



Real Estate Investment Trust

PYGG Capital Structuring Partners

PYGG Curacao Real Estate Investment Trust I "C-REIT_1"

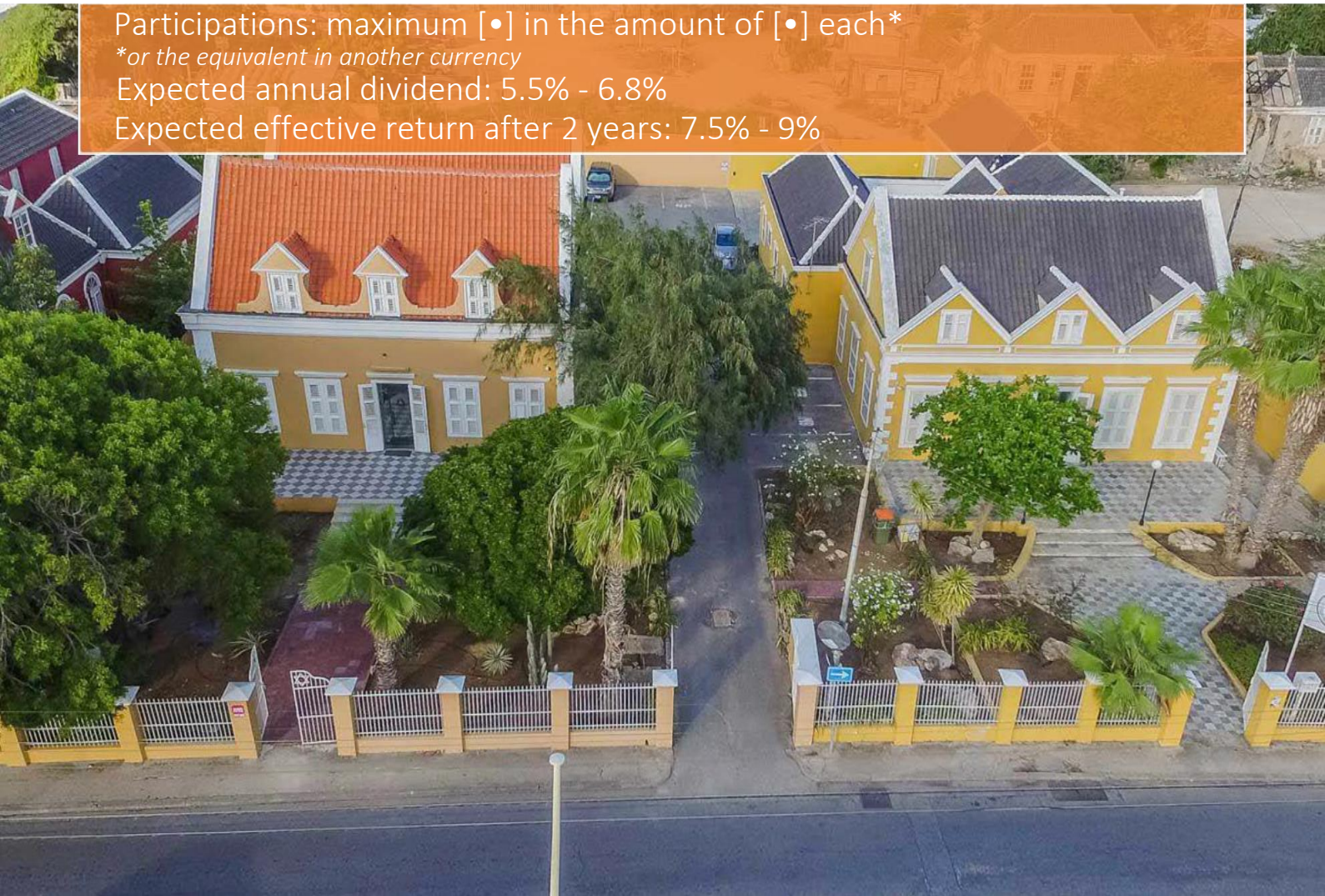
A unique opportunity to invest in well-performing
Curacao Commercial Real Estate

Participations: maximum [•] in the amount of [•] each*

**or the equivalent in another currency*

Expected annual dividend: 5.5% - 6.8%

Expected effective return after 2 years: 7.5% - 9%



THE OFFERING



PYGG has been engaged by SPF Humphrey and SPF HWM (the “Seller”) to act as its exclusive financial advisor in relation to the potential transaction (the “Transaction”) involving the sale of a portfolio of real estate assets located on Curacao (the “Portfolio”).

Our real estate portfolio constitutes a unique combination of historical and modern architectural buildings, excellent A locations, stabilized rental stream from long term lease contracts with reliable tenants, and a 3-year maintenance guarantee on the buildings.

THE TRANSACTION



Professional investors are given the opportunity to participate in the Transaction. There will be a maximum number of [•] participations available for subscription in the amount of [•] each. As the real estate portfolio is currently partly financed with bank loans, the minimum number of issued participations by C-REIT_1 is set at [•].

Opportunistic investment in a commercial Portfolio, with upside potential.

The properties main destination is office use by long term tenants with good track records.

Stabilized annual rental income of approximately ANG 1,200,000 (based on current occupied surface), with an accidental vacancy level potentially creating additional value.

Participations can be made tradable on the Dutch Caribbean Securities Exchange

THE PORTFOLIO



The portfolio consists of:

2 Listed Monuments, home to two well-known long-term tenants, located in one of the three historic and renowned UNESCO heritage sites of Willemstad.

1 Modern multi office building in an upcoming area. Managed by a successful all-inclusive office service provider, rented out to a pool of solid local and international companies, including a heart & lung center, trust, and corporate services-, administrative-, marketing- and ICT companies.

ABOUT THE REAL ESTATE ASSETS



SPF Humphrey

Owner of the 2,880m² plot, located in the Second Curacao District “Vredenberg”, and the building constructed thereon in 2009, known as Dr. M.J. Hugenholtzweg 23-25 (Hugo’s Mall);

Appraised value per the date of November 8, 2019: ANG 7,640,000.00 (13.3 times annual rental income);

m²: 1303.

Average rental price per m²: ANG 36.65 (including service fee)

Main tenants: Heart & Lung Center (431 m²); Green Apple popular all-in office concept (872m²), offering office space plus facilities to more than 10 solid sub lessees. Payments are up to date. Green Apple opened its second “Monuments location” recently; Expiry dates 30/09/25 & 31/12/30 respectively.

Maintenance up to date

Free parking

Centrally located

Power generator



ABOUT THE REAL
ESTATE ASSETS
continued



SPF HWM

Owner 3 plots, 2174m² in total, located in the Curacao City District “Scharloo”, and the 2 buildings constructed thereon, known as Scharlooweg 39 and 41

Monuments, protected under the “Monumenten Landsverordening 1989 / Eilandsverordening 1990)

Appraised value per the date of November 8, 2019: ANG 7,025,000.00 (14.3 times annual rental income)

m²: 988

Average rental price per m²: ANG 41.50

Main tenants: Giro Bank N.V. & De Ombudsman van Curacao; Expiry dates 31/07/21 and 31/07/23 respectively

Maintenance up to date (renovated in 2011 and 2013 respectively);

Free parking

Location in high demand

Power generator Scharlooweg 39

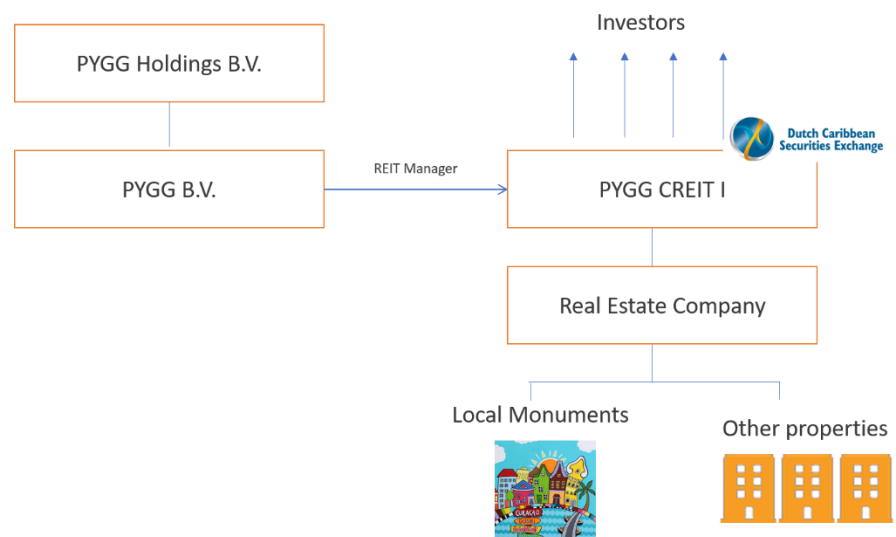


INVESTMENT STRUCTURE



The properties are currently held by Curacao Private Foundations which are most suitable for asset protection while carrying fiscal benefits for foreign investors. In order to be able to optimize the investor's return on investment, PYGG Curacao Real Estate Investment Trust I (also "CREIT I" or "Investment Trust"), may become a tax exempted investment company established under the laws of Curacao, passively holding 100% of the shares in the underlying real estate company.

CREIT I will pursue a long-term direct income strategy by investing in existing prime commercial real estate. As REIT manager, PYGG B.V. is responsible for the general management of the Investment Trust, financial administration including the distribution of dividends, negotiation of new leases and contracts and investor relations including reporting. PYGG B.V. may engage and manage service providers for other functions, such as maintenance and property management.



RETURN ON INVESTMENT

Based on the current level of rental income, the underlying contracts, additional revenue potential and a minimum net rental income distribution of 80% as dividend per annum, the minimum estimated return on investment for a leveraged portfolio is 6.8%, and for a non-leveraged portfolio 5.5%.

Based on a stable outlook for selective Commercial and Investment real estate properties, the minimum effective return on investment after 2 years is 9% for a leveraged portfolio and 7.5% for a non-leveraged portfolio.

ABOUT CURACAO



A YOUNG DYNAMIC COUNTRY

Why Invest in Curaçao?

Curaçao is an autonomous country within the Kingdom of the Netherlands and is a constitutional democracy. The Judiciary system forms an integral part of the Kingdom of the Netherlands. Curaçao has an educated multilingual population with a safe living and working environment. The island has an open and market driven economy where foreign investors can own property where there are no restrictions with regards to repatriation of profits or invested capital.

The country has a very diversified economy with the following sectors as the most important ones are the international financial services, the tourism sector, trade and distribution, manufacturing, logistics, oil refinery and renewable energy, cultural and creative industries sector, technology and transnational education. The island is strategically situated outside the hurricane belt and has several large natural harbors. A well-developed harbor including a natural deep seaport, container terminal and dry dock with multiple connections from/to the Caribbean region as well as from/to South, Central and North America and the European Union.

Curaçao has an international airport with excellent air connections from to the Caribbean region as well as from/to South, Central, North America and the European Union and a state-of-the-art telecommunication infrastructure with 6+ sub-sea fiber cables.



BENEFITS FOR BUSINESS



Curacao is located at the crossroads of the highest capacity Caribbean submarine fiber-cable networks like Arcos 1, PanAm and Americas II, and the newest PCCS providing ample bandwidth while maintaining redundant connectivity options to/from the island. Developed business parks with flexible multi-purpose buildings.

Curacao offers a range of general incentives supporting international business influx, such as IT centers, tax incentives on inward capital investment, investment allowances, Expatriate exemptions on income tax, as well as so-called tax holidays for substantial investments in local start-ups, etc.). Special tax incentives are available for enterprises that focus on exports or on doing business abroad, such as an export regime or a Free Zone. These are part of a wide range of legal and financial benefits which include asset protection, tax minimization, privacy, and investment diversification.

Curacao is one of the Overseas Countries and Territories (OCT) and as such has preferential access to the European Union. Products produced/manufactured in Curacao obtain preferential duties when imported into the EU when all required criteria have been met.

Curacao is also included in the Caribbean Basin Initiative (CBI), a trade program initiated by the United States to facilitate economic development and export of the Caribbean Basin economies. The CBI provides duty-free access to the U.S. market for most goods.

Key sectors

- Financial services
- Tourism
- Oil Refinery and Renewable Energy
- Technology
- Logistics: Airport and Maritime
- Trade and Distribution
- Manufacturing
- Cultural and Creative Industries
- Transnational Education

More regarding investing in Curacao:

<https://www.theiguides.org/public-docs/guides/curacao>

RISK FACTORS



Devaluation risk

Devaluation of the investment portfolio will lead to a lower effective return on your participations.

Liquidity risk

Although the CREIT may apply to list and trade on the Dutch Caribbean Securities Exchange, investors may experience more difficulty selling their participation(s) than expected.

Market risk

(International) economic downturn may have adverse impact on the Investment Trust's performance.

(Re)finance risk

Possible bank financing may increase the impact of negative circumstances on the Investment Trust's performance. Refinancing may only be possible at less favorable conditions, or even become impossible.

Interest risk

To the extent CREIT uses bank financing, higher interest rates may adversely impact the Investment Trust's performance and ability to payout dividend.

Regulatory risk

A changing regulatory framework may have a negative impact on the Investment Trust's performance.

DISCLAIMER

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