

Poalim Real Estate Fund -

A unique private equity fund
for investment in real estate
construction and development



 **poalim real estate**
poalim capital markets group



By investing in this Fund, private investors can gain access to a market with significant profit potential, enjoying the wealth of experience and know-how of well-motivated, seasoned real estate and private equity specialists. Signaling their confidence in the Fund's potential and demonstrating their commitment to its success, the founding groups that will be managing the fund are investing a significant amount of at least \$20m of their own equity. The unique and innovative structure of the Fund's investment unit, coupled with the Fund's diversification strategy, are designed to reduce the underlying risk and to provide clients with a well balanced and attractive risk/reward profile.

Expected size of the Fund

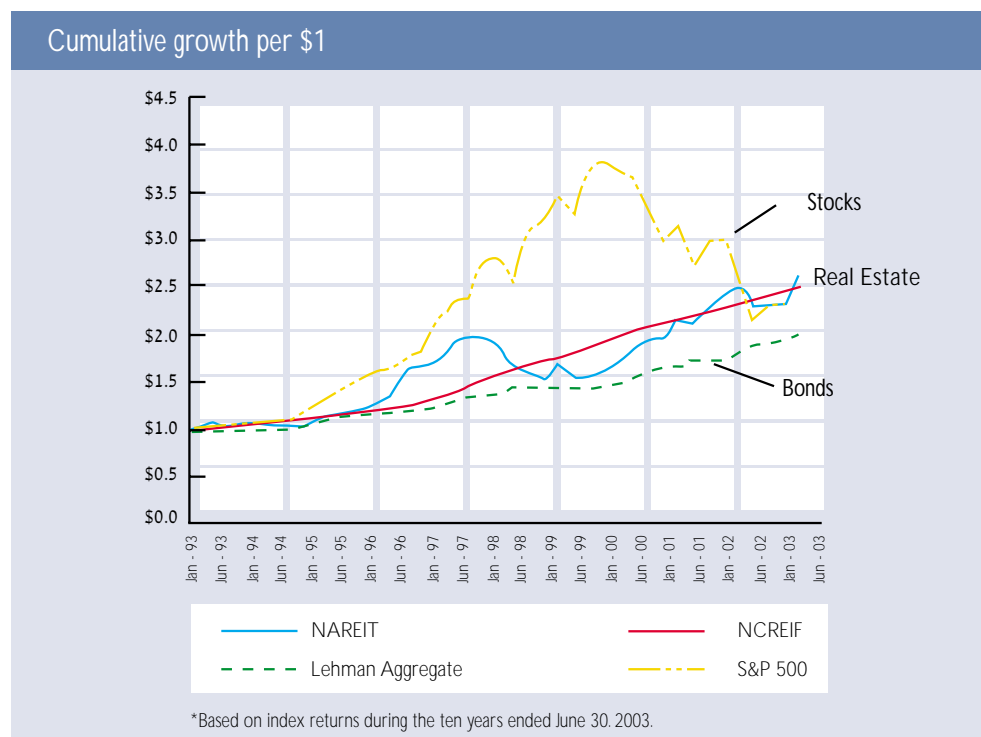
Expected size of the Fund	Up to \$80m, of which at least \$20m are invested by the Founders.
Investment strategy	Focus on investment in real estate ventures in Israel and Eastern Europe, including construction of commercial, office and residential buildings.
Founding groups	Poalim Capital Markets, the Benshach-Moran group and Arnon Rabinowitz.
Investment units	\$360,000 minimum initial investment - 50% equity and 50% debt unit. The debt unit bears annual interest of 6%. The founders' investment is entirely in the form of equity capital.
Expected lifetime of the fund	6 years + option for extension.
Investment period	The fund will be entitled to repay to investors holdings in the fund that have not been used in the course of 4 years and that are not required for future purposes.
Closed fund	Units can be purchased within a limited period of time only.
Order of capital distribution and profit sharing	<ul style="list-style-type: none"> - Payment of interest on the debt units, followed by repayment of principal on the debt units. - Repayment of equity units. - Distribution of profits: 80% to the investors and 20% to the General Partner (the Founders).
Interim Money management	By Poalim Capital Markets, in fixed-income liquid instruments only.
Operations management	By the General Partner, via the Investment Committee assisted by external professionals comprising the Advisory Board.
Exclusivity	The Founders commit to conduct all their real estate activities through the Fund.
Major investor's benefit	Investors with an aggregated investment exceeding \$1.8m will enjoy certain other benefits.



The real estate market — an attractive investment class

Serving either as an additional component of an investment portfolio or as a complementary investment, real estate assets have three distinct advantages:

1. The real estate market is known to be less volatile than the equity stock markets and therefore such investments can have a significant benefit in the construction of a balanced investment portfolio. A good example in this respect is the US real estate market which, as seen below, has exhibited not only lower volatility relative to equities, but also relatively high returns in comparison to stocks and fixed-income holdings.



Source: PwC, Emerging Trends in Real Estate Europe, 2004

2. The real estate market behaves independently of other asset classes. Since the correlation between the performance of real estate and other asset classes is low, real estate investment helps reduce the volatility and risk of one's investment portfolio, while enhancing the overall return potential.

3. Exploitation of investment opportunities in projects offering high return potentials.

As the global economy recovers from the recent recession period, the world's real estate markets are now showing tangible signs of an upsurge in activity. Particularly notable is the real estate market in Eastern Europe, where countries nominated to join the European Union are making significant steps in increasing transparency, improving

their legislative system and promoting a favorable investment environment to increase foreign investors' confidence in their respective local economies. Supported by favorable lending terms from local and international banks, many international organizations and prominent entrepreneurs are now channeling significant investments to the development of real estate projects in the Eastern Europe, accelerating the growth rate in Eastern European real estate market beyond that of the average overall market.

Now, more than ever, these developments are making real estate a particularly attractive form of investment.

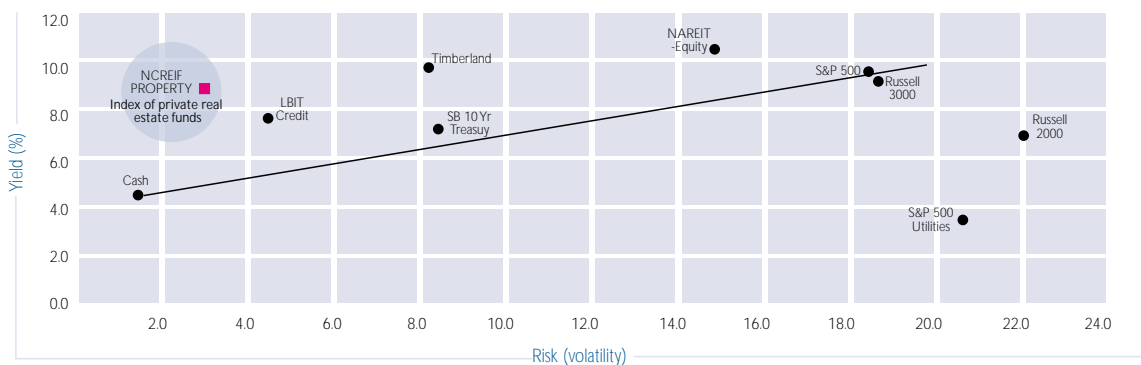
Real Estate Fund - an attractive investment vehicle

Experience shows that the ability to profit from the potential inherent in the real estate market is dependent on the skillful exploitation of the following factors:

- The ability to identify leading indicators of growth markets
- The ability to enter these markets at the right time
- Management and implementation of the investment strategy by a quality team that is highly experienced in real estate, and specifically in the target markets
- Know-how and experience in financing real estate projects, including in-depth knowledge, understanding and access to various financial alternatives
- The ability to manage the divestment strategy, which requires intimate knowledge of local markets.

A well-managed fund specializing in real estate investment is fully fit to address these requirements, which are essential for the success of the investment. Studies show that the risk-versus-yield ratio of private real estate funds is attractive when compared to other investment products:

Graph- Yield-risk diversification of the market indexes for the 10 years up to 2003



Source: University of California, Office of the Treasurer

A real estate fund is able to manage investments effectively, in order to provide for superior returns and capital gains. A fund's advantages include:

Familiarity with local markets:

The mere fact that a private investor is able to identify the potential inherent in a specific market does not provide assurance of success. An investor who is not a specialist in the field lacks the knowledge and expertise to identify suitable opportunities in target markets, does not have the necessary local contacts and would not be able to work effectively and efficiently within the business environment in the country in question. A fund specializing in the target real estate markets is likely to have the said capabilities including familiarity with the regulatory environment and most importantly, access to the most attractive business opportunities that these markets have to offer. Such a fund is therefore able to make and manage the most profitable investment opportunities.

Financing ability:

Due to its familiarity with financing alternatives and prevailing terms within the target markets and leveraging the Poalim brand recognition, the Fund is far more capable than a single investor to obtain financing on favorable terms for leveraging investments to yield superior returns

Risk minimization and profit maximization:

By investing in a wide range of projects and building a well diversified portfolio, a real estate fund offers the investor an opportunity to reduce the overall risk level when compared to a single personal investment of a similar size, while maintaining, if not increasing the overall profit potential.



Eastern Europe and Israel - the opportunities

Eastern Europe

The opportunities that have unfolded in the real estate market in Eastern European countries during recent years are clearly apparent. These opportunities were driven and supported by Eastern European countries' gradual participation and involvement in the European Union, which initiated a persistent upturn in general economic activity, a growing pace of socio-economic development and a matching expansion of local real estate markets.

Factors that are favorably affecting the investment potential of the real estate industry in Eastern Europe include:

- A consistent improvement in macroeconomic performance parameters such as GNP, employment levels, real wages and per capita income.
 - Geopolitical stability and matching growing positive sentiment among the public as the result of gradual integration into the European Union, which creates a growing demand for a Western European-like standard of housing.
 - Increased globalization as international companies from all sectors enter these countries, encouraging the modernization trends.
 - The demand surpluses for residential apartments resulting from the population's constant aspiration for an improvement in its standard of living have led to a real shortage of housing units and price increases during recent years. This trend is expected to continue during the coming years.
 - High real estate returns and inexpensive land prices that are rising constantly due to the influx of massive sums from the older EU countries.
 - Convenient financing terms and the consistent development of the mortgage industry, including governmental support in some countries, concurrent with the consolidation of European banks' foothold in the Eastern European community and increased favorable financing alternatives.
 - Low interest rates are helping to lever transactions at a relatively low cost of capital, and are encouraging investors to seek forms of investment that are more attractive than bonds but that have a relatively low level of risk - such as real estate investments.
 - Relatively inexpensive resources in Eastern European countries are encouraging the transfer of production and businesses to those countries, creating numerous sources of employment and with them, a growing demand for commercial buildings, office buildings and logistical centers.
- As they join the Eurozone, Eastern European countries are improving their legislative environments and the rule of law in all matters relating to business ethics and reporting requirements, thereby creating a safer environment for foreign investors.

In addition to all these positive indicators, the Founders Group of Poalim Real Estate possesses significant experience and a proven track record in real estate activity in Eastern Europe, which is key to identifying and capitalizing on emerging opportunities. The Founders have demonstrated their ability to operate effectively in these markets, and to exploit the advantages and opportunities that these markets offer to savvy real estate investors. A recent success example is the construction of a complex project that has yielded an impressive return on equity to the investors. (See page 9 for an example of one of the Founders' projects).

Poalim Real Estate Fund enables investors to benefit from involvement in an attractive market, and from the experience of a leading team with a proven track record in these markets.

Israel

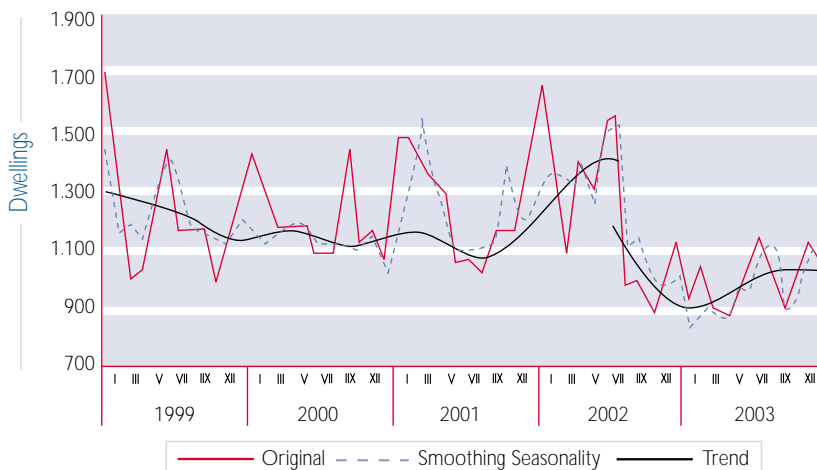
After years of recession, the majority of the principal construction industry indicators since the beginning of 2004 have been showing an upturn in demand for residential properties, mainly in the center of the country.

Concurrently, the slump in demand for housing during recent years led to a large decrease in building starts and completions and to an extension of the average construction time. According to Housing Ministry data, this has resulted in a constant reduction in the stock of unsold apartments: The stock in March 2004 had dropped to 20,735 apartments,

8% lower than in March 2003. It is estimated that this inventory will last for only 13 months. In addition, the number of building starts in 2003, 30,000 dwellings, is inadequate to supply multi-year requirements.

These trends are indicative of an immediate need and a significant investment potential. Investment in residential properties in Israel is positioned against the background of a slump that has now ended and the initial signs of an upturn in activity, as can be seen from the following diagram:

New dwellings sold in the private sector



Source: Central Bureau of Statistics, September 2004.

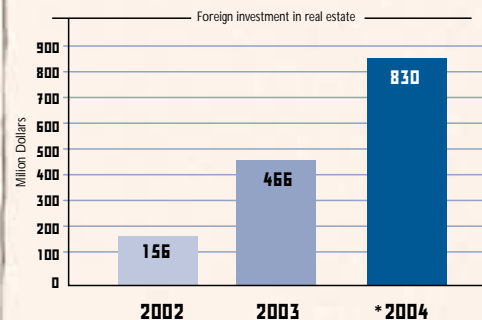
The extensive experience that the Fund's Founders have gained in the Israeli real estate market prompted the decision to focus on specific segments in which the Fund sees the greatest potential during the coming years.

The Fund will concentrate on housing projects for medium-sized and small apartments in the price range of \$150-250 thousand in the center of Israel.

Land prices are likely to start rising shortly, and with them the potential for high returns.

FOREIGN RESIDENTS BELIEVE IN ISRAELI REAL ESTATE: INVESTMENTS IN 2004 FIRST HALF CLOSE TO THE TOTAL FOR 2003

Investments in January-June totaled \$414 million compared with \$464 million in the whole of 2003 • \$306 million real estate divestment in Israel



*Annualized, based on first half data.

Gelobes, August 10 2004

The Fund's investment strategy

Poalim Real Estate will focus on real estate investments, primarily in the development, construction and sale of selected projects in Israel and Eastern Europe. In Israel, the Fund will concentrate on housing projects, and in the Eastern European market, on residential, commercial and office construction projects and logistics centers. At least 85% of the Fund's assets will be invested in these countries. The Fund may exploit the balance of its assets for investment in attractive opportunities, if such opportunities arise, in the real estate industry in locations outside of the mentioned territories.

How is a project selected for investment?

The Fund management team's stringent investment-selection process encompasses all the factors relevant to the investment suitability decision:

1. The identification of opportunities with the help of professionals operating in the local markets who are well acquainted with developments in these markets.
2. Feasibility studies accompanied by a comprehensive survey in the course of which the following parameters are examined:

- Competitive environment
- Size of the relevant populations and other demographic parameters
- Anticipated developments that could affect the demand for real estate and purchasing power
- Principal sources of income and employment in the relevant locations (such as tourism and industry), and the potential impact on demand for real estate
- Macroeconomic data in the relevant locations
- Identification of strong and weak points
- Identification of advantages and added value of projects under consideration
- Fit within the Fund's portfolio and diversification strategy from a risk/reward standpoint

3. A special financing model is constructed for each project, integrating shareholders' equity and different alternatives of debt financing from local and Israeli financial institutions.
4. And of course - the return: The selection of projects is based on the aspiration for a return on equity of 20%-40% before taxes, to optimize the risk/return profile of the Fund's investments. As part of this process, stress testing of key assumptions and sensitivity analyses are conducted in order to identify risk factors and to assure the confidence levels in the yield forecast.

Each selected project will need to be approved by the Fund's Investment Committee, which is comprised of leading specialists in real estate investments and finance.

On-going management activities:

Once a decision to invest in a project has been made, the Founders will commence the investment management and implementation processes:

- Development of a master plan for carrying out the project, including reference to local regulatory procedures and laws.
- Development of infrastructure for the project.
- Setting of timetables and on-going progress monitoring.
- Appointment of a management team for the planning, construction and marketing of the project.
- Rolling budgetary management of the project.
- Focus on marketing management.

Realization/exit strategy:

The Fund's objective is to realize its investments in projects and to achieve as rapid and as high a return as possible to those investing in it. Every effort will therefore be made to identify and execute the most lucrative divestment alternative throughout the lifespan of each investment.

The management team will constantly scrutinize various exit alternatives for the realization of an investment while taking into account matters of timing, cost and return on investment together with environmental and internal considerations.



An example of investment management by the Fund's managers:

Neocity Towers, Romania

A complex of ultramodern office buildings in the center of Bucharest, comprising 12,000 square meters of luxurious office space.

Work Process

- Identification of an opportunity in Bucharest, Rumania, based on environmental conditions and demand for office buildings in an area that is regarded as central and highly desirable.
- Execution of a feasibility study comprised of a market survey by a local professional organization, due diligence procedures, land examination and evaluation of financing alternatives with local financial institutions.
- Approval of the commencement of the project implementation.
- Appointment of working, supervisory, professional and management teams in Israel and Romania.
- Provision of daily project support hand in hand with an ongoing close monitoring of adherence to timetables and budgets, and employment of the highest quality tools and professional manpower.

Timetable

- 1999- start of construction
 - 2001- completion of construction of the first tower and its full rental before the set transfer date
 - 2003- completion of construction of the second tower and its full rental
- The tenants - AAA customers
(Alpha Bank, General Electric Ro., Avon Cosmetics, Nestor & Nestor)

Financial data

- Shareholders equity: 30%
- Leverage: 70%
- Interest rate: Libor + 3%
- Return on investment: 18%
- Return on shareholders equity: 40%

Poalim Real Estate - the Founders

The founding groups are composed of leaders in their respective fields who bring with them rich experience, a proven track record and an in-depth knowledge of the target markets. This combination of leading figures with complementary expertise, combined with the fact that all the partners have themselves invested heavily in the Fund's equity, creates a unique and unbeatable team that is firmly committed to the Fund's success.

Poalim Capital Markets:

A leading investment bank and a member of the Bank Hapoalim Group, Poalim Capital Markets has operated in the Israeli capital market since 1990. The bank offers cross border solutions through its strategic alliance with William Blair & Company, one of the oldest established organizations in the US capital market, as well as a full range of other investment banking services. Poalim Capital Market's experienced professional team has a strong record of success in private equity operations and currently manages private equity funds as well as Bank Hapoalim's holdings in real body corporate to an overall amount of \$300 million. The company's wealth of experience in the private equity field includes the construction of funds of various types and the current management of their activity, from the definition of the most effective structure of the fund for investors, to raising and managing capital for funds. The investment implementation process includes the identification of opportunities, feasibility analyses and the actual placing of the investment and support for the desired tax structure, followed by active involvement in the management of the investment.

Poalim Capital Markets benefits from the financial and professional backing of the Bank Hapoalim Group in all matters relating to the management of private equity funds.

The Poalim Capital Markets team of professionals brings to Poalim Real Estate Fund a wealth of expertise, knowledge and experience in private equity funds management.

The Benschach-Moran real estate group:

A group of real estate professionals and prominent businessmen who over the last decade have managed over one billion dollars of real estate and infrastructure projects, and have constructed more than 10,000 housing and office units in Israel and abroad.

Ehud Benschach serves as Chairman of Petrolgaz Group and manages its real estate division. Petrolgaz, one of the oldest, most established and largest conglomerates in Israel, is owned by the Benschach family and has been a leader in the Israeli gas market since the company was established in the 1950s. Since the 1990s, the group has maintained a real estate division that has operated extensively in the initiation, planning, development and construction of projects in Israel and worldwide. Benschach has developed and managed real estate projects comprising hundreds of housing units in Israel, income-earning and commercial properties in Paris, office buildings and shopping centers in the UK and office buildings in Romania amounting to hundreds of millions of dollars. Benschach is also involved in numerous other business ventures, and owns holdings in companies operating in various sectors, resulting in his prominent status in the Israeli market.

Benschach brings to Poalim Real Estate a strong background in business activity and an understanding of corporate finance, combined with sound experience in real estate activity in Israel and abroad. He is fully involved in the activity of the fund, and in all the decision-making processes relating to it.

Haim and Yoav Moran own Mivnei Moran and are partners, managers and 50%-owners of Mivnei Gazit (2000) Ltd., a leading company in the Israeli real estate market for the past 30 years. Mivnei Gazit has an outstanding reputation in the real estate market and among financial institutions as the result of its sound financial infrastructure, its use of unique financing instruments and the expertise of its managers, who are regarded as authoritative figures in the Israeli real estate market. The company has also benefited from its special, longstanding relationship with Bank Hapoalim in the development of numerous large projects.

Mivnei Gazit has specialized in large housing, office, logistical centers and commercial construction projects in Israel and abroad, including projects in Eastern Europe and North America. During the past decade, Mivnei Gazit has sold over 10,000 housing and office units in Israel and abroad.

Haim and Yoav Moran bring to Poalim Real Estate valuable experience in the development and marketing of real estate assets and those standards of excellence and unique approach that have given Mivnei Gazit its top status and outstanding reputation in the Israel market.

(See examples of projects by the Benschach-Moran group in the document attached to this paper.)

The Founders Group also includes Eddie Arditi and Sabi Bar Noy, owners of an electro-mechanics and telecommunications contracting company that operates in Africa.

Arnon Rabinowitz

Arnon Rabinowitz is regarded as one of the greatest experts in the Israeli real estate market, in which he has wide-ranging contacts. For the last 15 years, he has served as Head of the Construction Credit Sector at Bank Hapoalim, one of the largest credit divisions in the banking system. In this position, he has managed credit facilities for the largest and most important projects in Israel, using his in-depth knowledge of trends, opportunities and developments in the local real estate market. Rabinowitz also served as the Chairman of Mishkan Mortgage Bank, which makes him deeply involved in the financing aspect of the real estate industry as well. In these two positions, Rabinowitz was responsible for the management of NIS 60 billion of credit.

As a result of his activity in the real estate market, Rabinowitz has initiated a number of procedures that have affected the nature of the market and its development over the years — including the concept of the banks' project finance system for real estate projects — and has initiated major changes in the activity of the Israel Land Administration as part of the recommendations of the Ronen Committee (1997). He also served on the Rabinowitz Committee that discussed land taxation reform in Israel.

Arnon Rabinowitz brings to Poalim Real Estate a highly impressive track record, a broad-ranging network of contacts and proven ability in all aspects of real estate activity in Israel.

Private Equity fund structure

Private equity funds are entities that enable investors to participate in large-scale investments that are made by specialists in the particular area of investment.

The fund is constructed as a limited partnership, which operates as an investment instrument for a limited time, and includes the General Partner (the managing company) and the Limited Partners (the investors that are not involved in the funds' day-to-day activity).

The General Partner manages the fund, selects the investments, builds the transactions, manages the investments and the fund's divestment strategy on behalf of the investors (the Limited Partners). In return, the General Partner receives management fees and a percentage of the profits deriving from the realizations

after repayment of the investment to the investors. The Limited Partners benefit from the fund's profits. The General Partner manages the fund in accordance with a charter defined in the partnership agreement, which also includes all other matters that are agreed between the Limited Partners and the General Partner. The General Partner invests the fund's capital over a predefined period of time. Proceeds from the realization of investments are transferred to the Limited Partners, initially for the coverage of the initial investment and subsequently, as their share of the fund's profits. At the end of its lifespan, the fund will be liquidated.

Structure of the Poalim Real Estate Fund

Expected size of the Fund

- The Founders Group: total investment by the Benschach-Moran Group, Poalim Capital Markets, Bank Hapoalim and Arnon Rabinowitz - at least \$20 million in the form of equity capital.
- Private investors: selected customers of Bank Hapoalim- approx. \$50 million.

The investment unit - special structure, risk diversification and fixed income flow for the investors:

The investment unit offered to selected customers is \$360,000, comprising a 50% debt unit and a 50% equity unit. This unique structure lowers the risk for investors as their debt unit remains senior to the equity invested by the founders and themselves. The debt unit bears fixed annual interest of 6%.

Distribution of the fund's profits:

The profit for each investor is calculated according to the investor's relative equity share in the Fund. Since the debt unit takes precedence over the equity capital component, all the profits from the Fund's activity will be used initially for payment of interest and repayment of principal on the debt unit, before repayment of the equity capital and distribution of profits. Profit distribution will be 80% to the investors and 20% to the General Partner (the founders).

Confident of the investment's feasibility even at a higher risk profile, the founders' are investing their capital entirely in equity.

Lifespan of the Fund:

The Fund will operate for six years, with a rolling option for another two years and two more periods of one year each, subject to the conditions appearing in the Fund's documents. Most of the investments will be made during the first four years.

Benefits for major investors:

Those investing more than \$1.8 million will receive special rights, such as co-investment rights in certain projects.

Risk management within the Fund:

In order to create a well-diversified portfolio and mitigate overall risk for investors, the Fund will invest no more than 15% of its capital in a single project without the explicit approval of the specialists' Advisory Committee. Furthermore, again in the interest of limiting the downside risk, the Fund will be limited in its ability to leverage its investment to a weighted annual average of 70% for all the Fund's assets (or 80%, with the approval of the Advisory Committee).

Poalim Capital Markets will manage the Fund's capital in the interim until it is deployed for investments in short-term high rated and highly liquid investments only.

Governance and management - sophisticated and structured decision-making by specialists:

A management team that is appointed on behalf of the General Partner manages the Fund, while the General Partner takes investment, management and divestment decisions via the Fund's Investment Committee.

An Advisory Committee comprised of top real estate investment experts will assist and advise the General Partner in various matters, such as conflicts of interest and the implementation of permitted exceptions from the investment restrictions.

Management fees for the General Partner:

The fund will pay the General Partner an annual management fee of 2.75% of the Fund's capital for the first four years, 2.5% for the next two years and 1.5% for any remaining years. VAT as required by law will be added to the management fees.

Non-invested capital:

The Fund's principal investments will be made during the first four years. The General Partner is entitled to repay to investors, according to their relative share, any remaining non-invested capital if such exists at the end of this period, so long as it is not committed or reserved for the support of the Fund's existing commitments to projects or activities.

Tax Structure:

The Fund is taking all measures necessary in order to maintain the most efficient and effective tax structure possible for the majority of its investors. Each investor, however, should check independently the details of the tax structure and its implications on his/her own tax liability with his personal tax counsel.

The General Partner's commitment

We are investing together

The Founders of the Fund are investing an unprecedented amount of their own capital. Their investment of at least \$20 million in equity creates a very high participation rate compared with that customary in other private equity funds as a whole and in real estate funds in particular.

The size of the Founders' investment, which is entirely in the form of equity capital rather than debt, is indicative of their confidence in their ability to generate significant returns on this investment, and the level of their commitment to the Fund's success. We believe that this form of activity assures a strong alignment of interests between the General Partners and the other Limited Partners investing in the Fund.

Transparency and reporting

The investors in the Fund are seen as partners, and transparency is a key factor for supporting their confidence in the Fund's management. We are therefore committed to maintaining open channels of communication with investors in the Fund, and to operating an investor relations network that will ensure rapid and direct transfer of lucid information.

The information provided will help investors monitor the Fund managers' activities and will provide a clear indication of the Fund's performance.

Every quarter, the Fund's management company will send an update report containing details of the fund's assets and activity, together with unaudited financial statements. Once a year,

the External auditors will furnish an audited financial report, which will be sent to all investors. On-going reporting will include detailed information on recent investments and an update on the status of past investments, in order to provide investors with as clear and as accurate a picture as possible.

Fund exclusivity

The founders of the Fund are committed to conduct all of their real estate related activity through the Fund and will not be allowed to establish competing funds during the course of the Fund's principal investment period, as detailed in the Fund's documents.



Projects in progress

Concurrent with the formation of the Fund and the raising of capital from the investors, the founding partners have begun to work on two major projects, one in Israel and the other in Romania. These projects will be the first in the Fund's investment portfolio.

Shopping mall in Constanta, Romania:

The rationale:

- Located in the center of north Constanta - Romania's second largest city (population approx. 400,000).
- Popular seafront tourist venue with a growing number of tourists visiting it each year. The number of tourists in the locality is increasing continually.
- High income and employment level among the local population compared with the national average.
- Vibrant demand for retail trade sites and an absence of real competition in this area.
- Excellent location with suitable population, close to tourism areas and a lake, with access to public transport.

The concept:

- Area of the mall - 25,000-45,000 m² gross, to be built in two stages, and an option to build an office building in the future with an area of 20,000 m². A parking lot for 1,000 vehicles.
- Concept of retail chains: supermarkets, clothing and shoe chains and children's stores, together with food, play facilities and services - a full mix.
- The creation of a large center that will include a mix of facilities and services that will provide attractive and strong positioning in the market.

Financial data:

- Investment of €30 million
- Shareholders equity - 20%, Leverage - 80%
- Expected return on capital - approx 27%



*Imaging of the planned shopping center

Housing project in Yavne, Israel:

The rationale:

- Yavne is an urban environment high on the national order of priority for infrastructure and development.
- Planning format of a young, quiet and quality neighborhood notable for high-quality construction as well as rich and sophisticated environmental development. The planning of the neighborhood includes a special emphasis on public areas and green vistas.
- Designated for a rapidly growing quality population that will benefit from a wide range of community services.
- Specialist statements of opinion confirm this is a high demand market segment.
- The neighborhood is contiguous to the most recently constructed projects in Yavne, and is actually the last available reserve of land within the city limits.
- The project is expected to be highly prestigious and to show considerable selling power.

The concept:

- A neighborhood comprising 880 housing units in the center of Yavne.
- Apartment mix of 3-5 rooms, including penthouses and duplexes.
- Stringent architectural planning, based on the highest economic and marketing standards, for the creation of original modern structures.

Financial data:

- Investment of \$117 million
- Sales forecast - \$136 million
- Shareholders equity - 30%, leverage 70%
- Expected return on capital - approx 20%



*Imaging of the planned neighborhood

This document does not constitute advice for purchasing units in the fund, and does not assume to provide a full or accurate description of the fund and its terms, or to present the full range of considerations that a potential investor should ponder in order to make an investment decision in the fund. This document is not binding on the Fund or its Founders, and is subject in its entirety and with its reservations to the directives of the Fund's official documents, including the offering memorandum, the Fund's partnership agreement, the subscription agreement and similar.

Potential investors are required to peruse these documents carefully. Potential investors' attention is drawn to the elements of risk and the other directives and warnings that are mentioned in the offering memorandum. Nothing stated in this document is to be construed as a promise or representation regarding the Fund's success, achievement of a return on the investors' investment, or repayment of the investment. Involved in any forecast or expectation included in this document are known or unknown risks, uncertainty and other factors that could result in the actual performance, results and returns differing. In addition, nothing in the Founders' past or successful endeavors should be construed as guaranteeing the success of the Fund.

The maximum number of investors to whom the Fund will sell units will be determined from time to time by the Fund at its complete discretion. The number of investors from among the recipients of this document, that are not from the type of investors included in the first appendix to the Securities Law (investors that are not provident funds, mutual funds, insurers, etc.) to whom the Fund will sell units will not exceed 35 in any 12-month period. The Fund is likely to change or abolish this restriction in the event that it will offer units on the basis of a prospectus, or in the event that changes occur in the relevant law. Nothing stated above will prevent the Fund from offering units outside of Israel that are not subject to the said restriction.



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