrant that, if the Applicant is an individual, the Applicant is over the age of 21 and has the legal capacity to complete the Subscription Application Form. Applicants under the age of 21 should make their applications through their legal guardian; and
- represent and warrant that all consents required to be obtained and all legal requirements necessary to be complied with or observed in order for the Subscription Application Form and the Allotment and issuance of Offer Units to the Applicant to be lawful and valid under the laws of any jurisdiction to which the Applicant is subject have been obtained, complied with and observed.

24.1.6 Acceptance of applications

All Applicants shall:

- agree to subscribe for the number of Offer Units specified in the Subscription Application Form (or such lesser number for which the application is accepted) on the terms of and subject to the conditions of this Prospectus, the Subscription Terms and Conditions, and subject to the Trust Instrument;
- understand that the Trust and the Lead Manager reserve the right to reject in whole or part, or to scale down or limit, any application. The Trust may treat applications as valid and binding even if not made in all respects in accordance with the prescribed instructions and the Subscription Terms and Conditions. If any application is not accepted in full, the Subscription Funds or as the case may be, the balance thereof, will be returned in the currency in which they were paid at the Applicant's risk and without deduction or profit; and
- agree that, in consideration of the Trust and the Lead Manager processing the Applicant's application, the Subscription Application Form cannot be amended or revoked after it is submitted to the Receiving Bank, and the Subscription Funds, once deposited with the Receiving Bank, will not be returned except if the Subscription Application Form is rejected.

24.1.7 Money laundering

All Applicants shall:

- consent to the passing on of any information about the Applicant to any relevant regulatory authorities by the Trust or the Receiving Bank or their delegates;
- acknowledge that due to money laundering requirements operating within their respective jurisdictions, the Trust and/or the Receiving Bank and/or the Lead Manager may require further identification of the Applicant(s) and source of funds before applications for Offer Units can be processed and the Applicant shall hold the Trust, the Receiving Bank and the Lead Manager harmless and indemnified against any loss arising from the failure to process the application for Offer Units, if such information as has been required from the Applicant has not been provided within the allotted time to the satisfaction of the party requesting such information; and
- understand and agree that any funds to be returned may be retained pending clearance of the Applicant's remittance and the completion of any verification of identity and/or source of funds required by the Trust and/or the Receiving Bank and/or the Lead Manager.

24.1.8 Continuing obligations

All Applicants shall:

- repeat these undertakings, representations and warranties to the Trust, the Receiving Bank and the Lead Manager on such future occasions as the Trust and/or the Receiving Bank and/or the Lead Manager may request, and will immediately provide on request such certificates, documents or other evidence as the Trust and/or the Receiving Bank and/or the Lead Manager may reasonably require to substantiate such undertakings, representations and warranties;
- notify the Trust immediately if the Applicant becomes aware that any of these undertakings, representations and warranties are no longer accurate and complete in all respects, and agrees immediately to tender to the Trust for redemption a sufficient number of Offer Units to allow the undertaking, representation or warranty to be made accurately and complete; and
- understand that if any of the representations, warranties, or undertakings given by the Applicant in the Subscription Application Form is untrue at any time, the Directors in their sole discretion may require a retroactive redemption of all or some of the Applicant's Offer Units at the Offer Price.

24.1.9 Indemnity

All Applicants shall:

- agree to indemnify and hold harmless the Trust, the Directors, the Lead Manager, the Receiving Bank, their Affiliates and each other person, if any, who controls or is controlled by any thereof, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses and costs (including internal and external attorneys' costs) incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based on:
 - any false or misleading or inaccurate representation or warranty or breach or failure by the Applicant to comply with any covenant or agreement made by the Applicant or in any other document furnished by the Applicant to any of the foregoing in connection with the Offering; and/or
 - any actions for securities laws violations instituted against the Applicant which is resolved by judgment against the Applicant; and/or
 - the Applicant's failure to provide source of funds information.

24.1.10 Multiple applications

All Applicants shall represent and warrant that only one Subscription Application Form in relation to the Offering will be submitted by the Applicant or on behalf of the Applicant.

24.1.11 Entire agreement

All Applicants shall understand that this Prospectus, the Trust Instrument and the Subscription Application Form and all related terms, conditions and covenants shall be binding upon and inure to the benefit of the Trust, the Receiving Bank and the Lead Manager and their respective successors, permitted assigns, executors, administrators and heirs, provided that, except as specifically contemplated herein, neither this Prospectus nor the Subscription Application Form nor any of the rights, interests or obligations arising pursuant hereto or thereto shall be assigned, transferred, made the subject of a contract or delegated by the Applicant without the prior written consent of the Trust. This Prospectus and the Subscription Application Form set forth the entire agreement and understanding between the Applicant and the parties listed above and supersede all prior and contemporaneous discussions, agreements and understandings among the Applicant and the parties listed above in connection with the subscription for Units.

An Applicant that receives a copy of this Prospectus or the Subscription Application Form in any territory may not treat the same as constituting an invitation to the Applicant to acquire, subscribe for or purchase Offer Units unless such an acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory.

24.2 Subscription restrictions

The Units will be registered and indivisible. The Offer Units are offered to Applicants fulfilling the Subscription Terms and Conditions.

24.3 Offer period

The Offer Period starts on Tuesday November 22, 2016 at 8am and terminates on Tuesday December 6, 2016 at 4pm.

The Receiving Bank may extend the collection hours or days during the Offer Period after obtaining the necessary approvals.

24.4 Receiving Bank

The Receiving Bank will collect all Subscription Funds during the Offer Period. The Approved Branches of the Receiving Bank as set out below will receive the completed Subscription Application Forms together with Subscription Funds from Applicants in accordance with the Subscription Terms and Conditions.

The following branches of the Receiving Bank shall receive completed Subscription Application Forms and Subscription Funds:

Bahrain Islamic Bank B.S.C.:

- I. Diplomatic Area Headquarters;
- II. Budaiya Financial Mall;
- III. Arad Financial Mall; and
- IV. Riffa Financial Mall.

In addition to the above, the Receiving Bank will accept completed Subscription Application Forms and Subscription Funds at a temporary location setup by the Receiving Bank specifically for the Offering at the Bahrain Bourse.

The Receiving Bank may extend the number of Approved Branches during the Offer Period and receive applications through an offsite location subject to regulatory approval.

24.5 Mode of payment

Applicants must remit to an Approved Branch their cleared Subscription Funds in Bahraini Dinars together with any applicable Investor Number Fee, net of any bank charges at the time of submitting their Subscription Application Form. If for any reason the instrument by which they have paid their Subscription Funds is returned, or insufficient Subscription Funds are received, or cleared funds are not available within two Calendar Days after the Subscription Closing Date, the application may be rejected in whole or in part.

Applicants may make payments as follows:

- by way of internal transfer from an account held with the Receiving Bank;
- by way of manager's cheque/demand draft (to be drawn in Bahraini Dinars for the Receiving Bank); or
- by way of telegraphic transfer (payment instructions to clearly mention the related Subscription Application Form number and the amount of funds that are payable, net of any bank charges). Telegraphic transfers can only be made in Bahraini Dinars and can only be made for amounts equal to, or greater than BHD 500.

The Applicants are responsible for paying any fees or charges associated with the transfer of Subscription Funds to the Receiving Bank.

Cash deposits or personal cheques will not be accepted.

All telegraphic transfers must include the following information.

Bank:	Bahrain Islamic Bank B.S.C.
Account name:	Eskan Bank Realty Income Trust - IPO
IBAN:	BH51BIBB00100000206416
Currency:	Bahraini Dinar
Reference:	Application Number [Insert Subscription Application Form number]

All Subscription Funds received should be net of any banking fees and charges. All such fees and charges such as transfer charges and manager's cheque/banker's demand draft fees shall be borne by the Applicant. The fees and charges of the Receiving Bank that might be charged for each mode of payment are as determined by the Receiving Bank.

Applicants will receive a receipt of acknowledgement from the Receiving Bank on submission of their Subscription Application Form. No profit or interest shall be payable to Applicants in respect of Subscription Funds collected by the Receiving Bank regardless of whether or not such funds are returned to the Applicant in whole or in part.

24.6 Rejected applications

Applications to subscribe for Units pursuant to the Offer may be rejected in whole or in part at the discretion of the Lead Manager, the Trustee, the Trust or the Receiving Bank and the following factors may or may not be taken into account in making this decision:

- The Applicant's eligibility to apply for Units pursuant to the Offer;
 - Whether Subscription Funds have been paid in full before the Subscription Closing Date; and/or
 - Whether the Subscription Application Form is incomplete or inaccurate as to any detail or the required documents are not attached with the Subscription Application Form or are not provided within requested timeframes.

Applicants will be informed of any rejected applications on the Distribution of Refunds Date.

A decision by the Trust rejecting a Subscription Application Form and on the Allotment shall be final and conclusive.

24.7 Allotment Basis

The minimum allowable subscription is 5,000 Units. The Allotment Agent will complete allotment of the Offer Units within seven (7) Calendar Days following the Subscription Closing Date.

If the total number of Units applied for by Applicants is equal to or less than the number of Units being offered, all Applicants will be allotted the number of Units they have applied for.

If the total number of Units applied for by Eligible Applicants exceeds the number of Offer Units offered, the Trust shall, in consultation with the Lead Manager, utilise an Allotment basis which will provide a mechanism for ensuring up to a certain number of Units applied for will be allotted to each Bahraini Individual Eligible Applicant and, thereafter, the remaining Offer Units will be allocated pro-rata to the number of Offer Units applied for by each Eligible Applicant.

The Allotment basis shall be as set out below:

- Firstly, each Bahraini Individual Eligible Applicant shall receive the number of Offer Units applied for up to a cap of 10,000 Offer Units to the extent possible within the number of Offer Units; if an oversubscription would result by allocating the Offer Units as contemplated above, the cap shall be reduced such that all applicants receive an equivalent number of Units insofar as such applicants subscribe to at least that number of Units (the "**Bahraini Individual Priority Allocation**");
- Secondly, following the Bahraini Individual Priority Allocation, each Bahraini Individual Eligible Applicant who applied for more than 10,000 Offer Units shall be allocated a proportion of the additional Offer Units to which he subscribed (being the Units in excess of 10,000) (the "**Excess Bahraini Individual Subscription**") which shall be calculated by multiplying such subscriber's Excess Bahraini Individual Subscription by a fraction the numerator of which is (a) the number of Offer Units less (b) the total Bahraini Individual Priority Allocation for all subscribers and the denominator of which is (c) the total Excess Bahraini Individual Subscription for all subscribers; however, in all cases $\frac{(a)-(b)}{(c)}$ shall not exceed 1 (the "**Excess Allocation**"); and
- Thirdly, following the Bahraini Individual Priority Allocation and the Excess Allocation, each Eligible Applicant, who is not a Bahraini Individual Eligible Applicant, who applied for Offer Units shall be allocated remaining Offer Units (being the Offer Units less the Bahraini Individual Priority Allocation and the Excess Allocation) *pro rata* with all other applications from Eligible Applicants who are not Bahraini Individual Eligible Applicants.

Based on the foregoing, should Bahraini Individual Eligible Applicants apply for Units equal to or exceeding the Offer Units, no Units shall be allotted to Eligible Applicants who are not Bahraini Individual Eligible Applicants.

Other subscription and Allotment conditions are set out below:

- The results of the subscription and confirmation of the basis of Allotment will be published in two local newspapers in the Kingdom of Bahrain within two Business Days of the Subscription Closing Date. The decision of the Trust and the Lead Manager on the basis of Allotment and on each individual Allotment shall be final;
- Applicants under the age of 21 should make their applications through their legal guardians; and
- No Units shall be distributed pursuant to this Prospectus on any date falling six months after the date of this Prospectus.

The Allotment basis will also be subject to the approval of the CBB. Allotment is expected to be completed on the Allotment Date. Each Applicant will receive the number of Units that have been allotted to him or her along with any Subscription Funds paid in respect of Units for which that Applicant's application has been unsuccessful.

All Eligible Applicants will be required to make payment at the time that they submit a Subscription Application Form, and such funds will be held in the Subscription Bank Account maintained by the Receiving Bank. On the Allotment Date, Applicants' Gross Proceeds in the Subscription Bank Account will be transferred to the Unit Capital Account and any Investor Number Fees received by the Receiving Bank will be transferred to the Bahrain Bourse.

The final allocation of Units will be determined by the Trust, such that an Applicant may receive fewer than the number of Offer Units applied for. Neither the Trust nor the Receiving Bank nor any other person provides any Applicant with any assurance, representation, warranty, covenant or other statement to the effect that it will receive the full Allotment of Units requested by the Applicant in the Subscription Application Form.

The Units will be in dematerialised form and there will be no physical certificates representing the Units. Delivery of the Allotment notices shall not constitute proof of ownership of the Units. Receipt of the Allotment notice is proof that the allotted Units have been deposited into the Applicant's Depository Account. The Allotment notice must not be used to sell the Offer Units before the listing on the Bahrain Bourse. The Allotment notice shall provide all relevant details to the Applicant regarding the allotted Units.

24.8 Distribution of Allotment notices and refunds

Following the Allotment and on the Distribution of Refunds Date, Allotment notices informing all Applicants of their respective allotments of the Offer Units pursuant to the IPO may be mailed to the address provided by the Applicant on the Subscription Application Form or made available for collection from the Bahrain Bourse or the Applicants' designated brokerages.

On the Distribution of Refunds Date, the Receiving Bank will:

- transfer to the Pre-offer Unitholder in BHD an amount equal to the Offer Price multiplied by the number of Offer Units allotted to Applicants;
- transfer to the Bahrain Bourse any Investor Number fees received from Applicants; and
- return, in BHD, the Subscription Funds paid by Applicants in respect of Offer Units they applied for and were not allotted.

All funds distributed by the Receiving Bank will be distributed without deduction, but will not include any profit or interest derived from such funds, which, if any, shall be for the account of the Receiving Bank. Any refund amount will be returned by the Receiving Bank in one of the following forms, as and if applicable:

- By way of crediting the Applicant's bank account for Applicants who hold bank accounts with the Receiving Bank and have paid their Subscription Funds by way of internal transfers from such accounts; or
- By way of manager's cheques for Applicants who paid their Subscription Funds by way of manager's cheque, demand draft or telegraphic transfer. All bank charges for such manager's cheques shall be borne by the Applicant.

All Applicants authorise the Trust and the Receiving Bank to make the respective refunds, if any, through the applicable methods described above. In the event that an application is rejected in whole or in part or if the Offering does not proceed, the Subscription Funds or the balance thereof will be returned to the Applicant at the risk and cost of the Applicant and without accounting for any profit or interest derived from such funds which, if any, shall be for the account of the Receiving Bank.

24.9 Announcements and acknowledgements

The Issuer, the Lead Manager and/or other appointed advisors appointed by the Issuer will make the following announcements in relation to the Offering:

- An announcement of the Offering together with a summary of the Prospectus will be published in at least two local newspapers in the Kingdom of Bahrain, one in Arabic and one in English, at least five days before the Subscription Opening Date;
- The results of the subscription and confirmation of the basis of Allotment will be published in at least two local newspapers in the Kingdom of Bahrain, one in Arabic and one in English, within a maximum period of two Business Days following the Subscription Closing Date; and
- An announcement will be made on the Distribution of Refunds Date in at least two local newspapers in the Kingdom of Bahrain, one in Arabic and one in English, to the effect that Allotment notices have been issued and have either been mailed or made available for collection from the Bahrain Bourse or the Applicants' designated brokerages, and that excess Subscription Funds, if any, have been processed for crediting the Applicants' bank accounts or via manager's cheques, as the case may be.

24.10 Post-Offer Trading

Following the Offer Period and subsequent listing of the Units on the Bahrain Bourse (as detailed in Section 2.6 'Bahrain Bourse'), Unitholders and potential investors / potential Unitholders may acquire/sell Units in the secondary market on the Bahrain Bourse via any Bahrain-Bourse listed brokerage firms (also see Section 7.8 'Redemption and trading of Units'). Pricing of the Units on the Bahrain Bourse will be determined by bid prices and offer prices (if any – see Section 23.1.29 'Liquidity and volatility in the Unit price') made by other Unitholders/potential unitholders via their respective brokerage firms, in addition to those bid and offers (if any) made by the Market Maker, in a similar manner to trading of listed corporate equities on the Bahrain Bourse. Further information on post-Offer trading in the Units may be obtained from the Bahrain Bourse, the Trustee, the Investment Manager, the Sub-Investment Manager, with contact details provided in Section 25 ('Trustee, Investment Manager, Key Advisors, and Third Parties'), or any Bahrain Bourse listed brokerage firm.

25 Trustee, Investment Manager, Key Advisors, and Third Parties

Trustee and Custodian

Ohad Trust B.S.C.(c)

Bahrain World Trade Center
Office 341, 34th floor, West Tower
Isa Al Kabeer Avenue
P.O. Box 18206
Manama
Kingdom of Bahrain
Tel: +973 17213199
Fax: +973 17213198

Administrator

Keypoint Consulting W.L.L.

24th floor, NBB Tower
Government Avenue
P.O. Box 11718
Manama
Kingdom of Bahrain
Tel: +973 17200025/1 7206888
Fax: +973 17200026

Paying Agent

Karvy Computershare W.L.L.

Office No. 74, 7th floor
Al Zamil Tower
P.O. Box 514
Manama
Kingdom of Bahrain
Tel: +973 17215080
Fax: +973 17212055

Legal Counsel to the Offering

ASAR – Al Ruwayeh & Partners

11th floor, Al Rossais Tower
Diplomatic Area
P.O. Box 20517
Manama
Kingdom of Bahrain
Tel: +973 17533182
Fax: +973 17533185

Shari'ah Board

Dr. Sheikh Nezam Yacouby
Dr. Sheikh Abdulaziz Khalifa AlQassar
Sheikh Abdalnasser Al-Mahmood
Tel: +973 17505440

Investment Manager

Eskan Bank B.S.C.(c)

1st floor, Almoayyed Tower
P.O. Box 5370
Manama
Kingdom of Bahrain
Tel: +973 17567777
Fax: +973 17564114

Allotment, Registrar and Transfer Agent

Bahrain Bourse

Bahrain Financial Harbour- Financial
Mall- 4th floor
P.O. Box 3203
Manama
Kingdom of Bahrain
Tel: +973 17261260
Fax: +973 17210736

Property Appraiser

DMB International W.L.L., Savills International Associate

Suite 2212, West Tower
Bahrain Financial Harbour
P.O. Box 2795
Manama
Kingdom of Bahrain
Tel: +973 17502853

Property Manager

Cluttons LLP

Almoayyed tower
Suite 2004
Seef District
P.O. Box 5856
Manama
Kingdom of Bahrain
Tel: +973 17562860

Lead Manager, Sub-Investment Manager & Market Maker

Securities & Investment Company B.S.C.(c)

BMB Building
1st floor
P.O. Box 1331
Manama
Kingdom of Bahrain
Tel: +973 17515000
Fax: +973 17514000

Receiving Bank

Bahrain Islamic Bank B.S.C.

Al Salam Tower, Diplomatic Area
P.O. Box 5240
Manama
Kingdom of Bahrain
Tel: +973 17515151
Fax: +973 17535808

Independent Reporting Accountant

BDO

Diplomatic Commercial Office Tower
17th floor
P.O. Box 787
Manama
Kingdom of Bahrain
Tel: +973 17530077
Fax: +973 17919091

External Auditor

Deloitte & Touche

Al Zamil Tower, Government Avenue
P.O. Box 421
Manama
Kingdom of Bahrain
Tel: +973 17214490
Fax: +973 17214550

26 Additional information

26.1 Statement by Experts

Reports have been prepared by the following experts exclusively for use in this Prospectus:

- BDO Consulting W.L.L. prepared the independent report on the projections set out in Section 11; and
- DMB International W.L.L., a Savills International Associate, prepared the independent property valuation reports set out in Appendix 29A.

At the time of publishing this Prospectus all experts have provided their consent to the inclusion of the aforementioned information prepared by them in this Prospectus.

27 Applicable Law

The Trust is established under the laws of the Kingdom of Bahrain. This Offering, including this Prospectus, the Subscription Application Forms, and contractual agreements undertaken by the Trust (as of the date of this Prospectus) will be governed by, and construed in accordance with, the laws of Bahrain. This does not prevent an action being taken against an Applicant in any other jurisdiction.

28 Documents Available for Inspection

The following documents, or copies thereof, may be inspected at the office of the Trustee, Bahrain World Trade Center, office 341, floor 34, West Tower, Isa Al Kabeer Avenue during usual business hours on any Business Day from the date of the registration of this Prospectus with the CBB and shall be available for inspection for a period of at least 6 months thereafter.

The following documents, or copies thereof, where applicable, include:

- 1) The Trust's registration certificate;
- 2) The Trust Instrument (including the original trust instrument, the amendment agreement and the amended and restated trust instrument);
- 3) The Property Valuation Reports;
- 4) The Administration Agreement;
- 5) Paying Agent Agreement;
- 6) Receiving Bank Agreement;
- 7) Lead Manager Agreement;
- 8) Investment Manager Agreement;
- 9) Sub-Investment Manager Agreement;
- 10) Listing Agreement;
- 11) Registrar Agreement;
- 12) Shari'ah Board Agreement;
- 13) The Custody Agreement;
- 14) The Auditor Engagement Letter;
- 15) The Property Management Agreement;
- 16) The Property Appraiser Agreement;
- 17) The Independent Reporting Accountant Agreement; and
- 18) Market Making Agreement.

In addition to the above, each person considering the purchase of the Units offered hereunder or any Unitholder may request a paper or electronic copy of the Trust Instrument from the Trustee, the Lead Manager and the Administrator.

29 Appendices

A. Property Appraiser Summary Reports

Report and Valuation Danaat Al Madina, Isa Town, Kingdom of Bahrain



Executive Summary

Address	Segaya Plaza, Manama, Kingdom of Bahrain			
Use	Modern 8-storey commercial and residential building, currently fully leased and considered as an income producing investment.			
Location	The property is situated close to the City Centre Manama, enjoying a prominent position overlooking a busy road junction.			
Description	A recently completed high grade mixed commercial and residential building. The property has 8 floors with ground floor retail, 2 floors of internal parking, 5 typical floors of apartments providing 105 fully furnished units and the top floor with gym, sauna and leading to the roof terrace swimming pool.			
Site Details	Title No.	Current Use	Square feet	Square meters
	57505	Mixed use development	59,160	5,469
Tenure	Assumed as virtual freehold without any undue encumbrances apart of the occupational leases.			
Gross Rental Income	Total yearly rental retail		BD	387,450 pa
	Service charge income		BD	34,845 pa
	Residential apartment income		BD	627,000 pa
	Antenna licence		BD	9,600 pa
	Total gross revenue		BD 1,085,895 pa.	
Occupancy and Leases	The building is fully leased with 14 individual tenants occupying 15 units on ground floor. The 105 furnished apartments (floor 3, 4, 5, 6 and 7) are fully leased to the Ministry of Education.			
Floor area	Retail lettable area amounts to 3,075 sqm The residential lettable area amounts to 12,818 sqm contained in 105 units.			
Tenant Covenants	Commercial tenants pay rental, service charge, municipality tax and electricity. For the apartments leased to the Ministry of Education the landlord is responsible to pay municipality tax, electricity and providing and maintaining the furniture.			
Outgoings	Total landlord's expenses have been budgeted for 2017 at BD 217,533 to include property management fees.			
Net Rental Income	The estimated net rental income amounts to BD 868,362 for the year 2016.			
	Market Value			
Valuation Date	15th August 2016			
Valuation Methodology	The property is considered as an investment building.			
Market Value / yield	BD 11,250,000 (ELEVEN MILLION TWO HUNDRED FIFTY THOUSAND BAHRAINI DINARS) Yield of 7.71% on the current rental income			



Executive Summary

Address	Danaat Al Madina, Isa Town, Kingdom of Bahrain			
Use	Retail and office areas part of Danaat Al Madina complex.			
Location	The property is situated in Isa Town close to Isa Town Mall with frontages to Al Quds Avenue and return frontage to Muscat Avenue. This is a mix commercial and residential area about 5 km from Central Manama.			
Description	The Danaat Al Madina project was completed in 2015 and comprises a number of mid-rise buildings constructed to a high standard. This portfolio comprises the retail and commercial units where the developer has now completed and sold off 324 apartments on the upper floors.			
Site Details	Title No.	Current Use	Square feet	Square meters
	155898	Mixed use development	190,095	17,669
	155863	Mixed use development	110,117	10,230
	196807	Office development	12,004	1,115.20
Total			312,216	29,014.20
Tenure	Assumed as virtual freehold without any undue encumbrances apart from the occupational leases.			
Tenancies and Income	Most standard leases have terms of 2 and 3 years with the payment of a 15% service charge, however there are exceptions. Please see the rental schedule.			
Occupancy	The retail space is approximately 50% occupied and leased. The office areas are approximately 70% occupied and leased.			
Current Gross Rental Income	BD 478,452 per annum – to include service charge recovery			
Current Net Rental Income	BD 325,452 per annum – after operating costs			
Estimated Gross Rental Value	BD 850,000 per annum – to include service charge recovery			
Current Service Charge Recovery	BD 38,420 per annum			
Potential Service Charge Recovery	BD 87,000 per annum			
Current Operating Costs	BD 153,000 per annum – apportioned			
Current Service Charge Shortfall	BD 114,580 per annum			
	Market Value			
Valuation Date	2nd September 2016			
Valuation Methodology	The property is considered primarily as an investment currently part-let with further lettings to take place.			
Market Value	BD 8,650,000 EIGHT MILLION SIX HUNDRED AND FIFTY THOUSAND BAHRAINI DINARS			
Current Gross / Net Yield	5.53%		3.76%	
Potential Gross / Net Yield	9.83%		8.05%	

