



## **Amwal to launch marketing of the first Shari'a compliant real estate mezzanine fund in Qatar**

Doha, March 2008

Amwal, the leading investment banking and asset management in Qatar, announced the marketing of the first Shari'a compliant real estate mezzanine fund in the country.

Following initial conversations with its investor base, Amwal will soon open the subscription for Mezzanine Investment Partners Fund I Ltd and Mezzanine Investment Partners Fund II Ltd, the first two of a family of funds co-sponsored with Dubai based investment firm Shuaa Capital and Kaupthing Bank, a leading Northern European bank. These two funds will total USD 250m, and will be seeded by up to USD 100m by the sponsors, who will raise the remaining USD 150m from a mix of Qatari, GCC and international investors. Mezzanine Investment Partners Fund I will be USD denominated, while Mezzanine Investment Partners Fund II will be Shari'a compliant and QR denominated.

The funds target a yearly return in excess of 15%, which will be generated through an investment in a Shari'a compliant mezzanine debt issued for AL Waab City WLL the largest privately held real state development in Qatar promoted by NBK Holding, who is currently developing one of the largest real estate projects in Qatar. This identified investment target that presents a relatively low risk profile is an additional advantage for potential investors, as it guarantees that the funds raised will be put to work in a sound project shortly after the fund raising. To underline their belief in the high quality of the project, the sponsors, two of which are currently acting as advisors to Al Waab City for its financing, are committing substantial amounts of capital to the funds.

More importantly, one of the key features of these instruments is that they bring to the market a new way to secure exposure to a high return income generating security in a very controlled risk environment, and within an acceptable maturity range. Set up as 10-year Cayman registered entities, the funds could in practice, due to their single investment, be compared to a more standard sukuk issue. Maturity may actually be shortened in case of refinancing of the mezzanine debt facility by Al Waab City, and the funds are likely to pay dividends on their shares from the third year of investment. The main difference with a sukuk comes from the fact that the investors can rely on the sponsors actively monitoring the risk and their interests on their behalf, and therefore ensuring the delivery of returns essentially linked to a real estate project financing situation.

"With the establishment of these new funds we have created for regional investors the conditions for more comprehensive access to real estate investment, by providing exposure to what we have identified as the rapidly growing market of high return Shari'a



compliant securities in the real estate sector," explained Dr Lavigne du Cadet, CEO of Amwal. "Through this structure, we have also widened the range of financing options we are able to provide to certain professional real estate developers by adding an important element which enables them to bridge efficiently with a larger pool of financing."

The sponsors of the funds will be looking for commitments from third party investors during the coming weeks. It is planned that allocations will follow the first come, first served rule. Due to their features and to the USD 5m equivalent minimum ticket size, it is anticipated that the new funds will mainly appeal to large institutions and high net worth individuals.

#### **About Amwal**

Founded in 1998, Amwal is the first investment company to be licensed by the Central Bank of Qatar operating in two lines of business; investment banking and asset management. The firm has launched the first investment portfolio and the first mutual fund investing in the Doha Securities Market and underwrote the first non-Qatari Initial Public Offering in the country. Amwal has one of the largest investment teams in Qatar, employing a growing team of talented professionals. The firm benefits from a strong shareholder base comprising of Shuaa Capital, Qatar Foundation, Qatar National Bank, Qatar Navigation and prominent Qatari individual shareholders.

#### **For further information, please contact:**

##### **Hala Kassab/ Samira El Ghouli**

ASDA'A Public Relations

Doha, Qatar

Tel: +974 435 1113

Fax: +974 435 1511

[h.kassab@asdaa.com](mailto:h.kassab@asdaa.com), [s.elghoul@asdaa.com](mailto:s.elghoul@asdaa.com)

##### **Angie Dakroury/ Areej Allan**

Amwal

Doha, Qatar

Tel: +974 4677990

Fax: +974 4677994

[adakroury@amwal.com.qa](mailto:adakroury@amwal.com.qa)/[aallan@amwal.com.qa](mailto:aallan@amwal.com.qa)