CONFIDENTIAL INVESTMENT MEMORANDUM

JULY 2026

Venezuela Opportunistic Real Estate Fund I

> *"We do not present certainty. We present an asymmetry, priced — resort keys at under a fifth of the region's last major portfolio trade, and beachfront at a tenth of its own prior pricing."*

TARGET RAISE	MINIMUM COMMITMENT	VEHICLE	FOCUS
$25M – $30M	$1,000,000	Committed-Capital SPV	Margarita · Caracas

A DATED INFLECTION POINT

Jan 3 2026

THE INFLECTION POINT

On January 3, 2026, U.S. forces captured Nicolás Maduro and brought him to the U.S. to face narco-terrorism charges, ending a regime that suppressed Venezuelan economic activity for over a decade. The investment thesis no longer requires a future assumption.

Energy-sector sanctions eased in mid-April. Diplomatic relations reestablished. Debt-restructuring talks formally authorized in May. A Cabinet-level trade delegation — Shell, Halliburton, SLB — dispatched to Caracas. Sovereign bonds re-rated to ~40–43¢ within days of the capture (Bloomberg, Tradeweb).

FIRST-WAVE VALIDATION · FUTURE EXIT DEMAND

BlackRock's Larry Fink — head of the world's largest asset manager — declared publicly that he is "quite bullish" on the opportunity to invest in Venezuela, adding that the country could be brought "back into its glory."

— BLOOMBERG, MAY 2026

This is wave one — sovereign debt and energy. It is not competition for the Fund's assets; it validates the normalization and builds the second-wave buyer pool the Fund expects to sell into.

TRANSACTION DEMAND IS RECOVERING

Global hotel transaction volumes +22% in 2025 from the 2023 trough — Americas +27%; luxury resorts and trophy assets emerging as top investment targets on record dry powder (JLL Global Hotel Investment Outlook, Feb 2026).

SUPPLY IS TIGHTENING AS DEMAND STABILIZES

The Caribbean construction pipeline has contracted 12.1% since December 2023 — financing costs, construction costs, and insurance availability are keeping new supply out (IRR/CoStar Q1 2026; only four new projects started region-wide since March 2025). The Fund carries none of the three constraints: committed equity means no financing dependency; Margarita's duty-free zone cuts imported build-out costs 20–30%; and repositioning existing stock sidesteps ground-up construction risk entirely. Repositioned keys arrive into a region that has stopped building.

Catalysts compounding in real time

The political path will not be linear — but the directional shift is unambiguous. The events below are **wave one: sovereign debt & energy**. **Wave two — real assets — is the Fund's exit horizon (years 4–8)**; the acquisition period sits in the gap between them.

JANUARY 3, 2026

Maduro captured by U.S. forces

Delta Force operatives capture Nicolás Maduro; he faces narco-terrorism charges in New York. Delcy Rodríguez sworn in as interim president on January 5.

JANUARY 2026

Foreign capital begins to return

International institutions and the nearly 8 million-strong diaspora begin redeploying hard-currency capital — a primary source of inbound hard currency.

JANUARY–MARCH 2026

Sovereign bonds re-rate and hold

Single digits after 2018 sanctions → ~40–43¢ within days of the capture (Bloomberg, Tradeweb), holding through Q1 — approaching analyst recovery estimates of 50–60¢.

MID-APRIL 2026

Energy sanctions eased

Central-bank sanctions on the energy sector eased; diplomatic relations reestablished; Commerce Dept. launches a Venezuela Business Information Center.

MAY 2026

$60B debt workout authorized

U.S. authorizes Venezuela to hire restructuring advisers. A Cabinet-level delegation — Shell, Halliburton, SLB — visits Caracas. Larry Fink declares he is "quite bullish."

LATE 2027 – EARLY 2028

Elections — inside the hold period

Expected before base-case exits begin; the portfolio holds through the political test. Both government and opposition are incentivized to show economic progress beforehand. The window to acquire at distressed basis is open now.

THE DISLOCATION

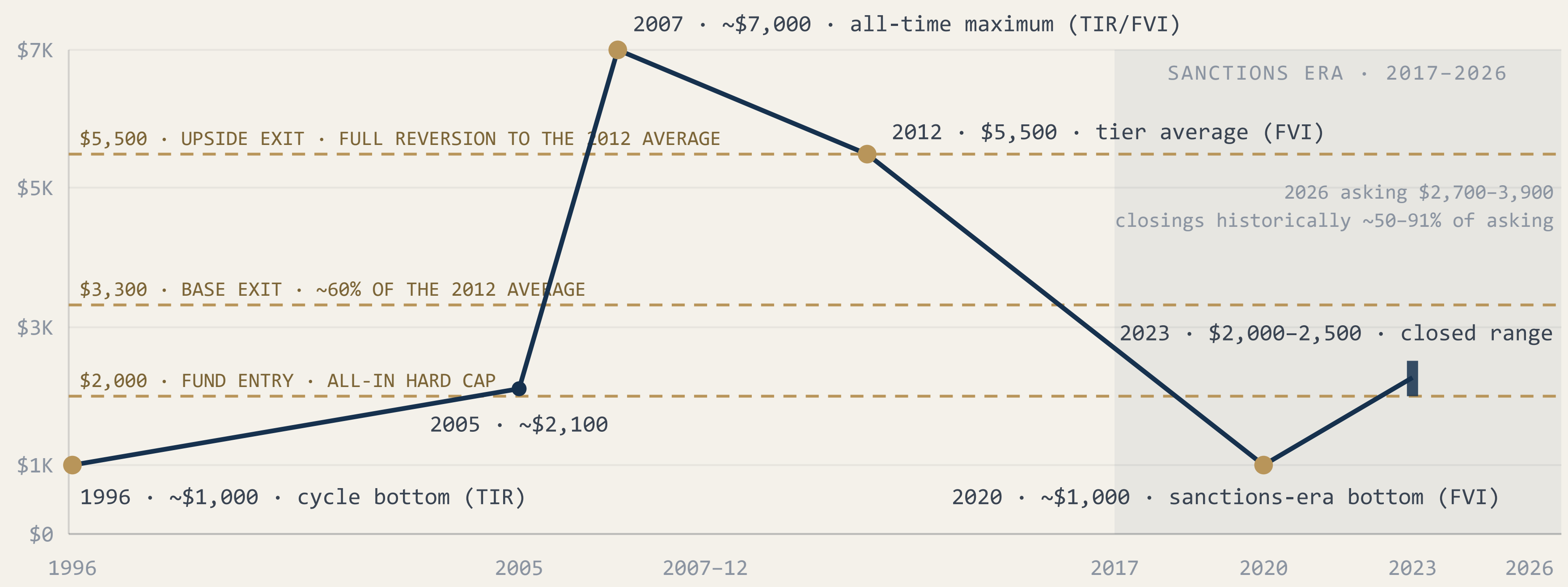
One of the most mispriced real-asset markets in history

Venezuela's real estate market has been decimated — cut off from Western institutional capital since the 2007–2012 nationalization wave, and formally walled off by sanctions since 2017. The physical framework of one of Latin America's most urbanized countries remains — what collapsed was confidence, rule of law, and capital access, not the underlying asset base.

~75–80%	–82%	~50%	~$4B
GDP Contraction	**Prime Office $/m² · 2012→2020**	**Caracas Office Vacancy**	**Diaspora Remittances / Year**
2013–2021 · IMF WEO	FONDO DE VALORES INMOBILIARIOS (FVI) PUBLIC-OFFERING DATA · BANCA Y NEGOCIOS, JUN 2021	TIR/FVI REGISTERED-TRANSACTION STUDY VIA BANCA Y NEGOCIOS, AUG 2019 — EXCL. GOVERNMENT TOWERS, ALSO VACANT	INTER-AMERICAN DIALOGUE (2022)

THE DISLOCATION · PRICE HISTORY · 1996–2026

Caracas Trophy Class A Office · USD/m^2 · 1996–2026 — the tier the Fund buys



The 2007–2012 run-up was **bolívar flight, not Western capital** — a “hedge-building” wave as locals escaped the controlled exchange rate into concrete (FVI). Foreign institutions had already exited after the nationalizations.

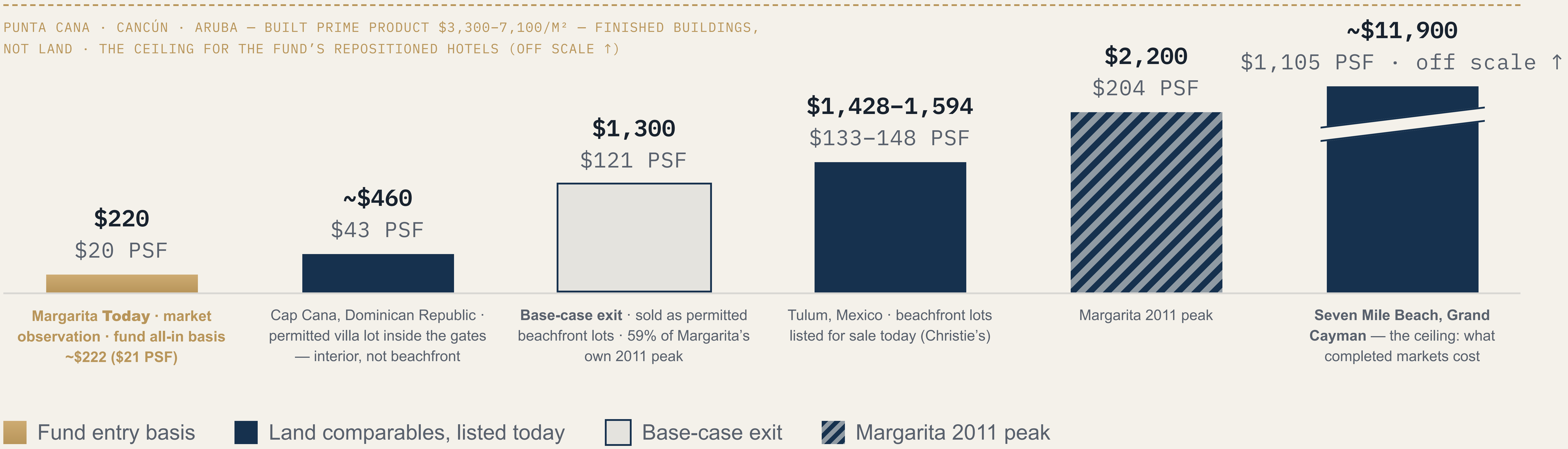
Today’s closed prices sit at roughly double the 2020 bottom and under half the documented 2012 average — **the Fund enters at the floor of the closed range and underwrites its exit to 60% of that average**. The 2007 maximum is a ceiling reference only, never underwritten.

FONDO DE VALORES INMOBILIARIOS (FVI) — VENEZUELA’S LARGEST PUBLICLY LISTED REAL ESTATE OWNER; FIGURES FROM ITS PUBLIC-OFFERING DOCUMENTATION AND THE TIR INMOBILIARIOS REGISTERED-TRANSACTION STUDY, BOTH VIA BANCA Y NEGOCIOS (AUG 2019, JUN 2021); CURRENT CLOSED RANGE PER CÁMARA INMOBILIARIA DE CARACAS (DESCIFRADO, MAR 2023). NOMINAL USD/M².

PURE PRICE ARBITRAGE · MARGARITA ISLAND

Beachfront land · Margarita vs. the region · USD/m²

Buy large beachfront parcels at today's distressed basis. Sell permitted lots into recovery. **Base-case exit below what comparable lots list for today — and a tenth of the region's ceiling.**



Land comparables: Spearhead comp file, Exhibit C — verified listings, 2025–26; available on request. The entry basis is further corroborated by verified regional tract pricing (Exhibit C, Appendix A).

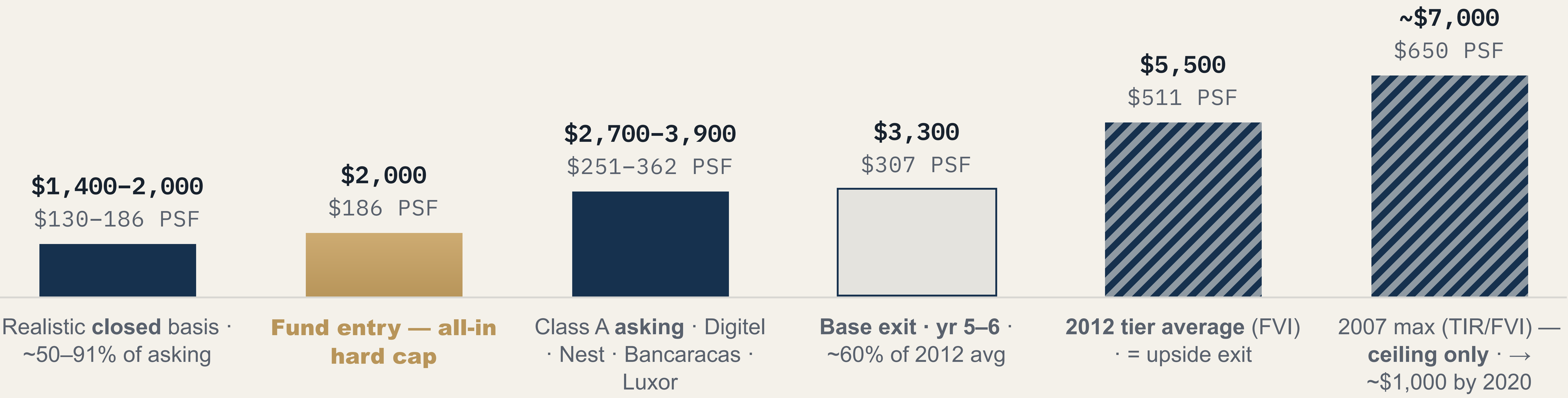
Aruba appears in the built-product band only — its resort corridor sits predominantly on long-term government lease land, so no freehold beachfront land market exists to compare against.

Seven Mile Beach: 0.61-acre direct-beachfront parcel, hotel/tourism zoned — the region's most institutionalized beachfront market (CIREBA MLS #418731); larger Seven Mile tracts list at ~$1,600–1,900/m² — bracketing Margarita's own prior peak.

CARACAS · TROPHY CLASS A OFFICE · USD/M²

Buying the capital’s best buildings at a discount

Trophy Class A — the Torre Luxor / Torre Digitel / FVI-portfolio tier — at **$2,000/m² ($186 PSF) all-in, a hard cap in the investment guidelines**. Underwritten to only ~60% of the tier’s own documented 2012 average. Caracas is the income and downside leg — never a second 6× story. The base exit sits below what an entire Las Mercedes tower asks today (19,023 m² at $3,680/m² — Exhibit D).



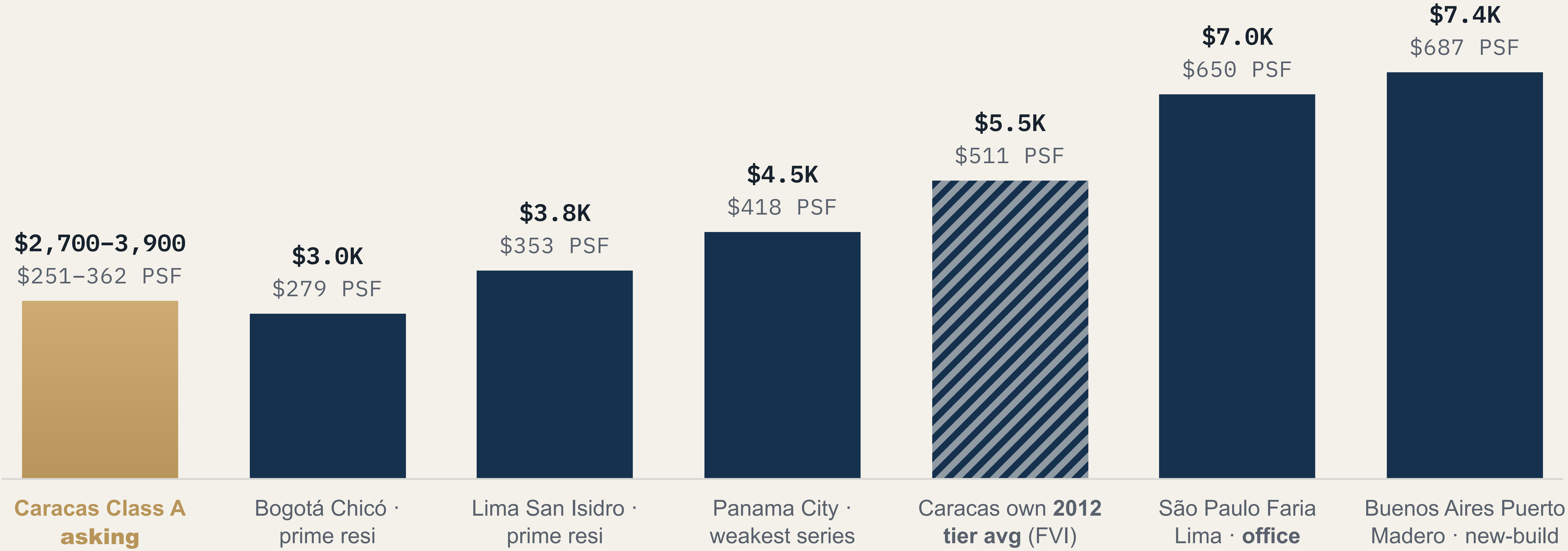
Sources: Cámara Inmobiliaria Metropolitana / TIR Inmobiliarios (M. Fernández — one evidence line) — closings ~50–91% of asking; current $2,000–2,500/m² (Descifrado, Mar 2023) · FVI public-offering data: $5,500/m² avg (2012) → ~$1,000/m² (2020) (Banca y Negocios, Jun 2021) · 2007 max ~$7,000/m², 1996 bottom ~$1,000/m² avg: TIR/FVI registered-transaction study (Banca y Negocios, Aug 2019) · asking prices labeled asking; tower asks 2025–26 listings · sale and rent comparables: Spearhead comp file, Exhibit D — verified listings, Jul 2026; available on request.

Flight-to-quality: JLL LatAm Office Overview H1 2025 bifurcation · in-market quality spread (new Las Mercedes $2,600–3,900 asking vs. older El Rosal $1,100–2,000) · embassy-corridor demand concentration (Cámara Inmobiliaria Metropolitana) · rents commence yr 2; landlord bears condominio on vacancy.

Exit methodology differs by leg, deliberately. Hotels are operating businesses and exit on stabilized income at a 10% cap. Caracas trophy office has never priced on yield — the tier’s documented history (the 2007–08 “hedge-building” wave; a 2012 average of $5,500/m² against rents implying ~2% — FVI) is a store-of-value market driven by hard-asset demand, not income. The office exit is therefore underwritten as price reversion to 60% of the tier’s own documented average, the same discipline as the land leg. Stated plainly: at the modeled flat rent of $18/m²/mo and 80% stabilized occupancy, the $3,300 exit implies a ~3.4% buyer yield — the exit thesis is repricing, not yield convergence, and no rent growth is modeled anywhere in the hold. Income is carry during the hold and the downside support (5.6% stabilized yield on cost against the entry basis), not the exit case.

CARACAS VS. REGIONAL CAPITALS · PRIME PRODUCT · ASKING · USD/M²

The cheapest prime square meter of any LatAm capital



Caracas asking band (subject)

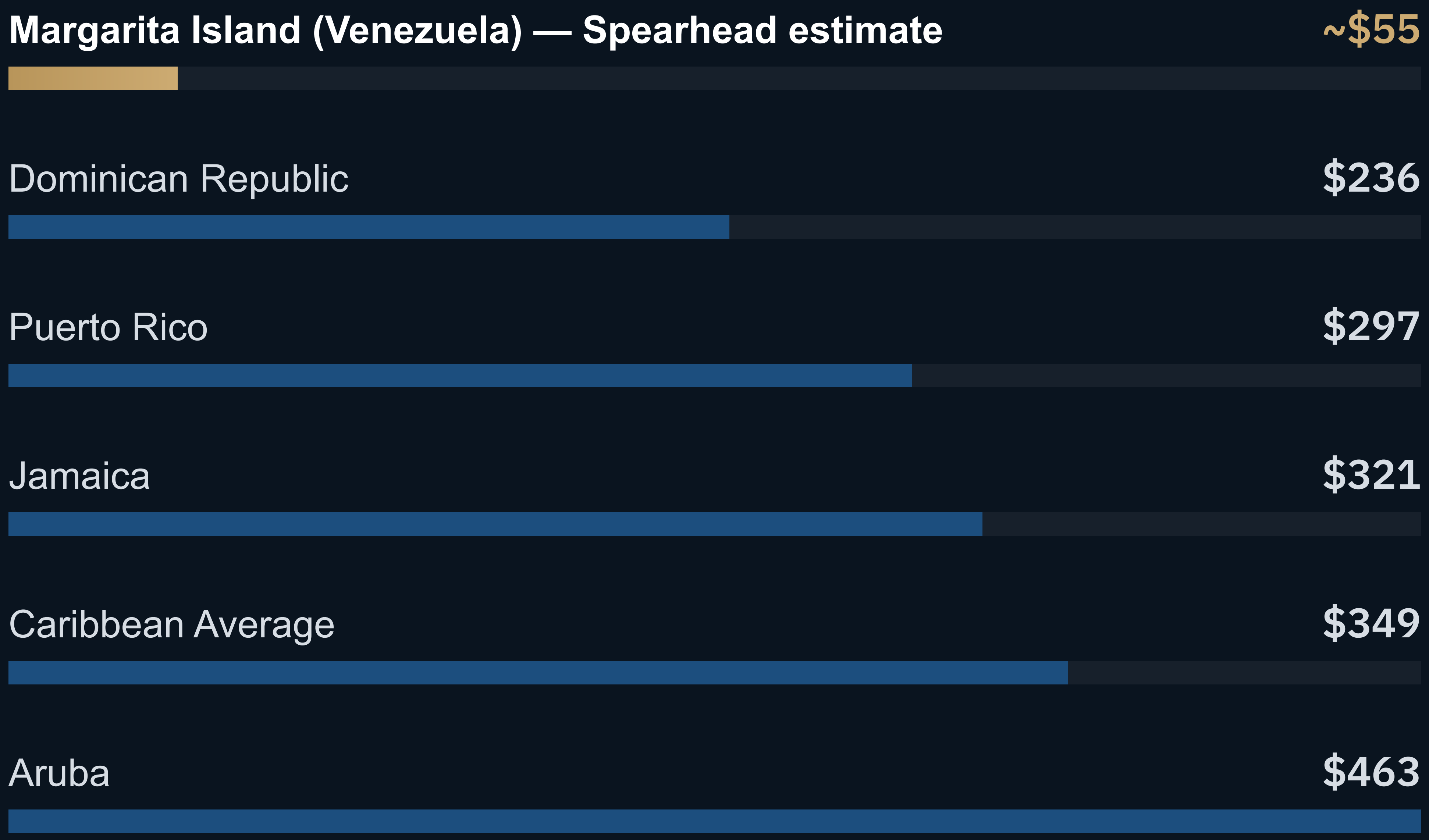
Regional prime comparables · asking

Caracas own 2012 tier average

All figures asking. Per-market: FipeZap (São Paulo; Faria Lima office per market reports) · Urbania (Lima) · Metrocuadrado/Ciencuadras (Bogotá) · Zonaprop/Reporte Inmobiliario (Buenos Aires) · Encuentra24 (Panama — weakest series) · Cámara Inmobiliaria Metropolitana + TIR/FVI (Caracas) · directional context only — the Fund underwrites Caracas to its own 2012 average, not regional parity.

MARGARITA ISLAND · HOSPITALITY

A ~6.3× hotel revenue gap to Caribbean peers



~6.3×

ADR repricing headroom from Margarita's distressed baseline to the 2025 Caribbean average — on **2.8M international arrivals Jan–Oct 2025**, following consecutive years of high-double-digit growth; Margarita arrivals up ~20% in 2025 (Venezuelan Ministry of Tourism; no independent series available — Venezuela does not appear in CTO/CoStar regional reporting). Margarita's ~$55 is a Spearhead estimate from market data — no formal STR reporting exists for Venezuela; ~$55 is the midpoint of a $45–65 estimate.

IRR CARIBBEAN HOSPITALITY MARKET REPORT Q1 2026 (COSTAR DATA) — CARIBBEAN 2025 ADR $349, REVPAR $230, OCCUPANCY 64.5%; PERFORMANCE ABOVE PRE-PANDEMIC PEAKS. AVAILABLE ON REQUEST. FIGURES AS PUBLISHED — INDEPENDENTLY AGGREGATED; ADR × OCCUPANCY DOES NOT CROSS-MULTIPLY EXACTLY.

The stabilized ADR is already published on-island

The Fund's $190 stabilized ADR is not a projection of a future market — it sits in the lower half of the band the island's current quality tier already publishes, today, before normalization:

Island 4★ average	$87 · 5★ average $149 (Booking.com, 379 properties)	Hesperia 5★ beachfront	from $130
Tibisay Boutique, Pampatar	≈$198/room (dbl occ.)	Wyndham Concorde, Porlamar — the island's only international-flag resort	$275/night incl. breakfast
Cala Margarita Boutique & Spa	$301	Isabel La Católica, Pampatar	$350 (direct quote)

> *These prices clear on domestic-led demand, with no U.S. airlift and constrained international access. A full-scale branded resort already publishes 45% above the Fund's stabilized assumption. The underwriting assumes only that repositioned beachfront assets reach a tier that already exists.*

PUBLISHED OTA RATES, JULY 2026 (GOOGLE HOTELS, BOOKING.COM REGIONAL DATA, KAYAK); PER-PERSON PORTAL RATES CONVERTED AT DOUBLE OCCUPANCY; ISABEL LA CATÓLICA BY DIRECT QUOTE, ON FILE. PUBLISHED RATES ARE MARKET-PRICE EVIDENCE, NOT ADR PERFORMANCE DATA.

ISLA DE MARGARITA · RATE EVIDENCE · PUBLISHED RATES, JULY 2026

NUMBERED PINS · PLACEMENT BY NAMED TOWN · EACH PIN AND ENTRY LINKS TO THE LIVE LISTING

VERIFY LIVE: CURRENT ISLAND-WIDE AVAILABILITY AND PRICING →

379 properties · 3★ avg $46 · 4★ avg $87 · 5★ avg $149 (Booking.com)

1. **Wyndham Concorde**
   PORLAMAR
   $275/night incl. breakfast · the island's only international-flag resort

2. **Tibisay Hotel Boutique**
   PAMPATAR
   ≈$198/room (dbl occ.)

3. **Isabel La Católica**
   PAMPATAR
   $350/night · direct quote, on file

4. **Cala Margarita Boutique & Spa**
   PARAGUACHÍ, NR. PLAYA EL TIRANO
   $301/night · 5★, 4.8 (64 reviews)

5. **Hesperia Isla Margarita**
   PEDRO GONZÁLEZ
   5★ beachfront · from $130

FUND STABILIZED ADR $190 — IN THE LOWER HALF OF THIS OBSERVED BAND, PRE-NORMALIZATION. PUBLISHED OTA RATES, JULY 2026; RATES FLUCTUATE DAILY — LINKS PROVIDED PRECISELY SO THE READER CAN CHECK.

NORTHERN SOUTH AMERICA — BOTH MARKETS ON THE CARIBBEAN COAST, ~350 KM APART

Two markets. A handful of irreplaceable micro-locations.

The Fund concentrates on coordinates that cannot be reproduced — the financial core of the capital and the most established beachfront on the country's premier island.

PORTFOLIO CONSTRUCTION · 60 / 20 / 20 BY DEPLOYED EQUITY

Three legs. Three roles. One basis discipline.

60% · $16.5M — Margarita Land

The appreciation engine. Beachfront targeted at ~$222/m² ($21 PSF) all-in — a ~10× discount to the island's own 2011 pricing. Land I, II & III are modeled acquisition targets at that basis. 4-yr holds; exits drive the year-4 distribution start.

20% · $5.5M — Margarita Hospitality

The repositioning upside. ~85 keys targeted at ~$65K/key all-in (~$38K acquisition + ~$25K capex + ~$2K pre-opening). Dark years 1–3, open year 4, exit in the year 7–8 window at stabilized income (base case: year 7). Asset mapping to specific properties is a pipeline decision. The deck's ~6× repricing claims live here — and only here.

20% · $5.5M — Caracas Trophy Office

Hard-currency income from year 2 + downside support. ~2,750 m² of trophy Class A targeted at a $2,000/m² ($186 PSF) all-in hard cap. Rents from year 2 inside its SPE; exit years 5–6 at $3,300/m² — ~60% of the tier's documented 2012 average.

> *In the modeled downside, all three legs are held for income and exited at entry basis. The income-producing office replaces part of the dark-hotel exposure — improving the composition of the downside, with the modeled floor at ~0.88× net (pro forma v3). The floor is set by price, not by projection. The modeled portfolio reflects identified targets and basis disciplines; capital is called per acquisition as transactions are contracted.*

ISLA DE MARGARITA · SATELLITE · TARGET MICRO-LOCATIONS

A duty-free Caribbean island off Venezuela's northeast coast — once the country's premier resort destination, with the airport, marinas and hotel stock still in place. Beachfront land trades at roughly one-tenth of its own 2011 pricing — and at a fraction of built prime product across the Caribbean.

PUERTO LIBRE · STATUTORY DUTY-FREE ZONE

20–50%

DUTY + IVA AVOIDED ON IMPORTED INPUTS

Imported construction materials, FF&E, and F&B inventory land exempt of national import duties and the 16% import IVA. On FF&E-heavy hotel repositioning, an estimated 20–30% reduction in total build-out cost — compounding the entry discount on every project here.

ISLA DE MARGARITA · TARGET MICRO-LOCATIONS

Juan Griego

NORTH COAST

Boutique hospitality

\$300 – \$600

(\$28–\$56 PSF)

Playa El Agua

NORTHEAST COAST

Resort & hotel repositioning

\$250 – \$700

(\$23–\$65 PSF)

Pampatar

SOUTHEAST · NEAR PORLAMAR

Commercial & mixed-use

\$300 – \$800

(\$28–\$74 PSF)

Playa Moreno

PAMPATAR · SOUTHEAST COAST

Beachfront residential

\$200 – \$550

(\$19–\$51 PSF)

Playa Guacuco

ANTOLÍN DEL CAMPO · EAST COAST

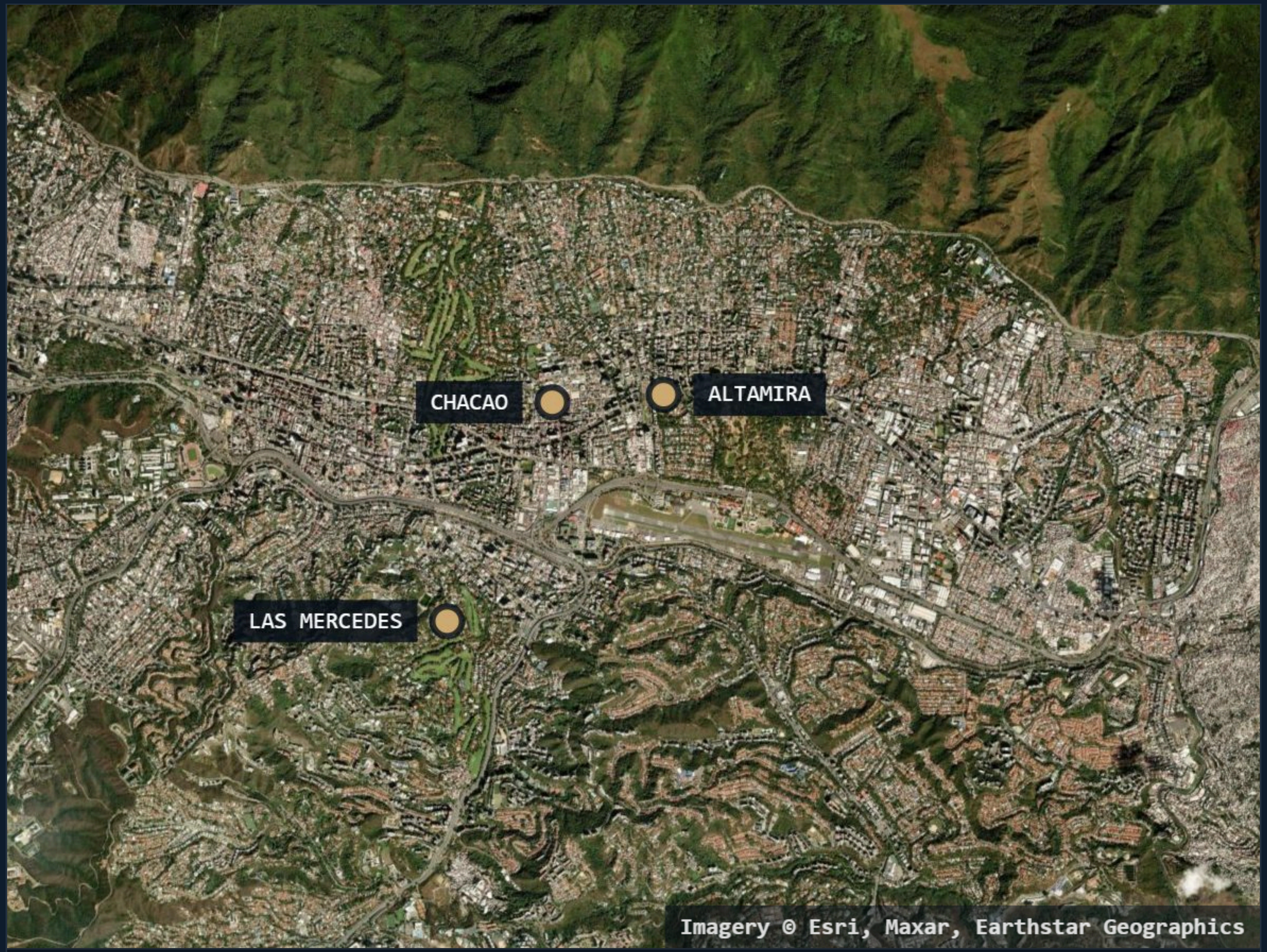
Resort & beachfront residential

\$250 – \$650

(\$23–\$60 PSF)

ENTRY-BASIS RANGES ARE ILLUSTRATIVE DISTRESSED-ACQUISITION TARGETS, NOT QUOTED PRICES · USD / M² (PSF)

The political and financial capital — a dollarized economy concentrated in a handful of prime eastern municipalities. The office sleeve buys the trophy Class A tier, where embassy-corridor and corporate demand concentrates, for hard-currency rent from year 2 — the income and downside leg.



CARACAS · PRIME EASTERN DISTRICTS — SATELLITE

Las Mercedes	New-build Class A office	$2,600 – $3,900 asking
La Castellana · Chacao · Altamira	Trophy Class A · corporate & diplomatic corridor	$2,700 – $3,750 asking
El Rosal	Older Class A/B stock — the quality spread	$1,100 – $2,000 asking

Asking, 2025-26 listings · closings ~50–91% of asking (Cámara Inmobiliaria Metropolitana) · entry hard cap $2,000/m² ($186 PSF) all-in

The demand infrastructure already existed

Both markets were once fully wired into international travel demand. That connectivity is not being invented — it is being restored, and each restored route is a visible normalization marker.

CARACAS · MAIQUETÍA (CCS)

At peak — 25+ international nonstops. American, United, Delta, Iberia, Lufthansa, Alitalia, KLM, Air Canada and Viasa flew nonstop to Miami, New York, Houston, Toronto, Madrid, Lisbon, Rome, Frankfurt, Amsterdam and Paris — including Air France Concorde service, 1976–82.

Today — roughly a dozen international routes (Madrid, Lisbon, Istanbul, Panama City, Bogotá, Curaçao); U.S. nonstops suspended since 2019.

MARGARITA · PORLAMAR (PMV) + SEA

At peak — direct international charters from Toronto, Montreal, Frankfurt, Milan, Prague and London; up to ~12 daily Conferry mainland car-ferry crossings (Puerto La Cruz · Cumaná); scheduled cruise calls at El Guamache.

Today — largely domestic (Caracas ~40 min) plus regional links; ferries at reduced frequency. Eastern-European charters resumed 2023–25; first post-crisis cruise calls at El Guamache.

1,020 km^2	~¼	~450K	~2.9M
MARGARITA LAND AREA — ≈ ARUBA + BARBADOS + CURAÇAO COMBINED	THE SIZE OF MALLORCA (3,640 KM^2) — AND 5.7× ARUBA	MARGARITA POP. TODAY · ~500K PEAK (EST.)	CARACAS METRO TODAY · PEAKED ~3.4M IN 2013 (EST.)

ROUTE HISTORIES: CARRIER TIMETABLES / OAG — ILLUSTRATIVE, NOT EXHAUSTIVE. POPULATION: INE / UN ESTIMATES; EMIGRATION-ERA FIGURES CARRY WIDE ERROR BANDS. ISLAND AREAS: ARUBA 180 · BARBADOS 430 · CURAÇAO 444 · MALLORCA 3,640 KM^2.

THE VALUE-ADD PLAYBOOK

A proven, straightforward operational playbook

STEP 01

Acquire at distressed basis

Target foreclosed, underutilized, and distressed properties in irreplaceable Caracas and Margarita locations — at 50–90% below historical peak, in the gap before the second wave of institutional capital arrives for real assets.

STEP 02

Recapitalize & modernize

Reposition for tourism, hospitality, residential and commercial demand. Install private backup infrastructure. Generate hard-currency USD income through the hold.

STEP 03

Exit at premium valuations

Target hold of 4–7 years per asset, within the Fund's 8-year term — selling into a normalizing market as second-wave institutional buyers re-enter and Venezuela reprices to regional norms.

SAMPLE TIMELINE · THE ARC OF EVERY ASSET

First we accumulate. Then we create value.

PHASE 1 · DEPLOYMENT WINDOW (MONTHS 0–24)

Acquire irreplaceable real estate

Move first, in the gap between the waves: institutional capital is already re-entering sovereign debt and energy, but the real-asset wave arrives later. Secure as much hard-asset ground as the Fund can underwrite at distressed basis — including raw land banked for later development. These are coordinates that cannot be reproduced; owning them is the entire thesis.

- Downtown Caracas office
- Margarita beachfront
- Development land
- Distressed hospitality

PHASE 2 · AS FUNDAMENTALS RECOVER

Improve operations or redevelop

Once demand, liquidity and pricing turn, the same assets shift from accumulation to value creation: modernize operations on income-producing buildings, or build out land into its highest-and-best use — then carry hard-currency income through to a premium exit.

- Operational turnaround
- Reposition & modernize
- Ground-up redevelopment
- Hard-currency income

ILLUSTRATIVE ASSET-LEVEL SEQUENCE. PHASING AND TIMING VARY BY ASSET AND MARKET CONDITIONS.

RETURN TARGETS · TRACED TO THE PRO FORMA MODEL

What the entry basis is underwritten to return

~5.9× **Land Bank · Gross Price Multiple**
~$222/m² → $1,300/m² · 4-YR HOLD · ~59% OF THE 2011 PEAK · ~5.6× MOIC AFTER FEES

~3.1× **Hotel Repositioning · Gross MOIC**
~85 KEYS · 7-YR HOLD · DARK YRS 1–3 · EXIT AT STABILIZED INCOME

~1.8× **Caracas Office · Gross MOIC**
INCOME-INCLUSIVE · 5–6-YR HOLD · BASE EXIT $3,300/M² · INCOME + DOWNSIDE LEG

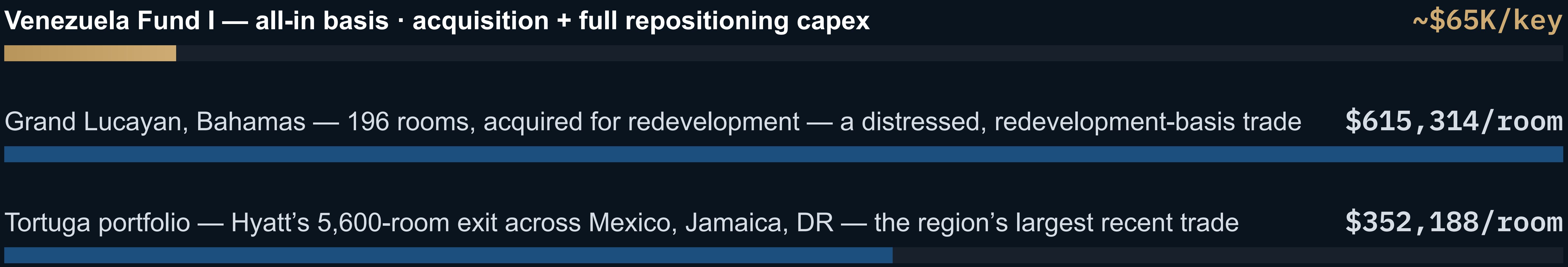
These are **gross, per-deal** hurdles — the land figure is the price multiple on entry (~5.6× gross MOIC after acquisition fee and disposition costs). Blended 60/20/20 and net of all fees, expenses, and carry, they translate to the Fund-level returns below.

	DOWNSIDE — NO RECOVERY (STRESS)	BASE — TRANSITION HOLDS	UPSIDE — FULL REPRICING
Land exit	$220/m² market (~$20 PSF · ≈ entry basis)	$1,300/m² ($121 PSF · ~59% of 2011 peak)	$2,200/m² ($204 PSF · Margarita's own 2011 peak)
Stabilized ADR	~$55 (today)	$190 (~54% of the 2025 Caribbean average of $349; below the Dominican Republic's $236)	$229 (~66% of the 2025 average)
Office exit (Caracas)	~entry ($2,000/m² · rent from yr 2)	$3,300/m² ($307 PSF · ~60% of the tier's 2012 avg of $5,500)	$5,500/m² ($511 PSF · full reversion to the 2012 avg)
Gross MOIC / IRR	1.0× / ~1%	4.3× / 40%	7.1× / 57%
Net MOIC / IRR	0.88× / ~(3)%	**3.4× / 32%**	5.4× / 48%

Net figures are net of all fees, expenses, and carried interest. Base: land ~59% of Margarita's 2011 pricing; ADR ~$190 (below the DR's $236); hotels exit at stabilized income in the yr 7–8 window (base case: yr 7); Caracas office exits yrs 5–6 at $3,300/m² — ~60% of the tier's documented 2012 average of $5,500/m² (FVI); the $7,000 2007 maximum is a ceiling reference only, never underwritten. Downside: assets held for income at entry basis; the GP earns no carry. The downside models no recovery, not confiscation; seizure risk is unmodeled and addressed structurally — see Primary Risk. Downside land exit at $220/m² market pricing, marginally below the ~$222 all-in basis. The Fund expresses the view that normalization proceeds; investors who do not share it should not invest. Why 2011: Margarita's charter-led pricing rolled over first as currency controls tightened from 2012 — before Caracas office pricing peaked (2012 tier average; 2007 nominal maximum).

RETURN TARGETS · HOTEL ACQUISITIONS · BASIS CHECK

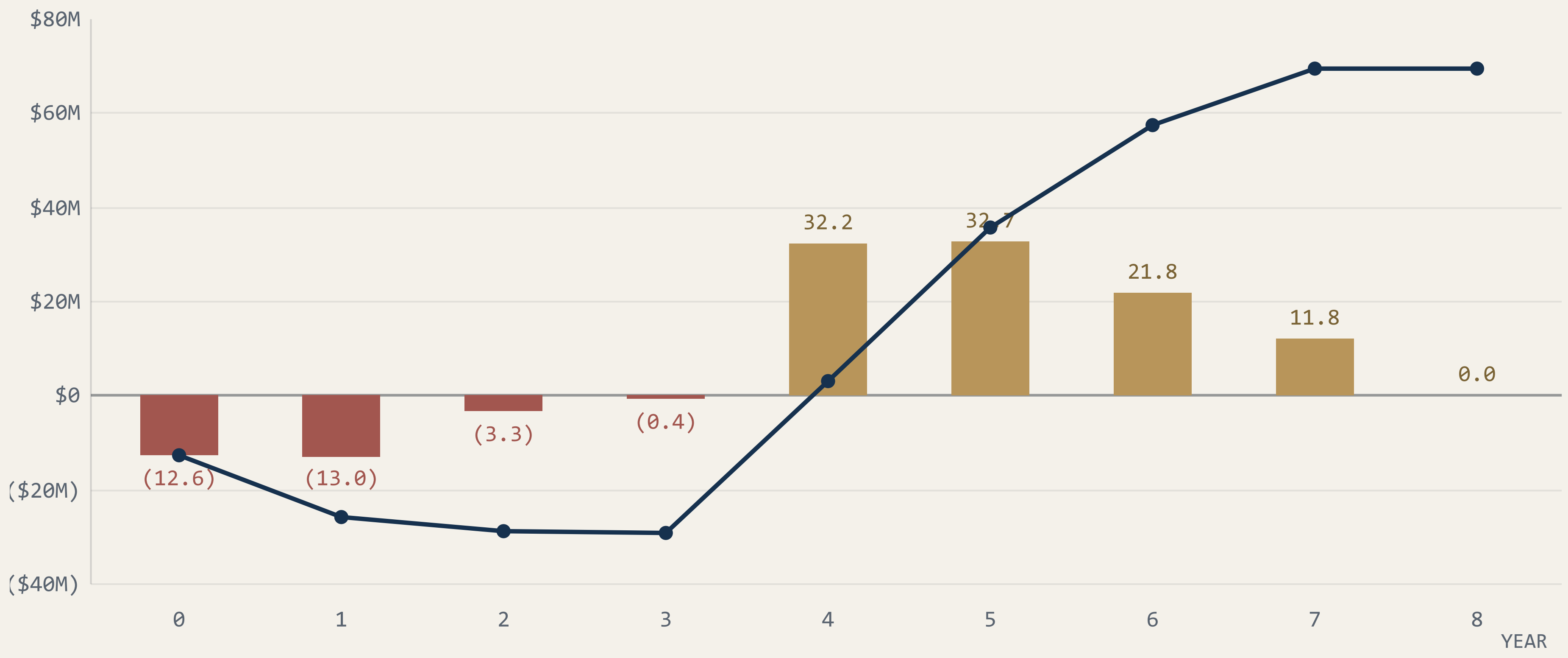
Hotel acquisitions · what the region pays per key · USD



> *The Fund's exits are underwritten on stabilized income at a 10% cap rate — no convergence toward these per-key marks is required or assumed. Any convergence is upside.*

WHAT THE REGION PAYS PER KEY — THE FUND'S ALL-IN BASIS OF ~$65K/KEY COMPARES AGAINST THE REGION'S NOTABLE TRADES OF THE TRAILING TWELVE MONTHS: $352,188/ROOM — HYATT'S SALE OF THE 14-PROPERTY, 5,600-ROOM TORTUGA PORTFOLIO (MEXICO, JAMAICA, DR) — AND $615,314/ROOM FOR THE GRAND LUCAYAN, FREEPORT, ACQUIRED FOR REDEVELOPMENT. LINEAR SCALE; NO AXIS TRUNCATION. IRR CARIBBEAN HOSPITALITY MARKET REPORT Q1 2026 (COSTAR DATA) — AVAILABLE ON REQUEST.

The J-curve is deliberate



The cash-flow profile behind the target return. Caracas rental income commences in year 2 inside its SPE — absorbed against deployment-period costs; hotel income begins in year 4; distributions commence in year 4, driven by realizations — land first, the Caracas office in years 5–6, stabilized hotels in the year 7–8 window — the base case realizes the final exit in year 7; year 8 and the two extension years are buffer, not requirement. Hotels are dark for renovation through year 3 and land produces nothing until sold; capital deploys over ~24 months and LPs fund fees through year 3. The J-curve is deliberate: the entry basis is acquired when income is thinnest, and the return is realized as assets reprice and season. Investors should expect no distributions before year 4 and the majority of value returned in years 4–5.

Annual net LP flow (+) Annual net LP flow (−)

Cumulative · crosses zero yr 4

SOURCED FROM THE PRO FORMA TAB'S FUND-LEVEL "NET LP CASH FLOW (DISTRIBUTIONS COMMENCE YR 4)" ROW. CARRIED INTEREST FIRST BECOMES PAYABLE IN YEAR 4 ALONGSIDE LP DISTRIBUTIONS AND IS SUBJECT TO 25% ESCROW AND THE FUND-LEVEL CLAWBACK PER TERMS.

THE STRUCTURE

One entry point. Locked capital. Deal-by-deal deployment.

Venezuela Opportunistic Real Estate Fund I is offered through a single committed-capital vehicle — **Spearhead CCS/Margarita SPV I** — the entity into which all LP capital is subscribed. The structure combines the simplicity of a co-investment with the capital certainty of a closed-end fund: investors commit once, and the GP calls capital deal by deal as acquisitions are identified.

$25–30M	$1M	6–24 mo	One
TARGET RAISE	GP COMMITMENT · SAME TERMS AS LPS	DEPLOYMENT PERIOD	HARD CLOSE · CAPITAL LOCKED

HOW THE ENTITIES FIT TOGETHER

LIMITED PARTNERS

Limited Partners · $1MM minimum

Commit capital once — locked for the life of the vehicle

MANAGEMENT CO. · ← ALL FEE INCOME

Spearhead Capital Group LLC

Employs the team · receives management, acquisition & asset-mgmt fees · 100% GP-owned

SINGLE LP ENTRY

Spearhead CCS/Margarita SPV I

One LP interest · one K-1 per year · issues capital calls & distributions

GP ENTITY · CARRY + CO-INVEST →

Spearhead Capital Group GP LLC

Holds 20% carried interest · co-invests on the same terms as LPs

DEAL SPE

Asset 01

Own waterfall

DEAL SPE

Asset 02

Own waterfall

DEAL SPE

Asset 03

Own waterfall

OPERATING PLATFORM

Spearhead Hospitality OpCo LLC

Holds hotel management contracts across all assets · charges asset-mgmt fees at the property level · standalone enterprise value

THE SPV CALLS CAPITAL PER DEAL · EACH SPE HOLDS ONE ASSET AND RUNS ITS OWN WATERFALL

STRUCTURAL PROTECTIONS

Fully isolated deals

Each acquisition sits in its own wholly-owned SPE with no cross-collateralization. For LPs, a loss on one asset never reduces the capital returned by another. For the GP, carry can be earned on winning deals even if others lose — which is why all carry is subject to a fund-level clawback at wind-up (see Terms).

Carry settled per deal

The full waterfall — return of capital, 8% preferred, catch-up, then the 80/20 split — runs at each SPE before net proceeds flow up to the SPV and out to LPs. Because carry settles deal by deal, an early winner can pay carry before a later deal's outcome is known — the 25% escrow and the wind-up clawback reconcile exactly that timing (see Terms).

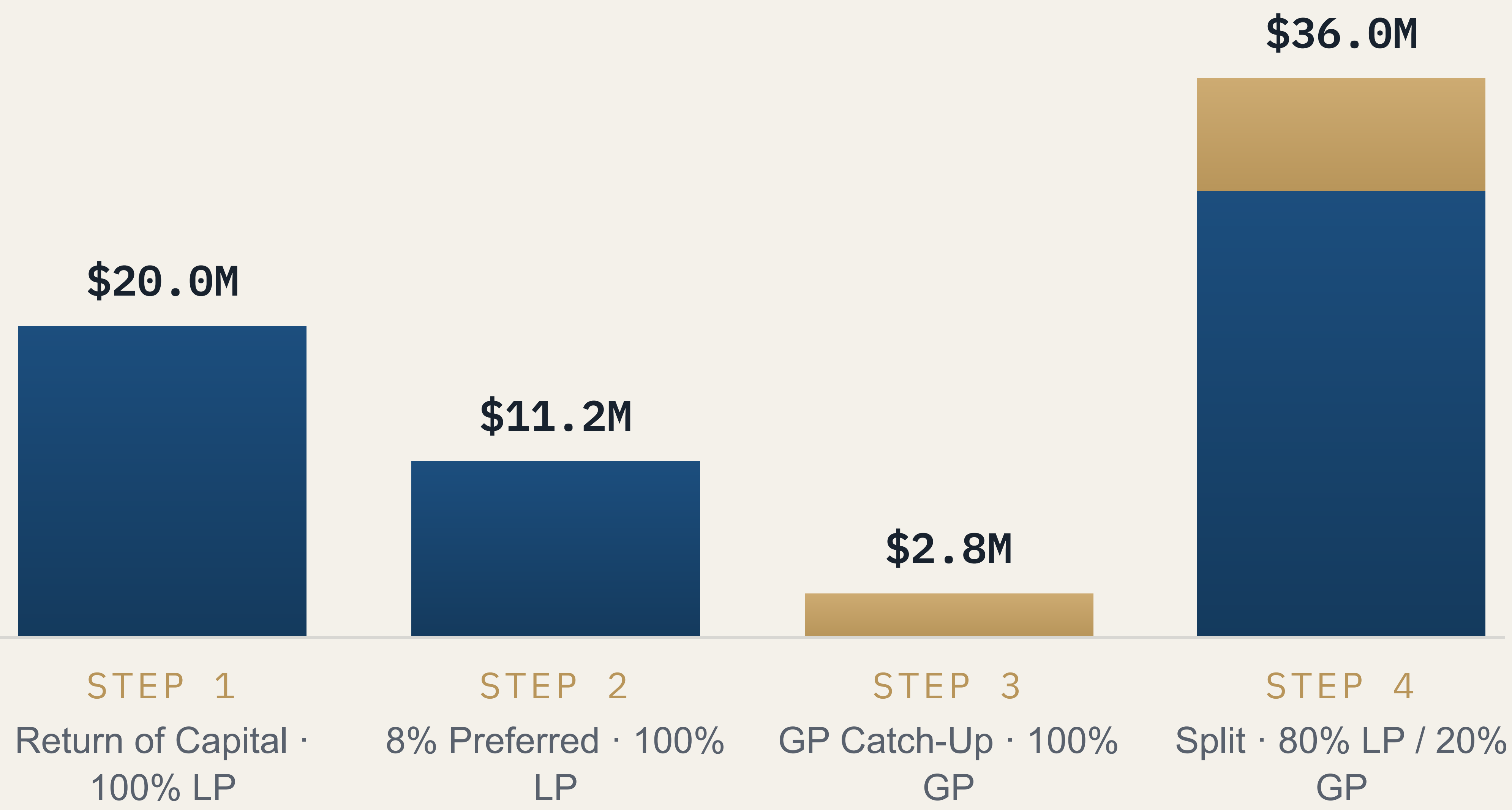
One interest, one K-1

LPs hold a single interest in the SPV and never hold a direct stake in any individual SPE — the simplicity of a co-investment with one tax document per year.

> *Per-deal carry cuts both ways — LP benefit first, GP benefit plainly second. A loss on one asset never dilutes another's waterfall; and the GP can earn carry on winners even if other deals lose. That is why every carry distribution carries a fund-level clawback, tested at wind-up against contributed capital — not the preferred return. The GP cannot end up paid on a fund that lost its investors' money.*

DISTRIBUTION WATERFALL · PER DEAL SPE

The GP earns nothing until LPs are made whole



3.4×
Net LP MOIC · Fund Level
BASE — TRANSITION HOLDS · PRO FORMA MODEL

20%
GP Carried Interest
ABOVE 8% PREF · PER DEAL

$31.2M
Returned Before GP Carry
THIS ILLUSTRATION · CAPITAL + 8% PREF

MECHANICS ILLUSTRATION · 3.5× GROSS · 7-YR HOLD · CATCH-UP AT 100% TO GP · NO CROSS-COLLATERALIZATION · CARRIED INTEREST IS SUBJECT TO A FUND-LEVEL CLAWBACK; SEE TERMS.

How these numbers are calculated

KEY ASSUMPTIONS · BASE CASE · MODELED DEAL SCHEDULE

Modeled Deployed Equity	$27.5M
Portfolio	60/20/20 land · hospitality · Caracas office · 24-mo deploy
Land I & II + III	$6.9M each · 4-yr holds · exit $1,300/m² ($121 PSF) · + Land III ~$2.75M, same basis — pipeline
Hospitality	$5.5M · ~85 keys — ~$65K/key all-in ($38K acq + $25K capex + ~$2K pre-opening) · dark yrs 1–3 · exit yr 7 (window yrs 7–8) · mapping = pipeline decision
Caracas Office	$5.5M · ~2,750 m² · $2,000/m² ($186 PSF) all-in cap · rent $18/m²/mo from yr 2 · lease-up to 80% stabilized occupancy · 65% NOI margin · exit yrs 5–6 at $3,300/m² ($307 PSF)
Stabilized ADR	$190 — ~54% of the 2025 Caribbean avg of $349; below the DR's $236
Stabilized Occupancy	66% — at the 2025 regional avg (64.5%), below the DR (67.2%)
Hotel Exit Cap Rate	10%
Carry · Catch-Up	20% per deal · clawback per Terms

GROSS-TO-NET BRIDGE · BASE CASE · FUND LEVEL ($M)

DEDUCTED FROM GROSS DISTRIBUTIONS	LP	FEES / GP
Gross fund distributions — 4.31× on $27.5M deployed	$118.6M	–
1 · Early Caracas income, yrs 2–3 — applied against deployment-period costs	–	($0.4M)
2 · Management fees — 2% p.a. on deployed, yrs 4–8	–	($1.3M)
3 · OpCo fee — 3% flat of hotel revenue (hospitality only), yrs 4–7	–	($0.4M)
4 · Fund expenses — org + administration, $150K/yr, yrs 4–7	–	($0.6M)
5 · Carried interest — per deal · clawback per Terms	–	($17.5M)
Net LP distributions = $118.6M – $20.2M	~$98.5M	($20.2M)

FUNDED FROM CAPITAL CALLS	LP	FEES / GP
Acquisition fees — 2% of purchase price, yrs 0–2	–	($0.6M)
Management fees — 2% p.a. on deployed, yrs 0–3	–	($1.3M)
Fund expenses — org + administration, yrs 1–3 — less early Caracas income above	–	($0.45M – $0.4M)
~$29.4M contributed = $27.5M deployed + $2.3M fees and expenses funded from capital calls – $0.4M early Caracas income	~$29.4M	($2.3M)
Net LP MOIC · IRR — $98.5M ÷ $29.4M		3.35× · ~32%

ALL FIGURES TRACE TO THE PRO FORMA WORKBOOK (WATERFALL & RETURNS ROWS 14–17; TOGGLE AT ASSUMPTIONS!B4) · EVERY ACQUISITION UNDERWRITTEN ON ITS OWN PRO FORMA BEFORE CAPITAL IS CALLED · ON ANY DIVERGENCE THE WORKBOOK IS AUTHORITATIVE · FIGURES INDEPENDENTLY ROUNDED; SUMS COMPUTED ON UNROUNDED VALUES.

FUND TERMS & STRUCTURE · SPEARHEAD CCS/MARGARITA SPV I

2.0%	20%	8%	2.0%
MANAGEMENT FEE · DEPLOYED	CARRIED INTEREST	PREFERRED · SIMPLE	ACQUISITION FEE

Target Raise	$25M – $30M
Vehicle Type	Delaware LLC / LP
Target Hold	4–7 yrs per asset
Hard Close	60–90 days · no re-opens
Asset Types	Land · hospitality · prime office
Distributions	On realization · commence yr 4 · event-driven, not calendar-scheduled
Valuation	Cost-basis NAV · value recognized at realization
Carry Clawback	Capital-only test at wind-up · 25% escrow
Cross-Collateralization	None · per-SPE
Eligible Investors	Accredited / QP only

Minimum Commitment	$1,000,000
Fund Term	8 yrs + two 1-yr ext.
Deployment Period	6–24 months
Focus	Margarita Is. · Caracas
Fund Currency	U.S. Dollars
Reporting	Quarterly · event-driven notices for acquisitions, dispositions & material events
Tax	No U.S.–Venezuela treaty · credit mechanics · see Memorandum
GP Commitment	$1,000,000
Capital-Call Notice	10–15 business days

SUMMARY OF PRINCIPAL TERMS — SUBJECT TO FINAL NEGOTIATION AND SUPERSEDED BY EXECUTED FUND DOCUMENTS. EXTENSIONS PROTECT AGAINST FORCED SALES INTO A WEAK MARKET; ALL EXITS ARE UNDERWRITTEN TO LAND AT OR BEFORE YEAR 8.

FEE SCHEDULE

Fees accrue only on capital at work

Management Fee	2% p.a. on deployed capital only
Carried Interest	20% above 8% pref · per deal · clawback per Terms
GP Catch-Up	100% to GP to 20%
Preferred Return	8% p.a., simple · on called capital
Acquisition Fee	2.0% of purchase price, per asset · no offset
OpCo Fee	3% flat of property revenue · before NOI
Disposition Fee	None
Fund Expenses (organizational + administration)	$150,000 per annum
Fee on Uncommitted Capital	Zero

MANAGEMENT FEES ACCRUE ON DEPLOYED CAPITAL ONLY — LPS PAY NO FEE ON COMMITTED BUT UNCALLED CAPITAL; THE 2% ACQUISITION FEE FUNDS OPERATIONS DURING DEPLOYMENT. **CARRY CLAWBACK:** CARRY IS PAID DEAL BY DEAL, SO 25% OF EVERY CARRY DISTRIBUTION IS ESCROWED UNTIL LPS HAVE RECEIVED BACK THEIR FULL CONTRIBUTED CAPITAL; AT WIND-UP, ANY REMAINING SHORTFALL OBLIGATES THE GP TO REPAY CARRY RECEIVED (CAPPED, NET OF TAX).

THE ACCESS ADVANTAGE

"The assets are only cheap if you can actually buy them. The advantage is not an exemption — it is executed access, documented deal by deal."

A FOREIGN BUYER MUST CLEAR

- × Executive authorization to acquire in "security zones" — including the coastal strips where the fund's core beachfront assets sit (Art. 48, Organic Law of National Security)
- × Mandatory SAREN pre-registration for any foreigner on the deed, plus a RIF tax ID
- × Per official guidance, a transit/investor visa and SIEX foreign-investment registration
- × Public entity ownership — beneficial-owner anonymity is very limited

SPEARHEAD'S GP

- ✓ Acquires through locally incorporated entities on a documented legal basis confirmed per parcel by Venezuelan counsel
- ✓ A Venezuelan principal who operates the registries, notaries and municipal process in person and in Spanish
- ✓ Every acquisition's compliance and authorization basis documented before close
- ✓ LPs get local access with institutional structure — governance, reporting, and protections

WHY ACCESS IS THE MOAT: THE AUTHORIZATION FRICTION IS WHY THE ASSETS ARE CHEAP AND WHY THEY STAY CHEAP — THE CAPITAL THAT WOULD COMPETE FOR THEM CANNOT EASILY REACH THEM. FOREIGN OWNERSHIP IS CONSTITUTIONALLY PROTECTED (ART. 115); THE REQUIREMENTS ABOVE GOVERN HOW FOREIGNERS ACQUIRE. ACQUISITION PATHWAYS CONFIRMED WITH VENEZUELAN COUNSEL PER PARCEL.

Screening is not a checkbox. It is core underwriting.

Venezuela is not subject to a comprehensive U.S. embargo. Under OFAC's published guidance, U.S. persons are not prohibited from transactions involving the country or people of Venezuela, provided no blocked person is involved. Private-party real estate acquisitions — the Fund's entire mandate — fall squarely within that permission.

TRACING, NOT LIST-CHECKING

Beneficial ownership before LOI

Entities 50%+ owned by the Government of Venezuela are blocked even if they appear on no list. Every seller's beneficial-ownership chain is traced before LOI; any GoV or regime-connected interest anywhere upstream kills the deal.

STATE TOUCHPOINTS

Documented per transaction

Registry (SAREN), notarial, and tax payments incident to a closing are analyzed under OFAC's authorization for administrative transactions; sanctions counsel documents the basis per transaction.

NO SDN, EVER

Screened and re-screened

Sellers, brokers, banks, and service providers screened at engagement and re-screened at close.

RECORDS

LP-auditable

Screening output, ownership tracing, and license analysis retained for every acquisition.

THE FUND CLOSES NO TRANSACTION WHOSE COMPLIANCE BASIS IS NOT DOCUMENTED IN ADVANCE.

HOW THE FUND HOLDS ITS ASSETS

INVESTORS

Limited Partners

Owner: LPs · passive committed capital

↑ DISTRIBUTIONS ↓ COMMITS CAPITAL ↓

FUND VEHICLE

Spearhead CCS/Margarita SPV I

Owner: LPs + GP commitment · Controller: Spearhead Capital Group GP LLC

↑ NET PROCEEDS ↓ OWNS 100% ↓

DEAL SPE · DELAWARE · ONE PER ASSET

Deal SPE

Owner: the SPV, 100% · Controller: the GP · own waterfall, no cross-collateralization

↑ ASSET INCOME ↓ OWNS 100% ↓

PROPERTY LAYER · HOLDS THE DEED

Venezuelan PropCo

Owner: the Deal SPE · Authorization basis: confirmed per parcel by Venezuelan counsel — opinion on file

TITLE IS HELD BY A VENEZUELAN PROPERTY COMPANY WHOLLY OWNED WITHIN THE FUND STRUCTURE — NO ASSET IS EVER TITLED PERSONALLY TO THE GP OR ANY INDIVIDUAL. WHERE COASTAL SECURITY-ZONE RULES APPLY, THE ACQUISITION PROCEEDS ON A DOCUMENTED LEGAL BASIS CONFIRMED PER PARCEL BY VENEZUELAN COUNSEL.

TITLE & DILIGENCE PROCESS

Title diligence — the discipline the market cannot skip

Title insurance does not exist in Venezuela. Twenty-five years of informal occupation, competing claims, and registry irregularity make chain-of-title a per-parcel exercise — and that difficulty is part of why these assets trade at this basis. The Fund treats title work as underwriting, not paperwork. The process below is the Fund's standard for every asset, before close.

01

Registry trace (SAREN)

Full chain-of-title reconstruction; gaps and irregular transfers identified, not papered over.

02

Encumbrance & claims sweep

Liens, gravámenes, occupancy claims, and boundary disputes surfaced through registry, municipal, and on-ground inquiry.

03

Security-zone & authorization

Coastal parcels confirmed against Article 48 requirements; the legal basis documented per parcel.

04

Written counsel opinion

Clean title, resolved encumbrances, authorization basis. No acquisition closes without it. Venezuelan counsel: engagement in process.

05

Structured closing

Payment staged against title milestones; competing claims resolved before funds release, never after.

> *In a market with no title insurance, the file is the insurance — and pricing, the entry basis, remains the ultimate protection.*

THE PRIMARY RISK · EXPROPRIATION & POLITICAL REVERSAL

We name it plainly — and underwrite as if we are wrong

Venezuela expropriated private assets during the 2007–2012 nationalization wave — reaching hospitality in isolated cases, including on Margarita. Constitutional protections did not prevent it; political risk insurance is not currently available on economic terms; and the late 2027–early 2028 elections fall inside the hold period — the portfolio holds through the political test. The seizure era ended over a decade ago and state practice has since reversed, returning seized assets to private operation; the current government's program depends on attracting exactly the capital expropriation would expel. We judge the risk real but low:

BASIS

The downside protection

Assets acquired at 5–10% of Caribbean replacement value. At that basis, the market has already priced a confiscation scenario — that is what the discount is. The Fund's modeled downside (~0.88× net) is a no-recovery scenario, not a seizure scenario: all assets held for income and exited at entry basis. Seizure risk itself is not modeled — assigning it a probability would be false precision. The protections against it are structural and priced, not projected.

STRUCTURE

Contains it

One SPE per asset, no cross-collateralization — a seizure of one asset cannot reach any other asset in the portfolio, or the capital committed to the next deal. Containment is structural, not probabilistic.

PROFILE

Reduces it

Local ownership entities, operating assets with local employment, a Venezuelan principal. A factor, not a safeguard. Political risk insurance is monitored, not assumed — the underwriting never depends on it.

> ***The asymmetry, stated honestly:*** *the downside is protected by price; the upside is protected by nothing — it depends on the transition holding. Investors are underwriting a political trajectory, not only a real estate discount. This risk is also the source of the return: capital that cannot bear it cannot bid — a Venezuela without it is priced like Punta Cana.*

Principal is never routed through Venezuelan banking rails

Preferred: share sale

The buyer acquires the holding entity — paying the Delaware SPE in USD, offshore. No registry transfer, no Venezuelan banking event. Faster, cheaper, cleaner for both sides.

Available: asset sale

Where a buyer requires the deed, the property transfers at the registry at full declared consideration, with settlement contractually directed offshore. Transfer taxes paid on the true price and modeled into every exit underwrite.

Revenue collects offshore

International guests, booking platforms, and contracted agencies settle to a fund collection account in a U.S.-clearing offshore banking hub — jurisdiction finalized with fund counsel prior to first close. In-country receipts fund local operating costs; hard-currency surpluses accumulate offshore.

> *Stated honestly: the offshore-first architecture is strongest in the base case and most tested in the downside — a no-recovery Venezuela is also the one where banking rails improve least. Even there, the structure holds its shape: international guests, platforms, and contracted agencies settle offshore by design, in-country receipts fund local operating costs first, and no distributions cross the border before year 4. What the downside compresses is the size of the hard-currency surplus — not the route it travels.*

> *Timing works in the Fund's favor: no distributions cross the border before year 4 — hotels are dark and land produces nothing — during exactly the period when banking rails are most constrained. Material income and exits arrive in the later hold, after several years of normalization.*

> ***Who buys at exit.*** *Exits are underwritten in sequence, not to a single buyer. The first bid is regional — Latin American hotel operators and local and diaspora family capital, buyers transacting in this market today. Second-wave institutional capital is the premium bid behind them, not the assumption. The preferred route is a share sale at the SPE level: the buyer acquires the entity, not the deed. And the no-buyer case is not an open question — it is the downside scenario: assets held for income at entry basis, with the two extension years ensuring no forced sale. The Fund does not need today's exit market; it needs year 4's.*

DISTRIBUTIONS: OFFSHORE ACCOUNT → DEAL SPE → SPV → LPS · CAPITAL EVENT-DRIVEN · THE OFFSHORE-FIRST ARCHITECTURE IS BUILT FOR THE RAILS AS THEY EXIST TODAY — IMPROVEMENT IS UPSIDE TO OPERATIONS, NOT A CONDITION OF THEM.

GOVERNANCE & LP PROTECTIONS

The LP Advisory Board holds the levers that matter

Control does not rest on the GP's continued goodwill. A board of limited partners can replace the manager, remove the GP for cause, and see every conflict and related-party fee — the powers that decide whether capital is ever trapped.

01

Replace the manager

On a key-man event, new acquisitions suspend automatically; the Board nominates a replacement manager, approved by a 66⅔% supermajority of LP interests. The assets never sit unmanaged.

02

Remove the GP for cause

For cause as defined in the LPA, the Board nominates and LPs approve removal, with a step-down of unrealized carry.

03

See every conflict

Reviews material conflicts, related-party fees, and major fund matters before they bind the Fund. No related-party arrangement is invisible to LPs.

04

Approve major matters

Changes to strategy, fees, and structure route through the Board — a standing voice between annual meetings, not a one-time vote at close.

The Board sits on top of the standing protections — operations survive the key man (Spearhead Hospitality OpCo contracts); a capital-only carry clawback with 25% of each carry distribution escrowed to wind-up; 10–15 days' capital-call notice with fees accruing only on called capital; and quarterly, audited reporting with K-1s.

SERVICE PROVIDERS

The institutional perimeter around the Fund

Independent counsel, audit, administration, and tax advisors are being retained. Consistent with our disclosure discipline, no firm is named in these materials until its engagement letter is executed; names are available to prospective investors under NDA.

Fund Counsel	Engagement in process · name under NDA
Venezuelan Counsel · title & registry	Engagement in process · name under NDA
Fund Administrator	Engagement in process · name under NDA
U.S. Sanctions Counsel	Engagement in process · name under NDA
Auditor	Engagement in process · name under NDA
Tax Advisor	Engagement in process · name under NDA

NO PROVIDER IS NAMED IN ANY FUND MATERIAL UNTIL AN ENGAGEMENT LETTER IS EXECUTED; ON RETENTION, THE NAME UPDATES IN EVERY LOCATION IN THE SAME PASS.

THE RAISE

A single committed-capital vehicle. One hard close. Priced while the transition is still early.

SPEARHEAD CAPITAL GROUP

IMPORTANT DISCLOSURES

This document is a confidential investment memorandum prepared by Spearhead Capital Group for informational purposes only and is intended solely for qualified investors. It does not constitute an offer to sell or a solicitation of an offer to purchase any security. All return targets and scenario projections are illustrative estimates based on assumptions that may not be realized; actual results may differ materially. Investing in Venezuelan real estate involves substantial risk including the potential loss of the entire investment. U.S. sanctions, while actively being dismantled, have not been fully lifted — transactions with the Government of Venezuela, PdVSA, and individuals on the OFAC SDN list remain prohibited absent a specific license. All third-party data has been obtained from publicly available sources believed to be reliable; Spearhead Capital Group makes no representation as to its accuracy or completeness. Past performance and market comparisons are for illustrative purposes only and are not indicative of future results. Prospective investors should conduct independent due diligence and consult legal, tax, and financial advisors before investing.