

## **HOTEL PRIVATE EQUITY FUND INVESTMENT MEMORANDUM**

### **Summary:**

The opportunity takes the form of acquiring up to 80 units of €350.000€ each, in The Hotel Private Equity Fund. Each unit is eligible for a Golden Visa.

One unit of €350k is all that is needed for full Golden Visa eligibility which can include dependent family members. The investment pays a minimum coupon of 3% per year (no tax deductions or other retentions from this in Portugal), PLUS a share of upside in earnings each year and of any additional value on eventual sale of the Hotel.

### **Investment Highlights:**

1. Golden Visa Eligibility (minimum €350.000 equity investment);
2. Fixed return: 3% guaranty return per year (€10.500). No tax deduction on this;
3. Share in hotel earnings and upside 50% of all distributable income;
4. PLUS 70% of any proceeds from eventual sale of the Hotel (between year 6 to year 10);
5. Significant tax advantages: tax exemptions on Withholding Tax and Capital Gains Tax (sale of units) or no IMT (Transaction Tax) and no Stamp Duty, Notary cost are applicable;
6. Fund investors will be entitled to 7 nights per annum at 25% off the published rate on booking.com

### **Portugal Golden Visa Programme:**

Investment in a qualified, regulated private equity fund allows Non-EU investors to qualify for Portugal's Golden Visa Regime. This allows significant immigration, lifestyle and tax advantages.

### **Conditions:**

1. investors must have clean criminal record, must spend at least 7 days in Portugal in first year, then 14 days over the next two years period, thereafter 7 days per year to maintain eligibility.
2. Fund maturity must exceed 5 years, in order for investors to fulfil 5 years of GV eligibility. Fund has a 10 years life.
3. The Golden Visa requirements says that the fund must allocate more them 60% of its investments in Portugal. This Hotel Fund will own 100%.

### **Hotel considerations:**

- Hotel Private Equity Fund is a single asset company;
- Existing cash flow, generating five start hotel operation since 2017;
- Occupancy now at 80%;

- Improvement are underway to transform the Hotel management, operation and systems upgrade;
- Hotel business capital intensive: €850k committed to refurbish the Hotel, up to 1.3M during next year;
- Funds must be invested more than 5 years: The Fund owner not intend to exit for at least 6 years, to allow Golden Visa investors full eligibility to apply for Portuguese passports;

#### **Timing & Next steps:**

- Client decides to invest with a reservation fee deposit of €17,500;
- Open an account in Portuguese Bank;
- Money transfer to personal bank account in Portugal;
- Subscription and signature documentation;
- Money transfer to Fund bank account;
- Declaration of subscription conclusion and initiate the Golden Visa procedure.

#### **Hotel photos:**

- <https://www.dropbox.com/sh/3pwsezsz69yb4cfp/AAATBTVJpOPhJh61fRaz3Gls?dl=0>

#### **For any questions please feel free to contact:**

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