

THE STACK

A long-term liquid portfolio collateralized with real estate

CONFIDENTIAL · FEBRUARY 2026

Anchored in real assets. Driven by structural conviction.

Protected downside with uncapped upside

REAL ESTATE (~45%)

Triple-net commercial real estate with investment-grade tenants.

Contractual USD cash flows with hard asset collateral.

Structure: 100% equity → 55% LTV refi

Tenants: AAA credit, NNN lease

Debt: 10yr term, 30yr amortization

NOI: Surplus → U.S. Treasuries

STRUCTURAL LONG PORTFOLIO (~55%)

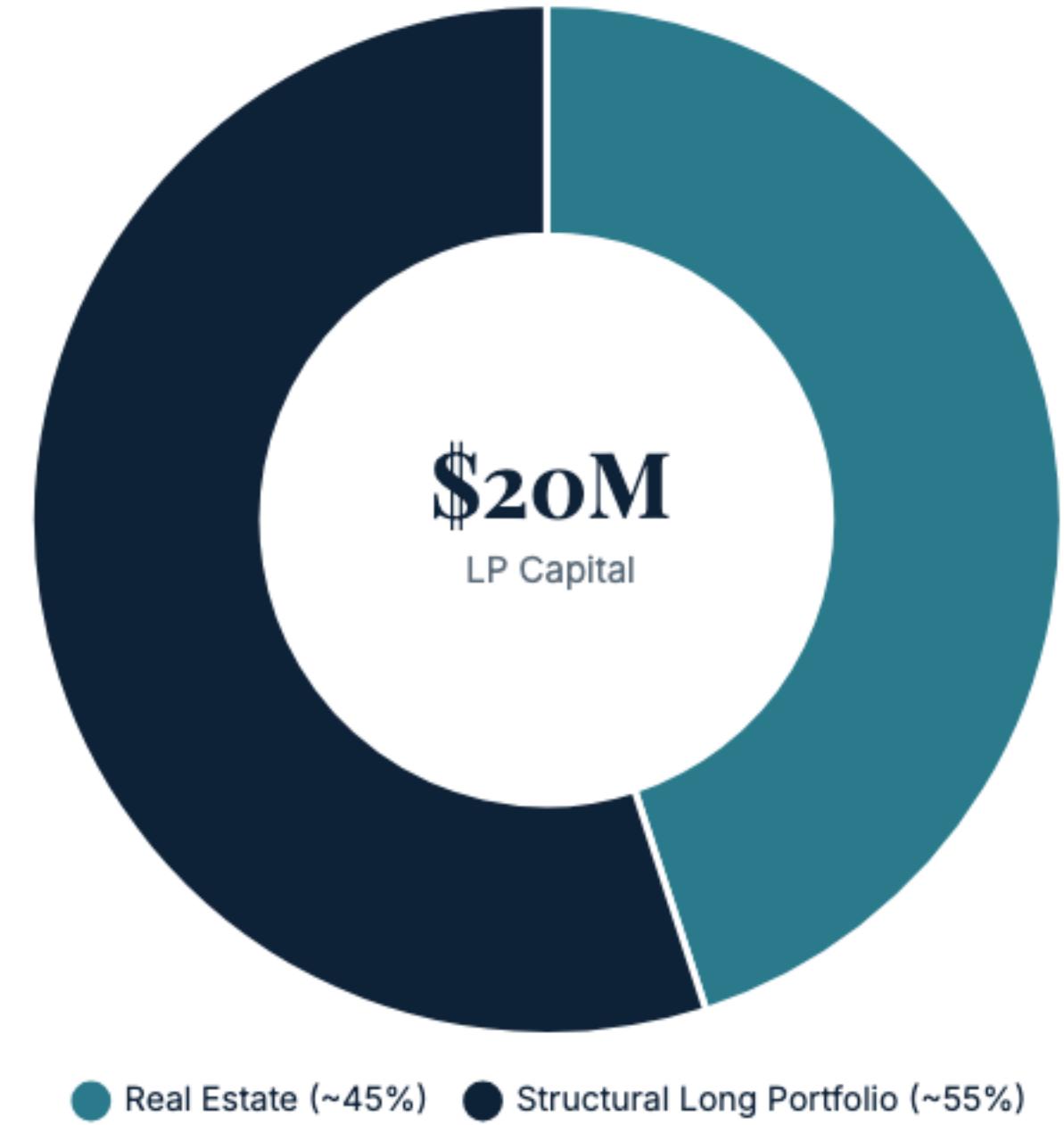
Long-duration positions in commodities, infrastructure, real assets, and technology across secular macro themes.

Permitted: Equities, ETFs, commodities, FX, futures, options, crypto

Max Position: 10% of portfolio NAV

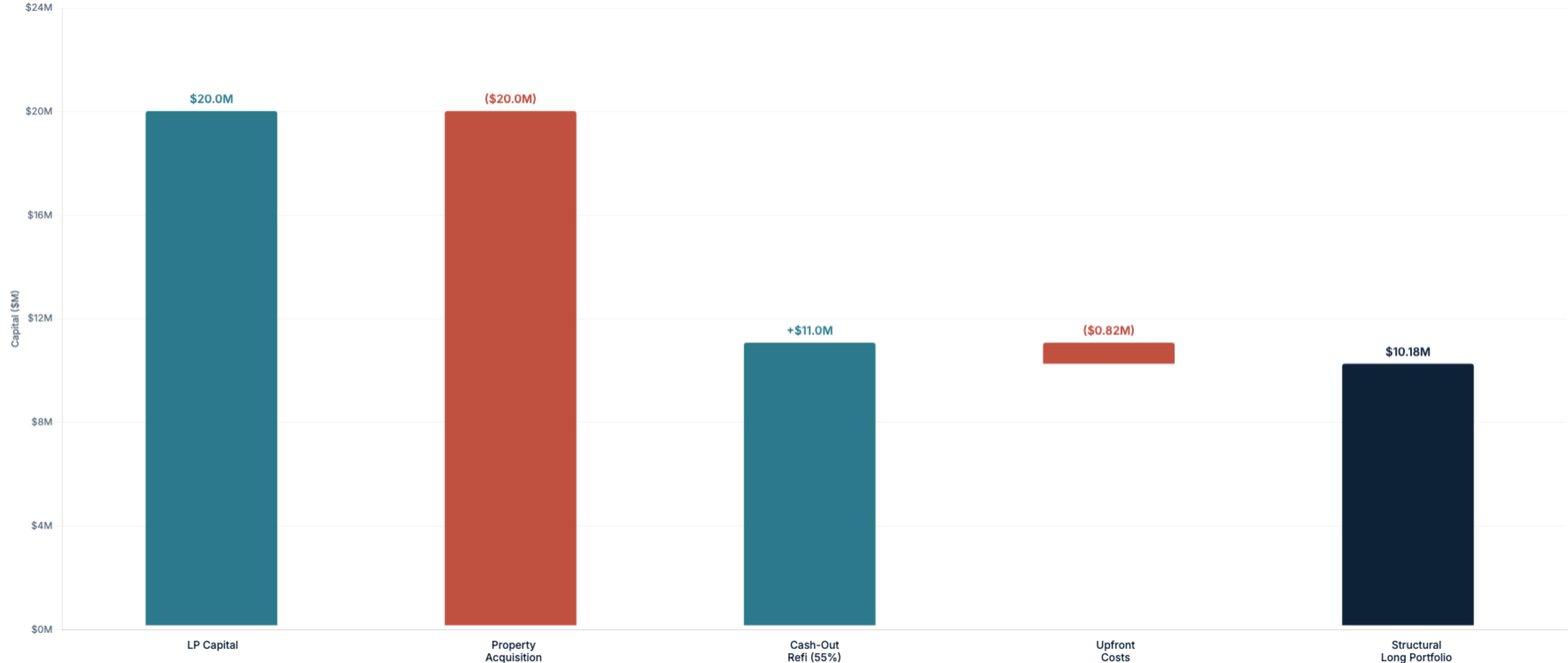
Prohibited: Margin, borrowing, shorts

Benchmark: S&P 500 Total Return



How capital flows through the structure

100% equity acquisition → 55% LTV cash-out refinance → structural long portfolio



Illustrative deployment · \$20M LP capital · Upfront costs include formation, acquisition, and origination fees

Illustrative NNN lease opportunities

The types of properties we target — investment-grade tenants, absolute NNN structure, long-duration cash flows



Tenant	Chase Bank & Chipotle
Location	821 Eau Gallie Blvd, Melbourne, FL 32935
Acquisition Price	\$7,732,000
Cap Rate	4.6%
NOI	\$355,687
Remaining Lease Term	15 Years

Tenant	Wendy's
Location	12135 Lem Turner Rd, Jacksonville, FL 32218
Acquisition Price	\$2,352,500
Cap Rate	5.1%
NOI	\$120,000
Remaining Lease Term	20.6 Years

Tenant	TD Bank
Location	14995 SW 88TH STREET, MIAMI, FL
Acquisition Price	\$6,509,803
Cap Rate	5.11%
NOI	\$332,750
Remaining Lease Term	12.1 Years

1. SOURCE
Off-market and broker relationships across Florida, Texas, and Southeast US

2. UNDERWRITE
Tenant credit, lease structure, location demographics, replacement cost analysis

3. FINANCE
50–60% LTV, 3–5 yr fixed then adjustable, 25–30 yr amortization

4. MANAGE & REFI
Collect rent, season the asset, refinance to recycle equity into next acquisition

NNN leases in Florida: structure and financing

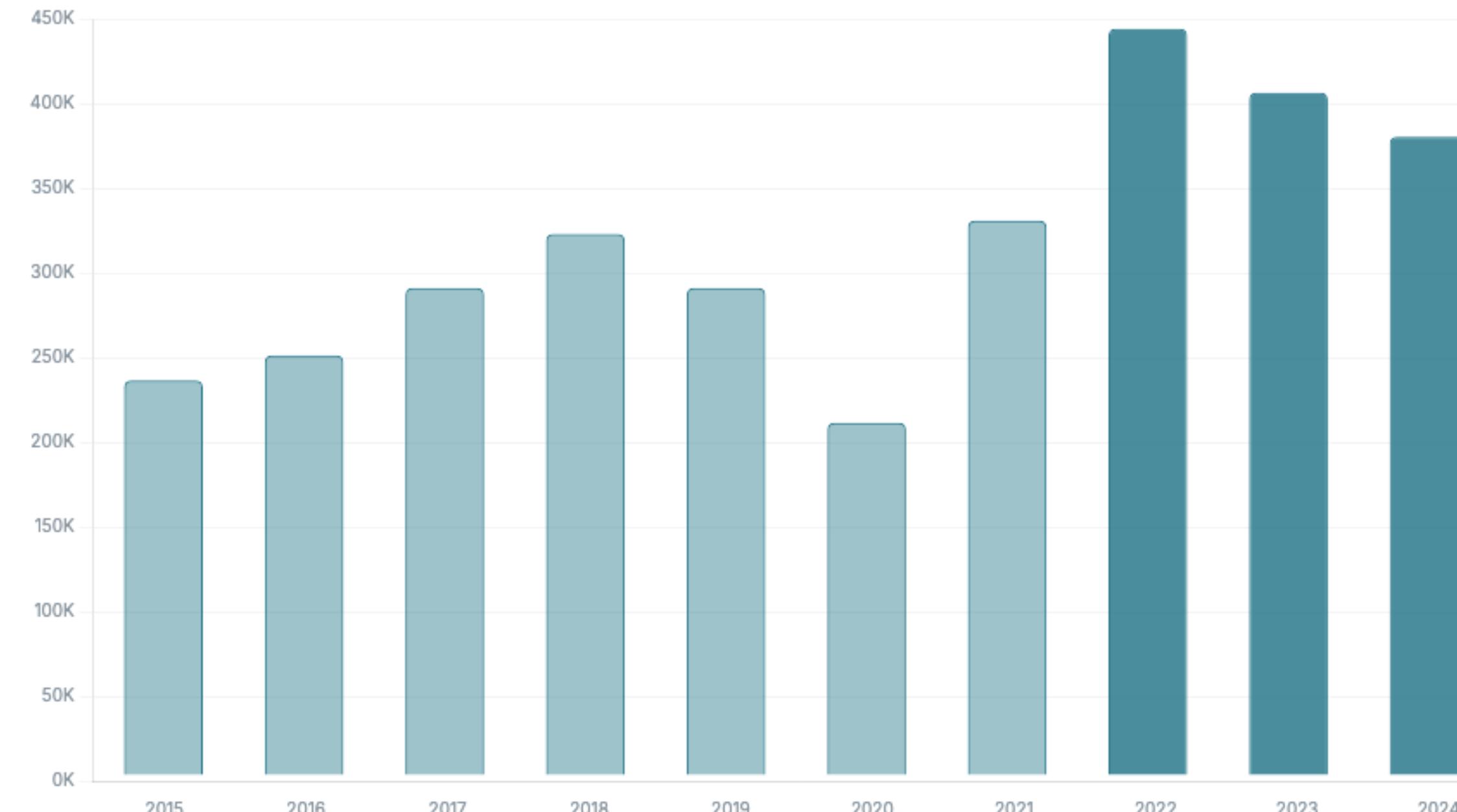
THE ASSET

Triple-net (NNN): the tenant pays property taxes, insurance, and maintenance. The landlord collects rent with **near-zero operating cost**. Tenants are investment-grade corporates on 10–20 year leases with 1.5–2% annual escalators.

WHY FLORIDA

Population growth	+2.1M since 2020
State income tax	None
Net domestic migration	#1 in US
Landlord legal framework	Strong protections
GDP growth (2020–24)	+32%

FLORIDA NET DOMESTIC MIGRATION (THOUSANDS)

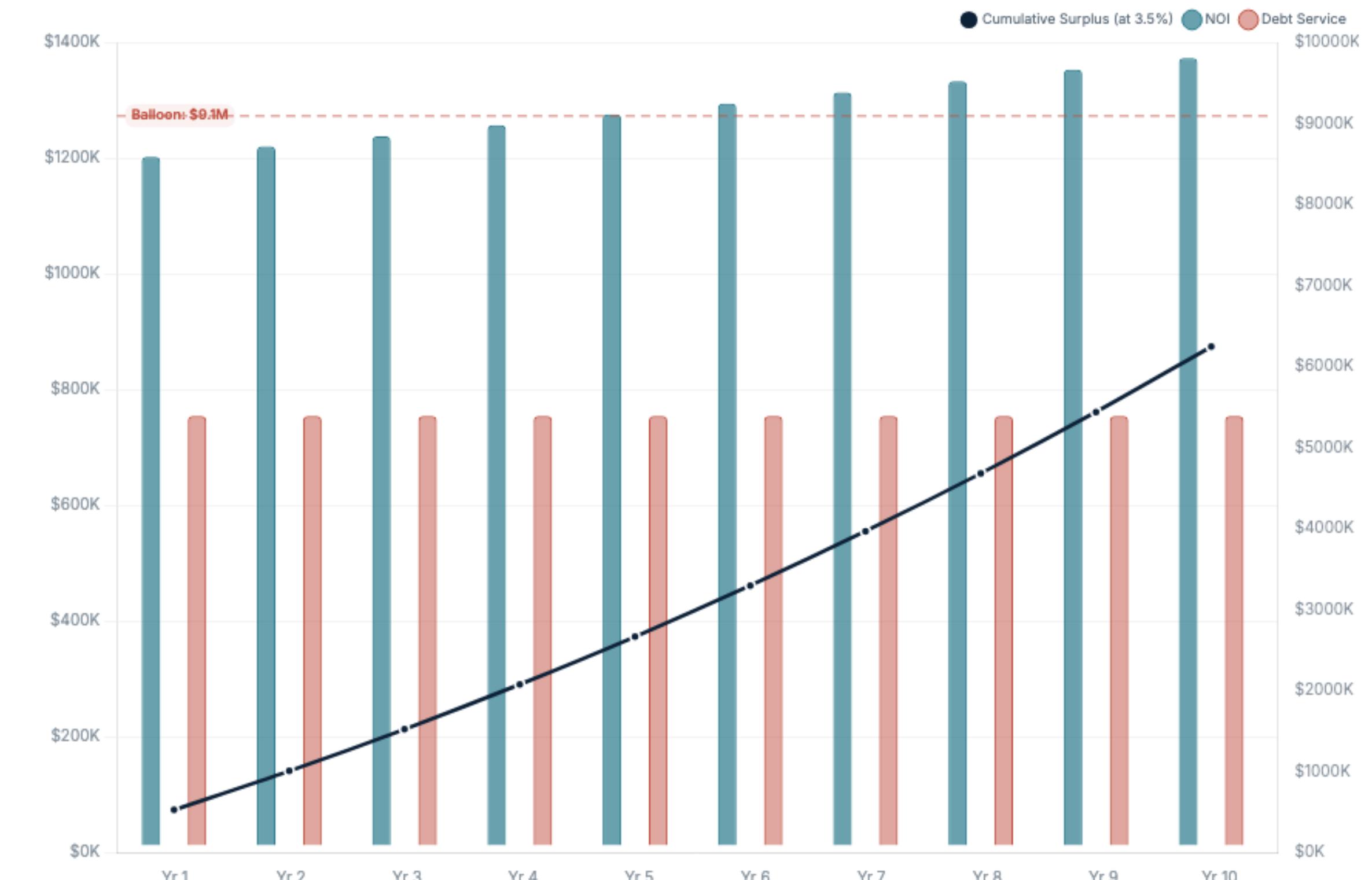


Source: U.S. Census Bureau; BEA; Florida Dept. of Revenue; market financing terms as of Q1 2026

EXPECTED DEBT PROFILE

Structure	Buy all-equity, cash-out refi
LTV	55% (hard cap)
Loan term	10 years
Amortization	30 years (balloon at maturity)
Rate assumption	~5.5% fixed
NOI surplus	Retained in Treasuries

ILLUSTRATIVE: NOI SURPLUS ACCUMULATION vs. BALLOON (\$20M PROPERTY, 6% CAP)



Two foundational macro views.

THESIS A — MACRO SHIFT

Governments owe more than they can repay without inflating it away. Debt levels, entitlement spending, and political incentives all point the same direction: real assets appreciate, nominal claims erode.

THESIS B — AI INFRASTRUCTURE

AI is the largest infrastructure buildout since electrification. The bottlenecks are physical — power, chips, cooling, minerals, and land. Every dollar of AI capex is a dollar of commodity demand.

THE INTERSECTION

These trends reinforce each other. AI is driving unprecedented demand for energy, copper, and industrial capacity — the same resources that fiscal stress and supply constraints are making scarcer. One thesis amplifies the other.

Why now?

Bonds no longer hedge equities

Stocks and bonds fall together now. The 60/40 portfolio is broken.

AI capex is committed

\$600B+ in hyperscaler spend this year alone. Multi-year contracts are signed. The demand is locked in.

Central banks are buying gold

1,000+ tonnes per year in 2022-2024, with 2025 still elevated at 863 tonnes. Sovereigns are moving out of Treasuries and into hard assets.

Supply takes years to build

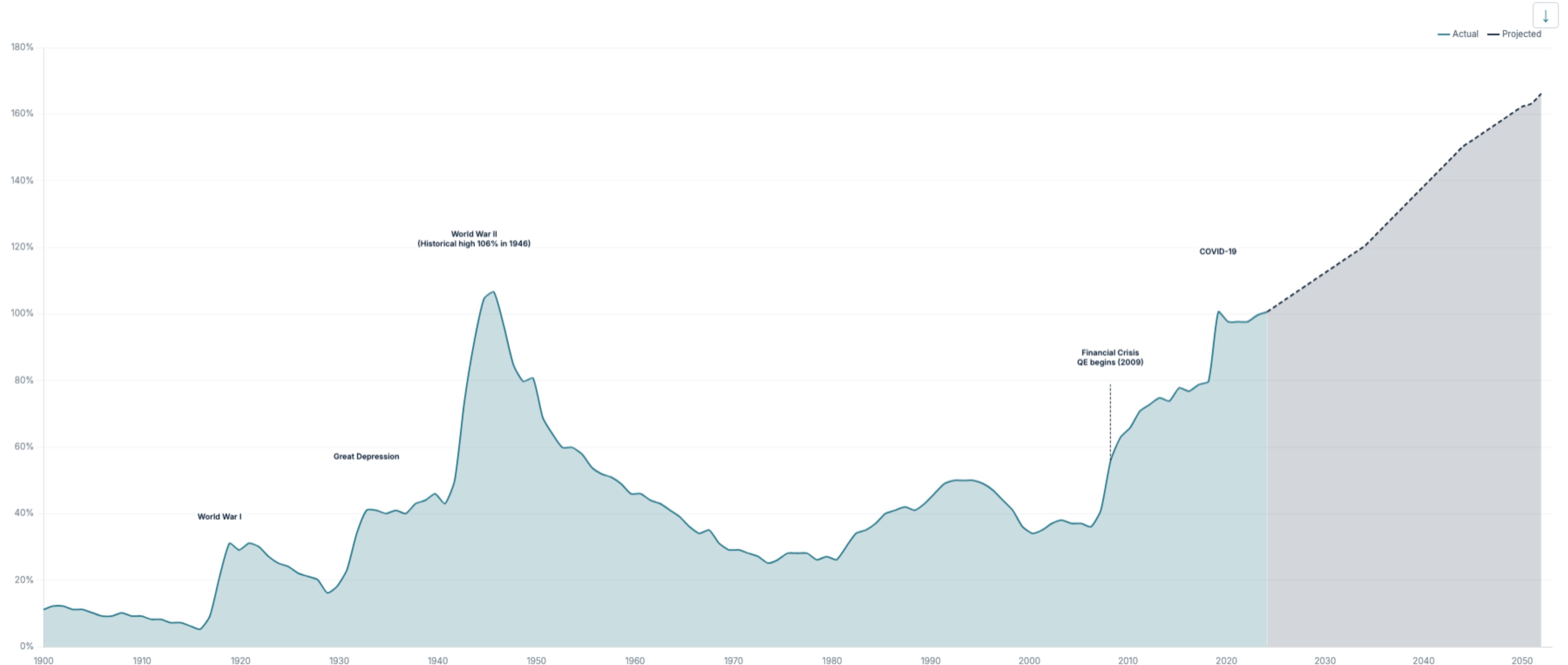
New mines take 18+ years. Power plants take 5-7. The supply gap is already open and widening.

MACRO SHIFT

The repricing of real assets

Federal debt is no longer cyclical. It's structural.

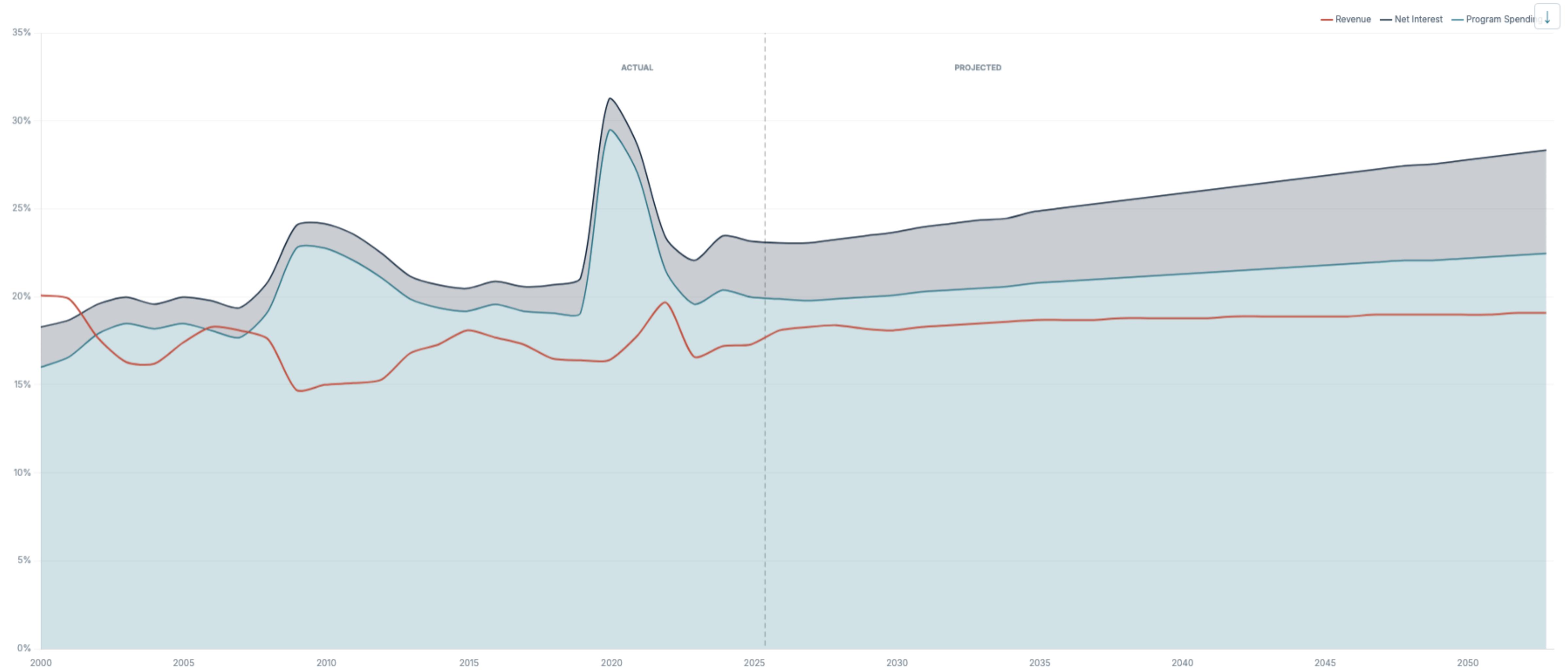
Fiscal spending is politically driven and structurally uncontrolled, backstopped by a Federal Reserve balance sheet that has expanded 10x since 2008.



Source: Congressional Budget Office data and GAO simulation

Interest expense is now a major budget item

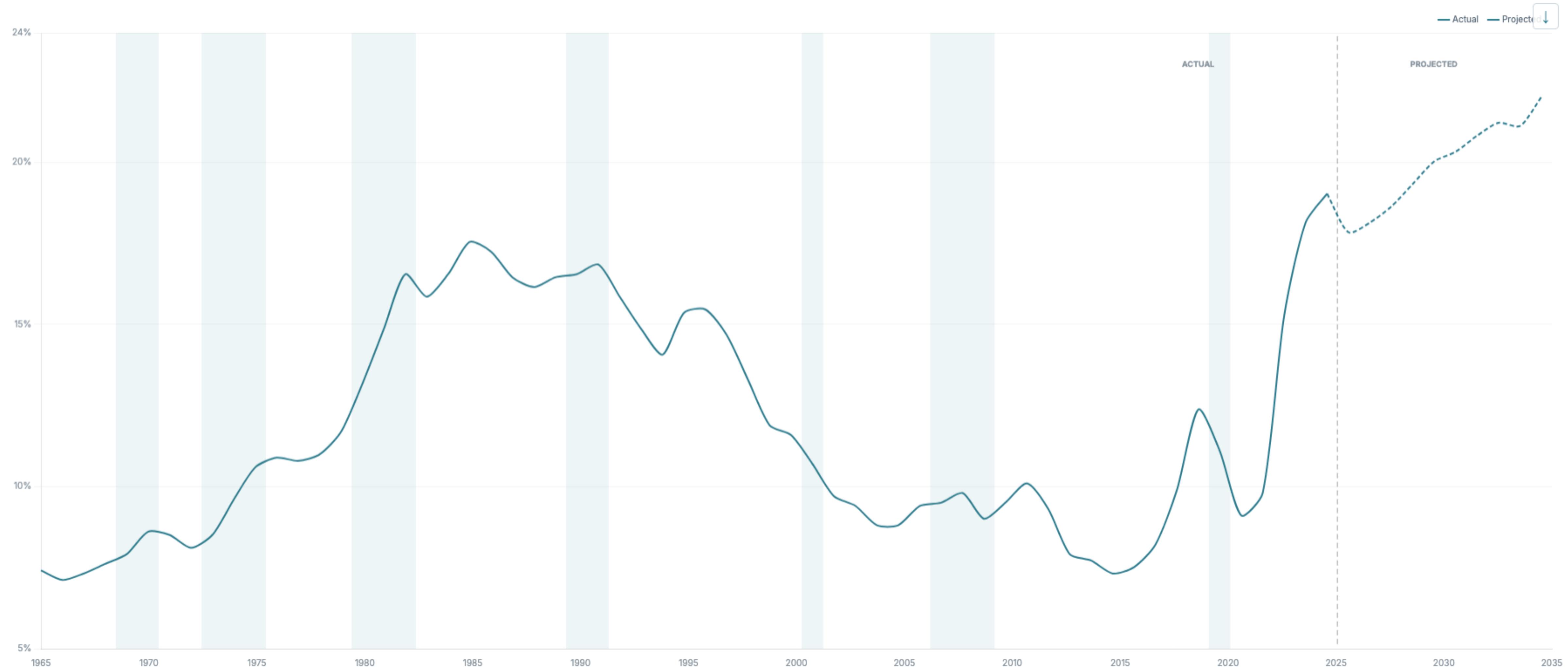
Debt service crowds out fiscal flexibility and narrows the policy toolkit. Deficits persist even in expansions.



Source: Congressional Budget Office data and GAO simulation

For every \$5 the government collects, \$1 goes to interest

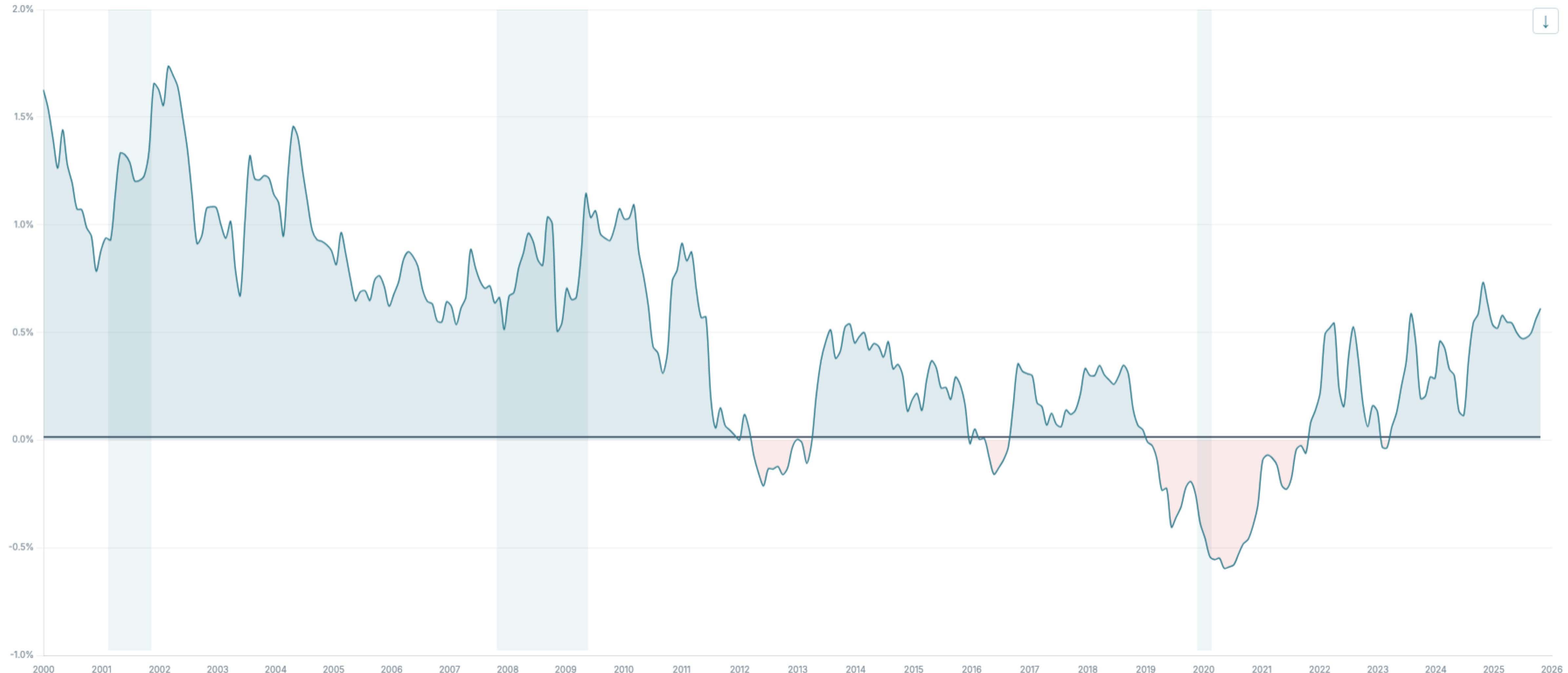
The debt compounds itself. The increase in interest expense widens the deficit, which requires more borrowing, which keeps rates elevated. This is the fiscal spiral — already in motion.



Source: U.S. Congressional Budget Office, Macrobond, Apollo Chief Economist

The term premium is back

After a decade of suppression, investors are again demanding compensation for holding long-duration government debt

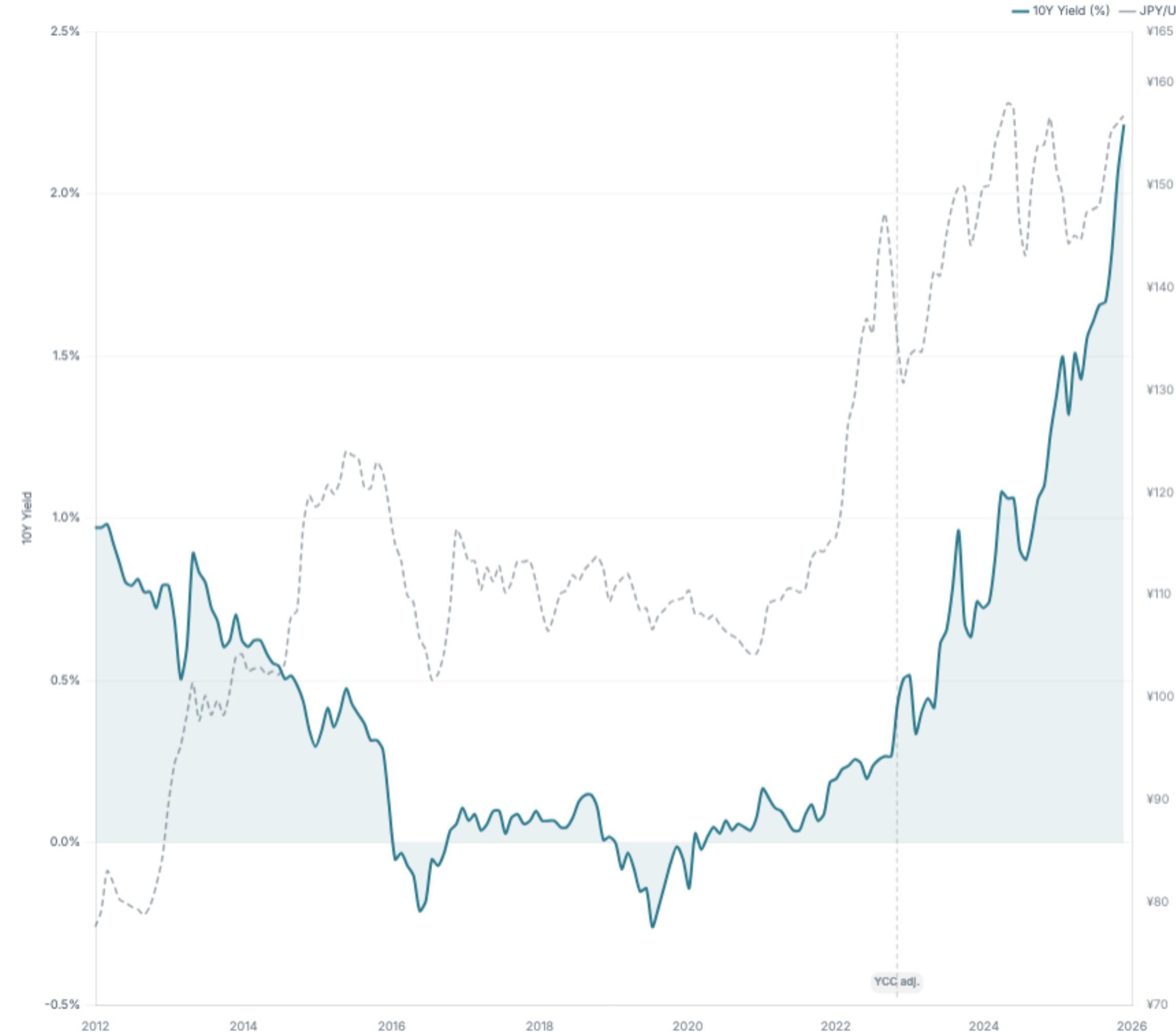


Source: Board of Governors of the Federal Reserve System (US) via FRED. Shaded areas indicate U.S. recessions.

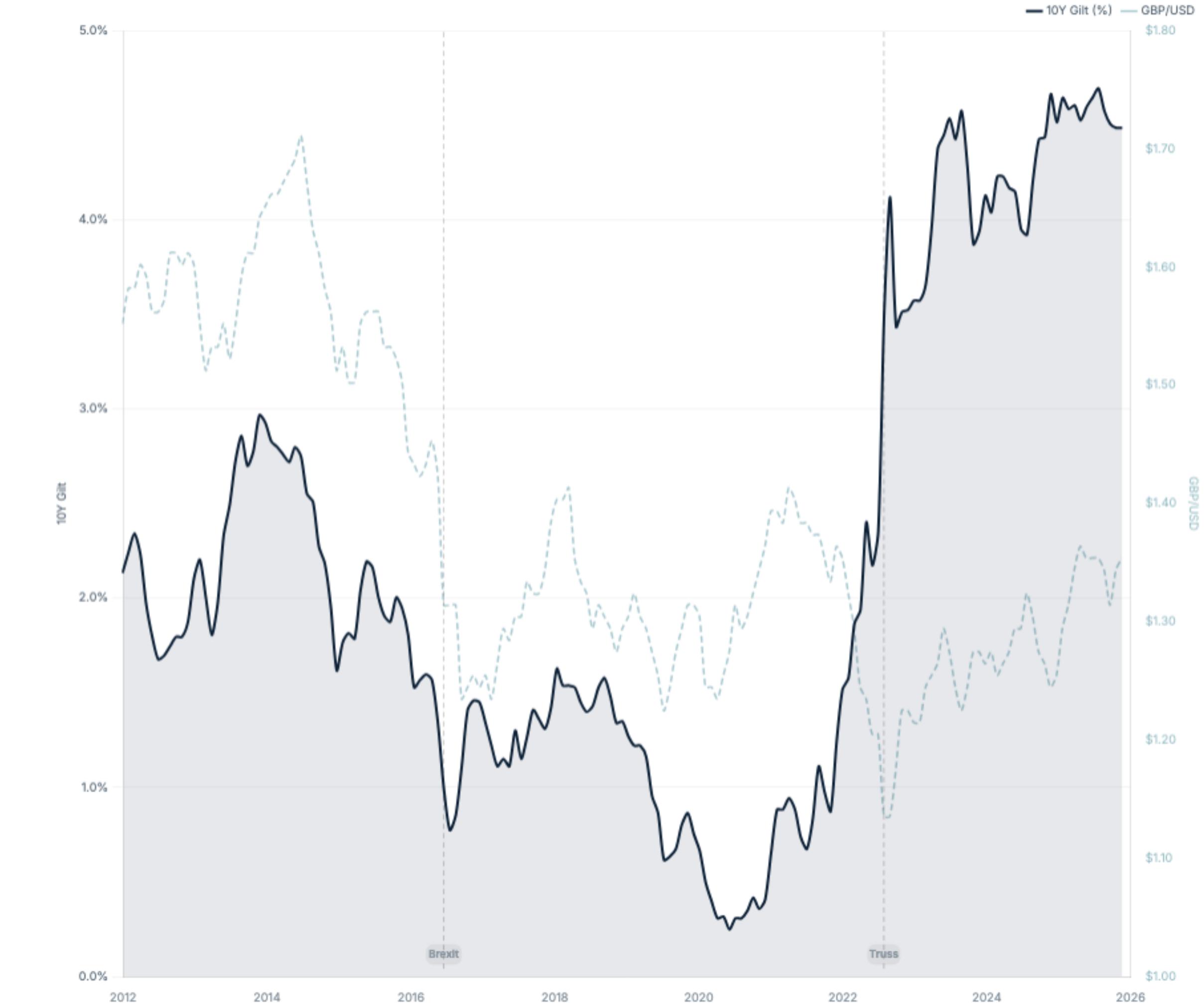
This is not just the US

Japan and the UK are repricing long-run constraints

JAPAN

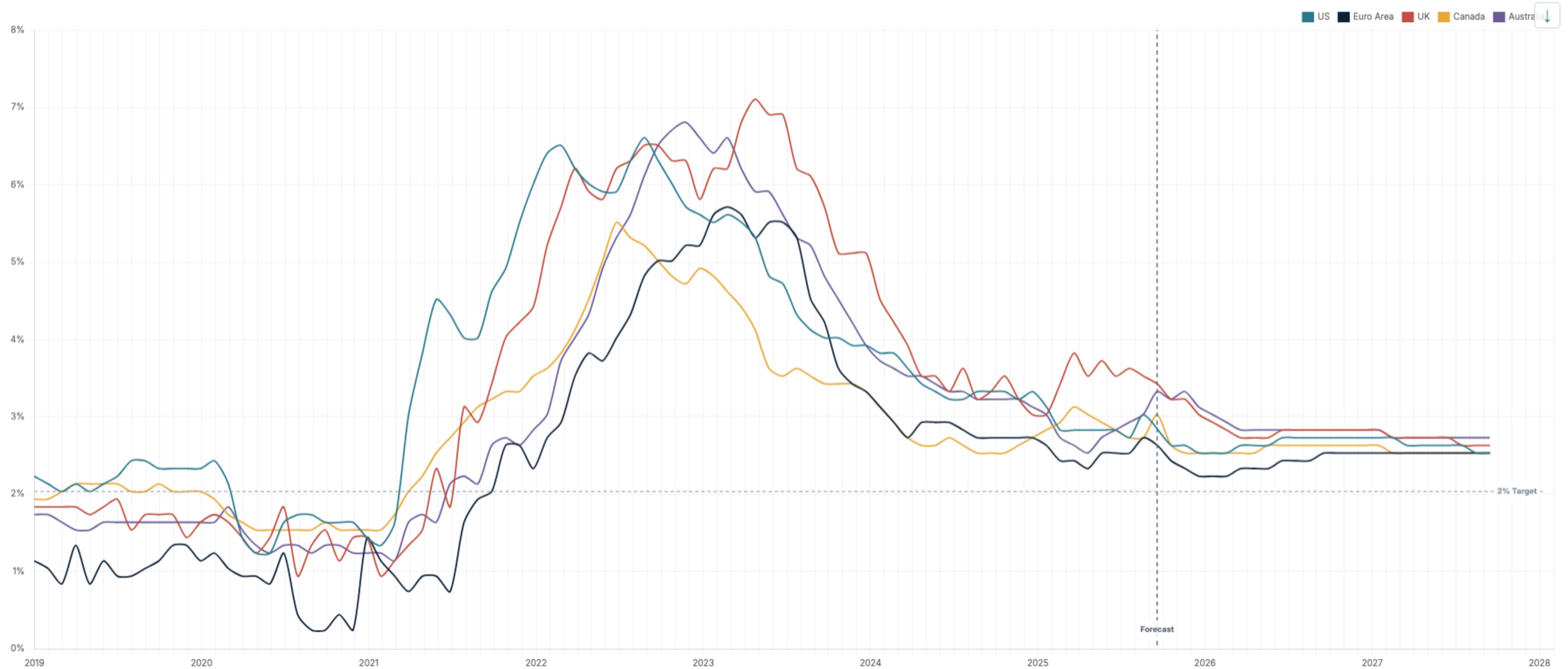


UNITED KINGDOM



Core inflation has settled higher than pre-2020 across every major DM economy

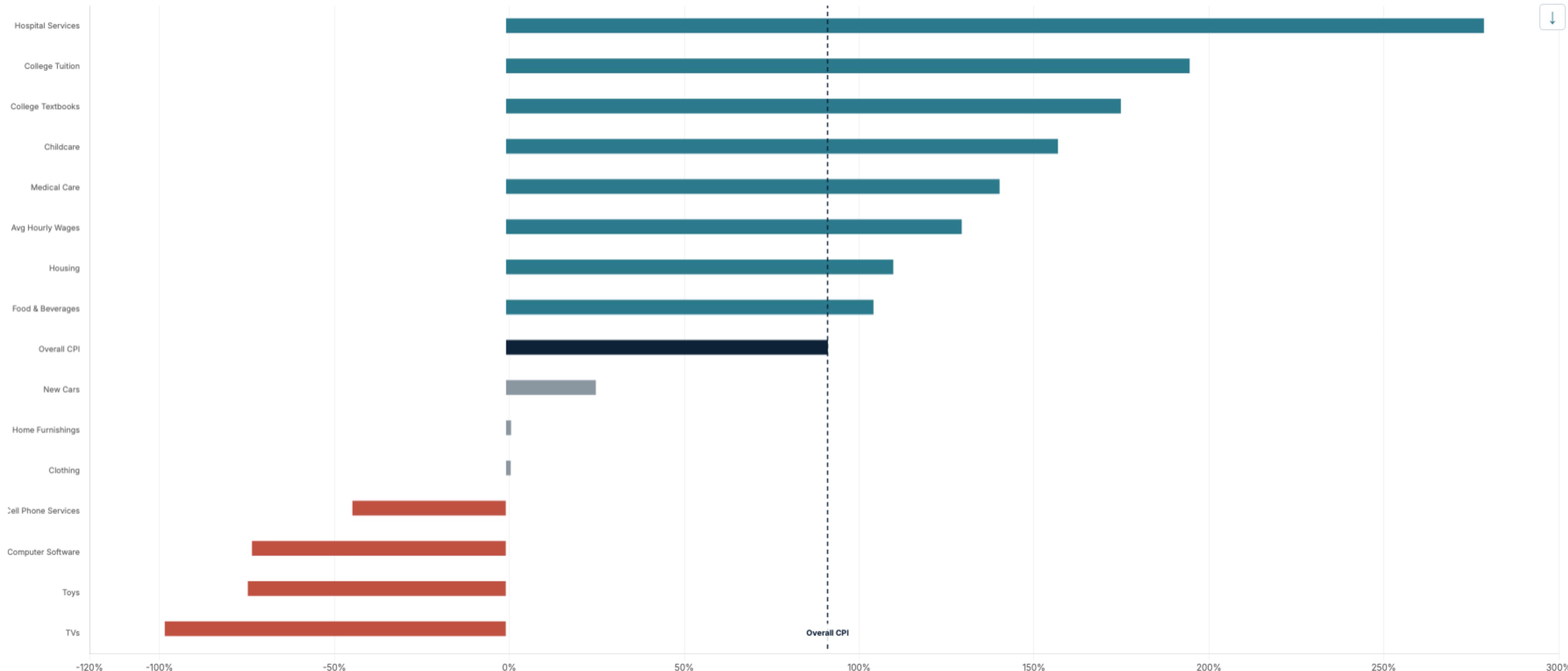
Inflation has not returned to pre-COVID levels. We appear to be entering a structurally higher regime — above the target rate of most major central banks.



Source: Goldman Sachs. Dashed lines indicate GS forecasts.

Inflation concentrates where supply can't scale

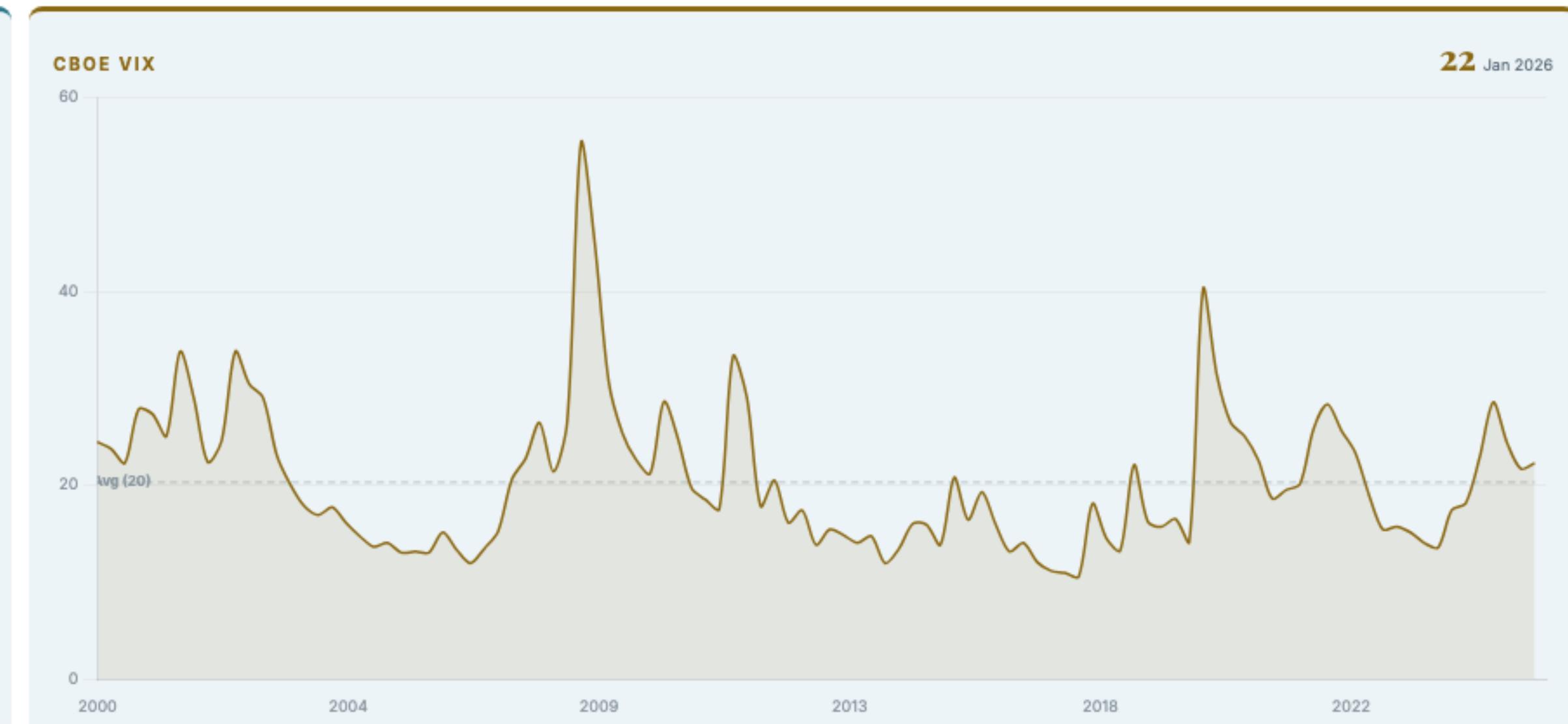
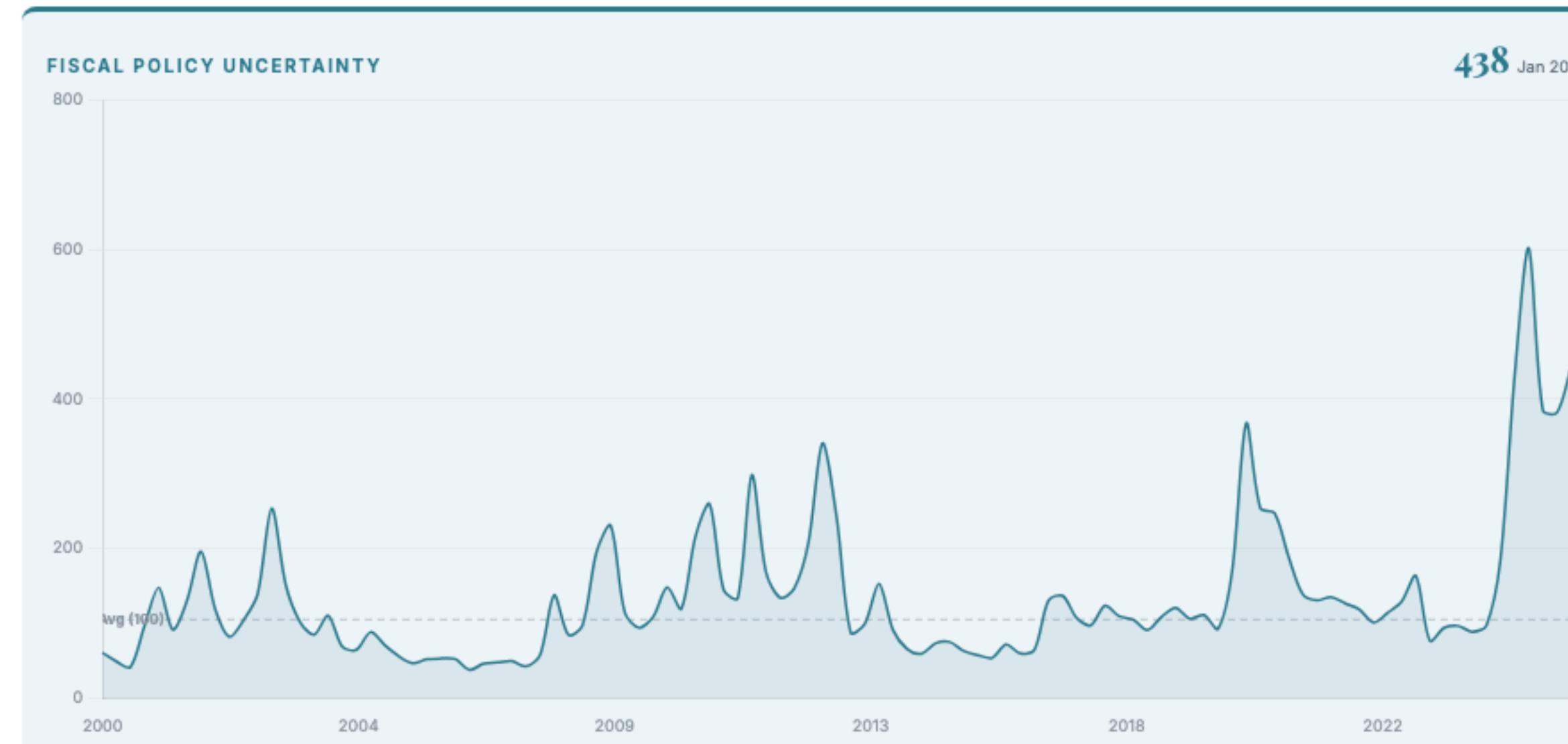
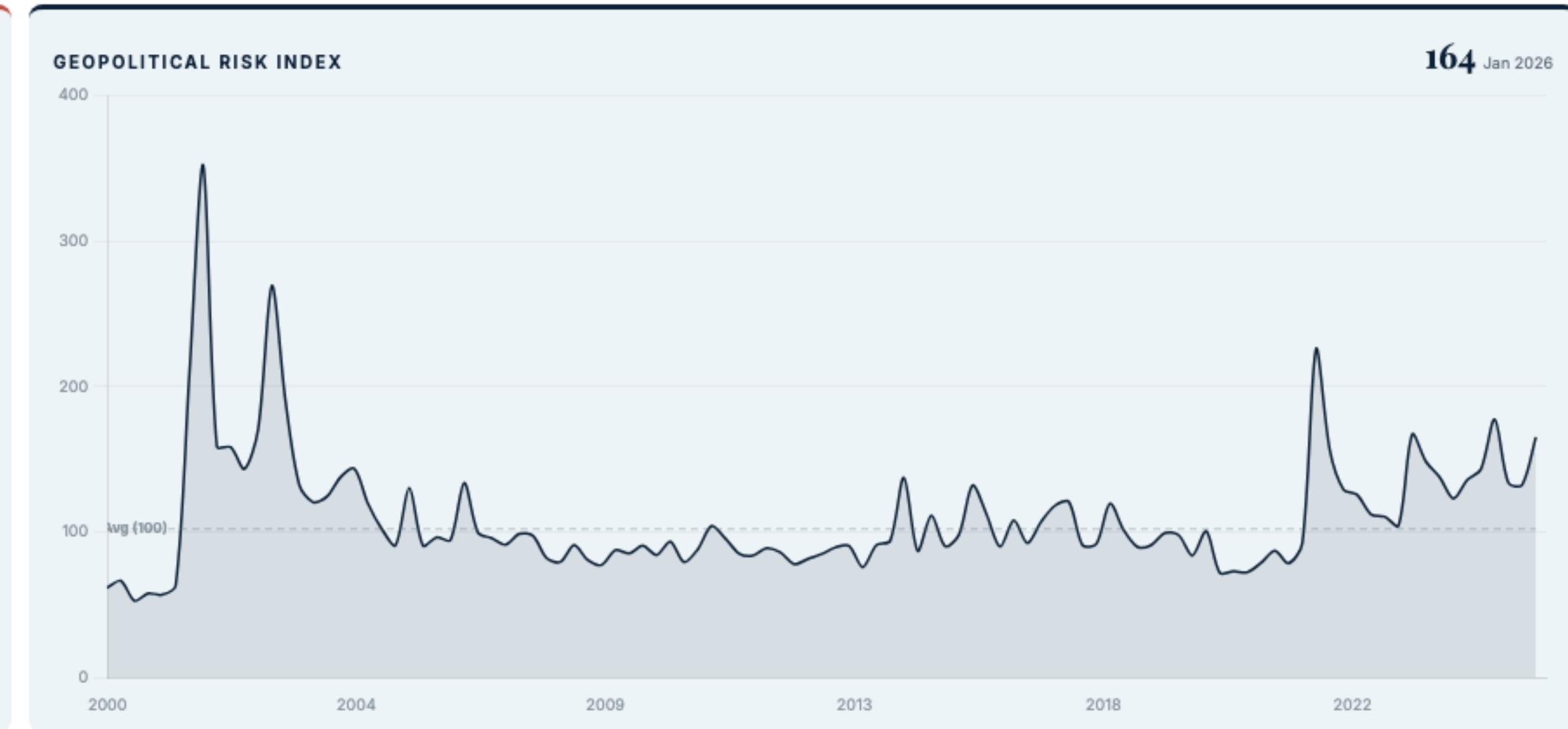
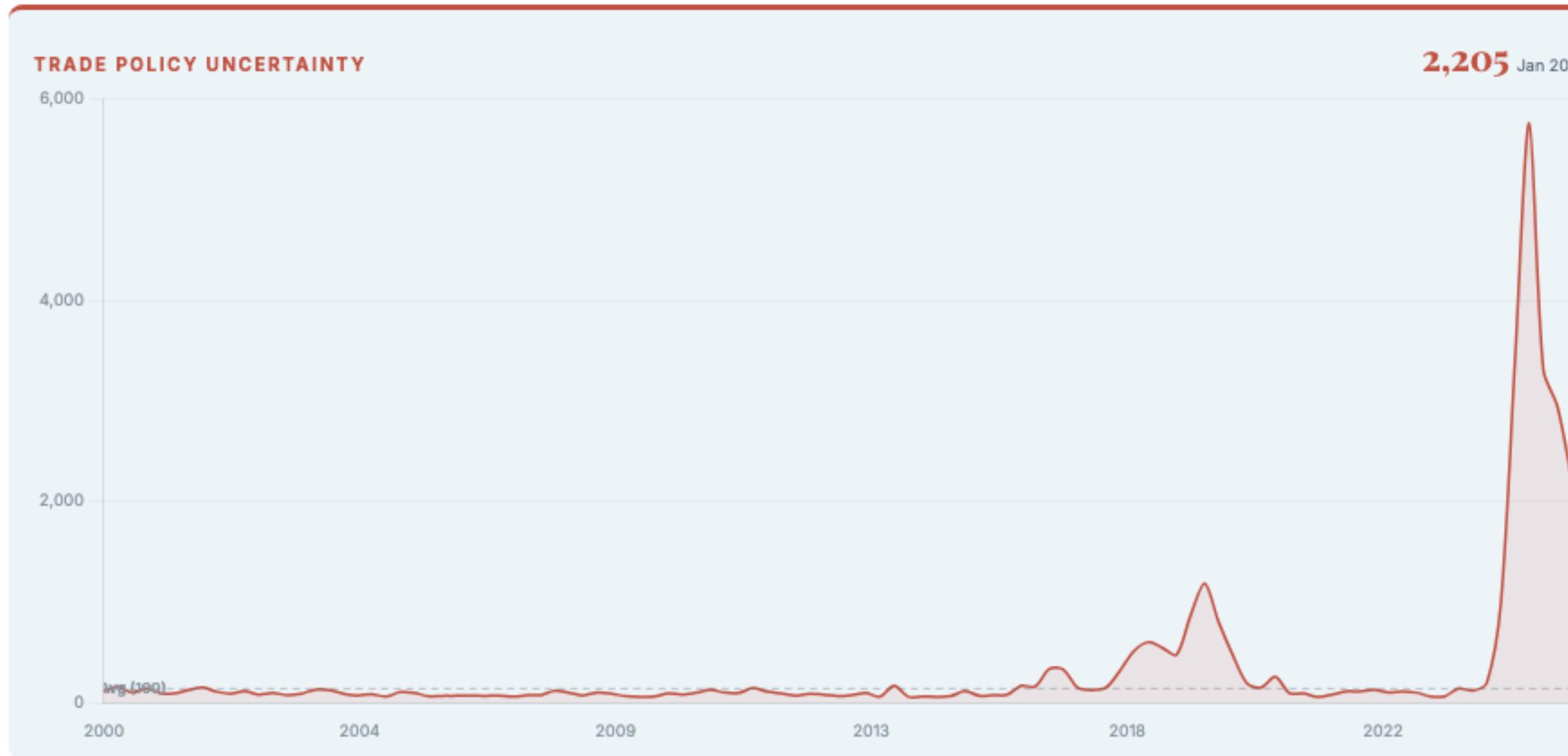
Cumulative price change by category, 2000–2025



Source: Bureau of Labor Statistics

Policy uncertainty is structural, not episodic

Tariffs, sanctions, and fiscal expansion create persistent repricing across asset classes



The US still grows. Most developed economies don't.

AI and reindustrialization can drive US GDP growth — but growth alone does not protect the dollar or reverse the fiscal trajectory

GDP GROWTH & DEMOGRAPHICS

2.4%

IMF 2026 forecast — roughly 2x the Eurozone, 3x Japan

- Eurozone **1.2%** · Japan **0.7%** · UK **1.3%**
- US population growing **+0.5%/yr** while Japan, Germany, and China decline
- **\$892B** in R&D spending — 3.5% of GDP, among the highest globally

ENERGY & INDUSTRIAL RELIANCE

13.5M bbl/d

Largest oil producer, net exporter since 2019. But:

- **90%** of advanced chips manufactured in Taiwan
- **100%** import-reliant for gallium and graphite
- **80%** of pharmaceutical APIs sourced overseas
- **\$918B** goods-and-services trade deficit in 2024
- **0.1%** share of global commercial shipbuilding
- **\$40B** first agriculture trade deficit in 60 years

INNOVATION ECOSYSTEM

7 of top 10

Most valuable companies globally are American

- **\$21T** combined market cap of the top 7 US companies
- **\$4.5T** NVIDIA alone exceeds UK, France, and Germany stock exchanges combined
- **54%** of global unicorns are American (853 companies)
- **64%** of global venture capital funding
- **79%** of global AI investment
- **\$159B** invested in US AI companies in 2025

RESERVE CURRENCY

58% ↓ from 72%

USD share of global reserves — steady decline over two decades

- BRICS+ nations settling bilateral trade in local currencies
- **1,000+ tonnes/yr** in 2022-2024; **863 tonnes** in 2025
- The forces that grow GDP — AI capex, fiscal expansion — also widen deficits and accelerate reserve diversification

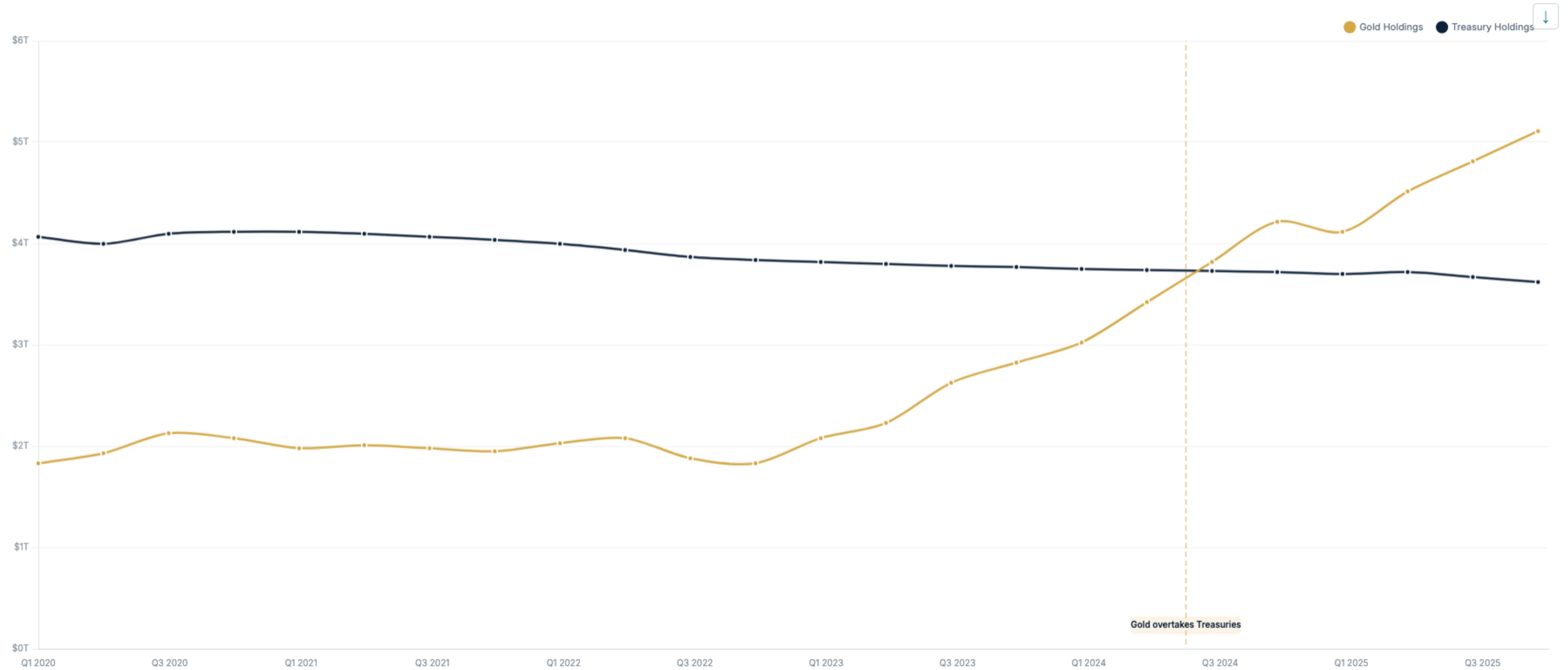
The tension: The US can grow its way forward — but the path runs through massive fiscal spending, AI-driven labor disruption, and commodity-intensive reindustrialization. GDP rises, but so do deficits, inflation pressure, and demand for the physical inputs this portfolio targets.

THE CASE FOR REAL ASSETS

Scarcity plus credibility

Gold has overtaken Treasuries in central bank reserves

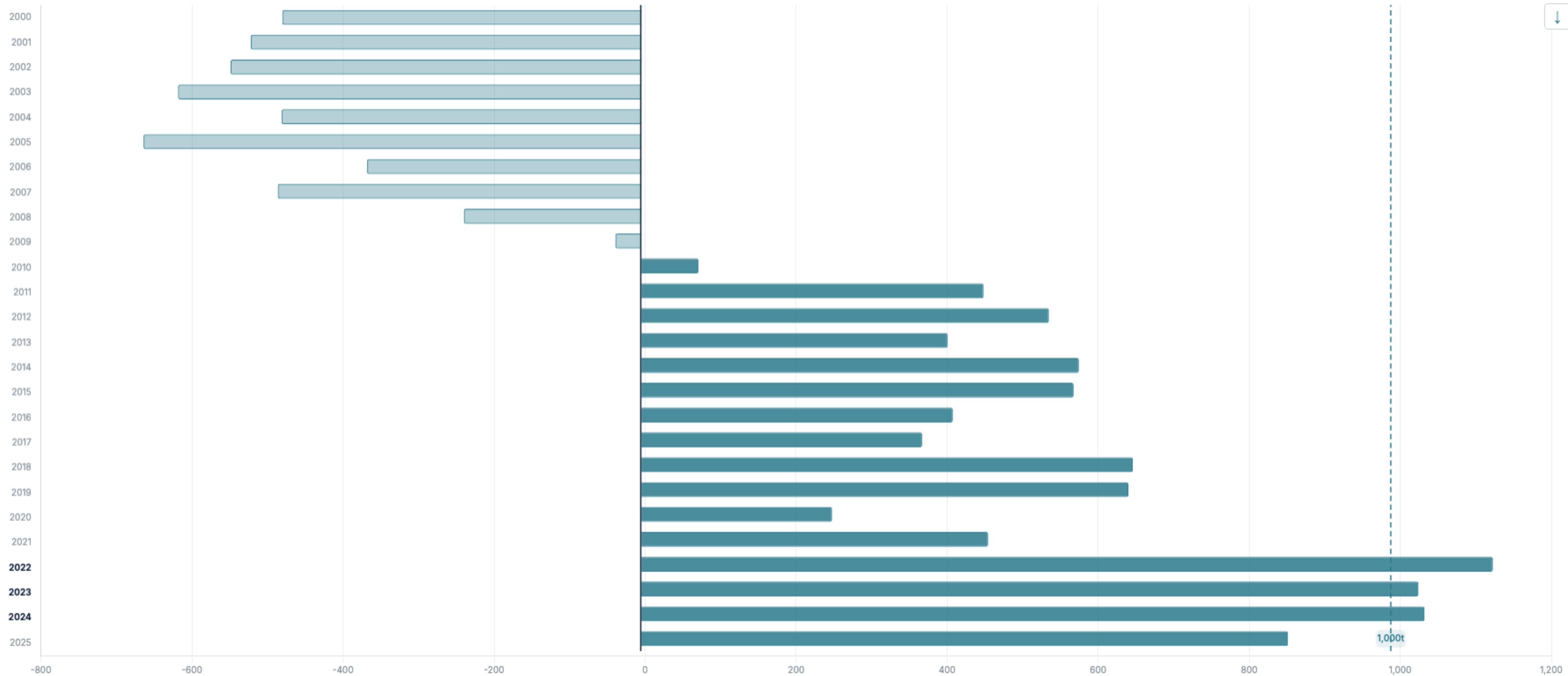
Sovereign reserve managers are diversifying away from dollar-denominated debt



Source: IMF, Department of Treasury

Central-bank buying stayed elevated in 2025 after three 1,000t+ years

Annual net change in central-bank gold holdings (tonnes)



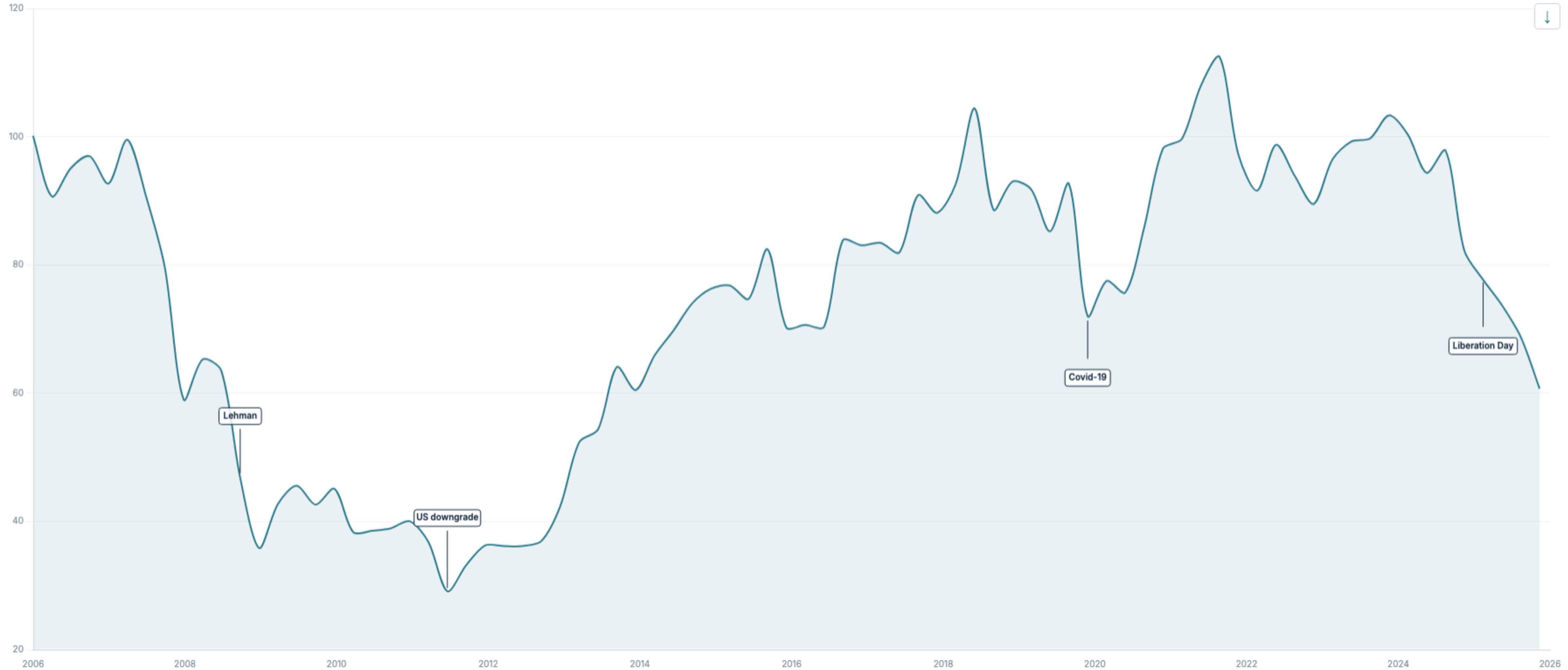
Source: World Gold Council, Gold Demand Trends FY2025

2025 figure reflects full-year data (863t). Net purchases include reported and estimated unreported activity.



Priced in gold, US equities have made no progress since the GFC

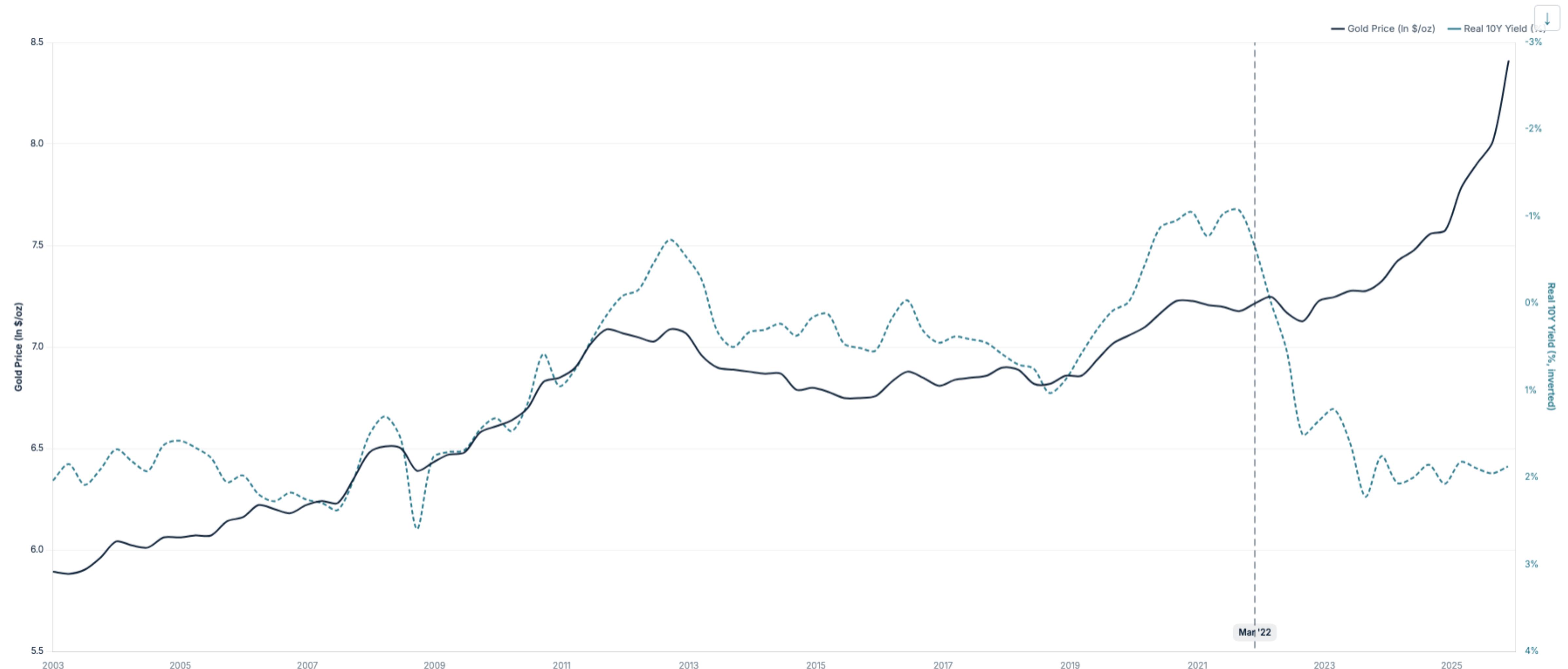
Equities have kept pace with money supply growth — but not with real store-of-value assets



Source: S&P Global, LBMA, IndexMundi; ratio indexed to Q1 2006 = 100

The gold-real yield relationship broke in 2022

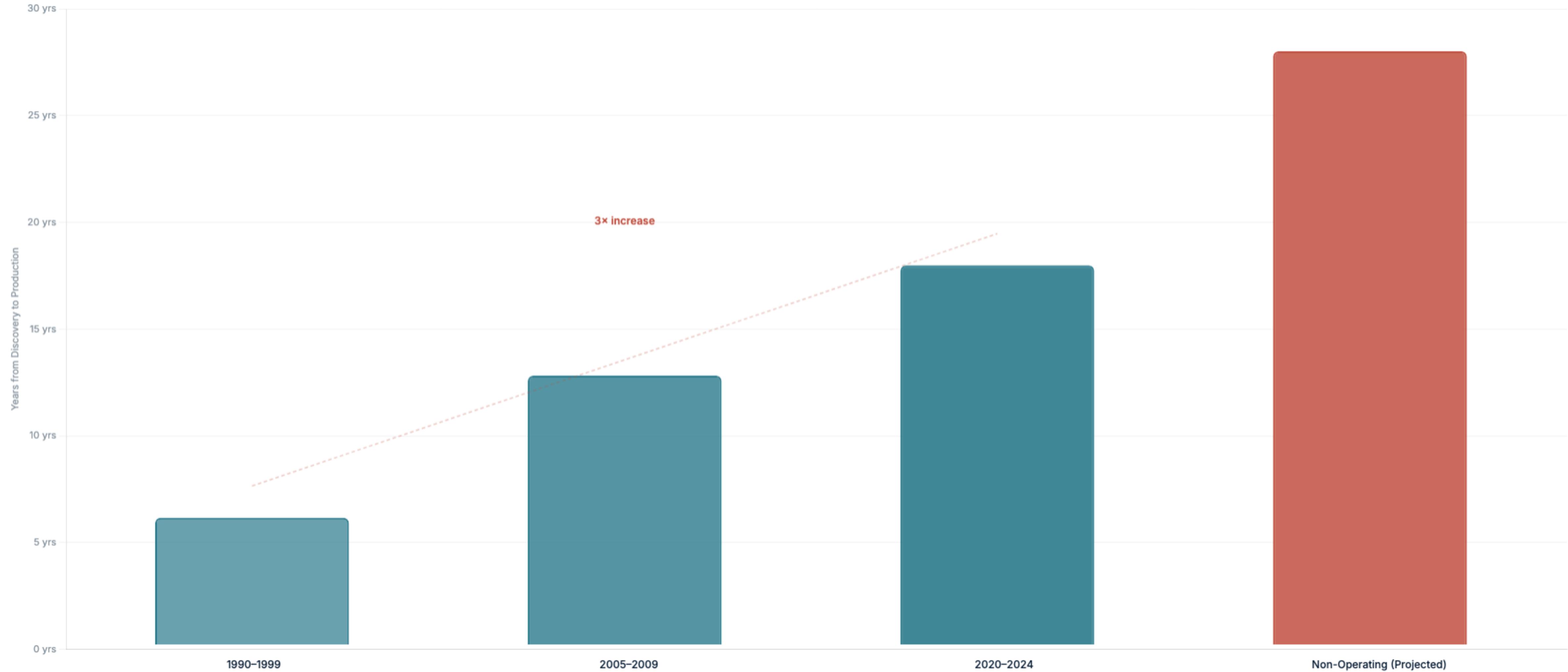
Gold is now priced as a hedge against institutional risk, not rates



Source: Federal Reserve, Bloomberg

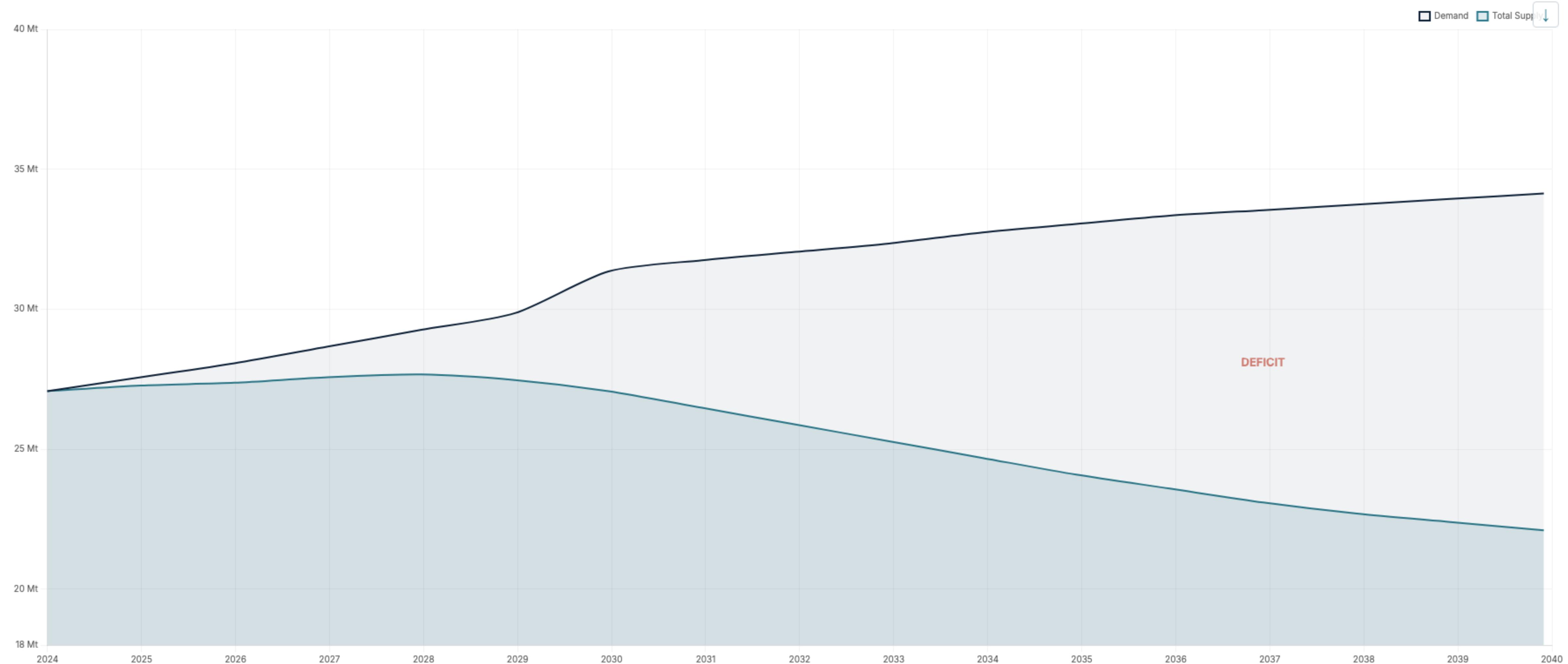
Mine development timelines have tripled in three decades

Even if demand signals are clear today, new supply cannot respond for 18–29 years



Source: S&P Global Market Intelligence · Study of 268 mines across 23 countries (2024)

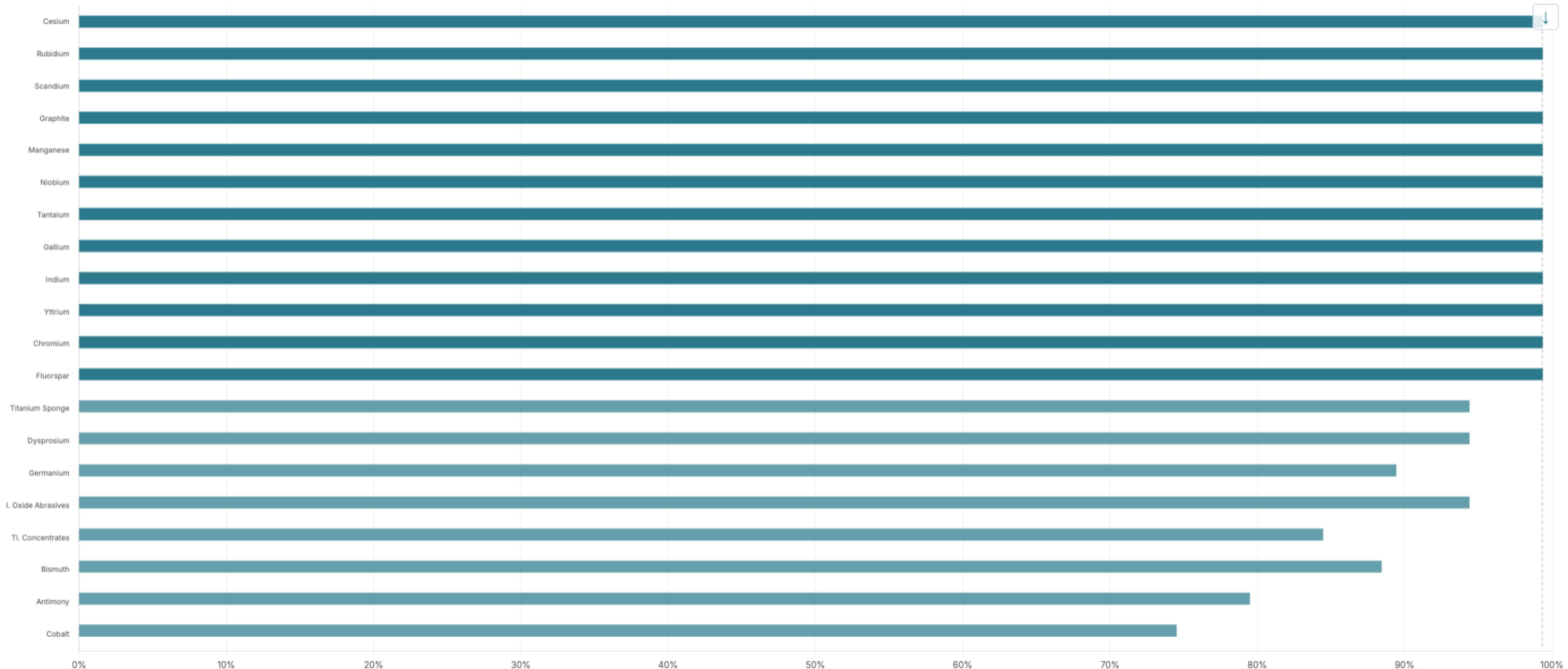
Even if every announced project proceeds, copper faces a ~27% supply deficit by 2035



Source: IEA Global Critical Minerals Outlook 2025 (STEPS); BloombergNEF

China refines 19 of the 20 strategic minerals the IEA tracks

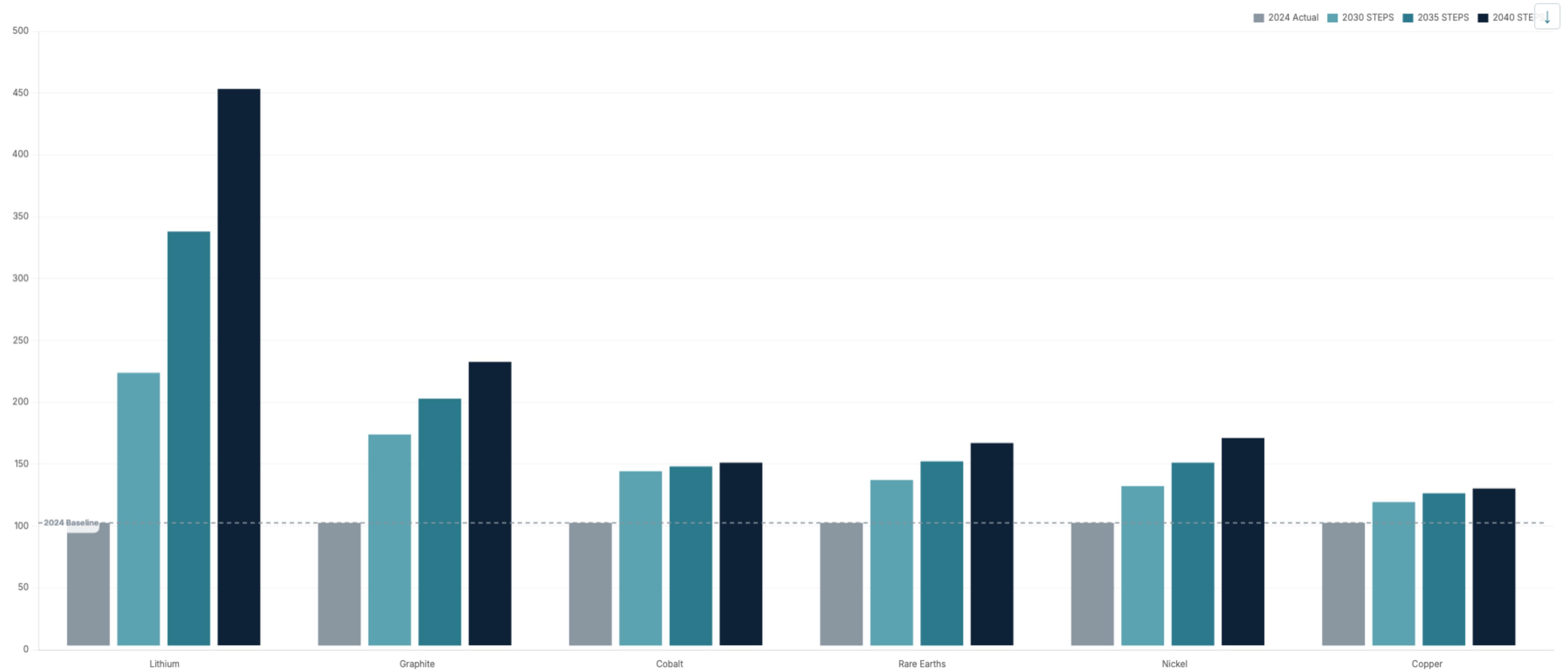
Average market share: ~70%. Gallium: 98.7%. Magnesium: 95%. Rare earths: ~90%.



Source: Various. See IEA Critical Minerals report.

Critical mineral demand is accelerating across the board

Under stated policies, lithium demand more than doubles by 2030 and quadruples by 2040. Every mineral on this chart faces a supply gap.



Source: IEA Global Critical Minerals Outlook 2025 (STEPS scenario)

Beyond gold: silver, copper, and uranium are repricing on structural demand

Electrification, AI infrastructure, and reshoring are converging on the same constrained supply chains

SILVER

\$26.4/oz → \$79.1/oz

Industrial demand exceeds mine supply for the fourth consecutive year. Solar PV consumes 20% of annual production. Monetary demand rising alongside gold. Above-ground inventories at multi-decade lows.

COPPER

\$4.09/lb → \$5.88/lb

Every EV uses 3–4x more copper than ICE. Every MW of solar needs 5 tonnes. Data centers use 5–10x more per MW than offices. No major new mine delivers before 2030.

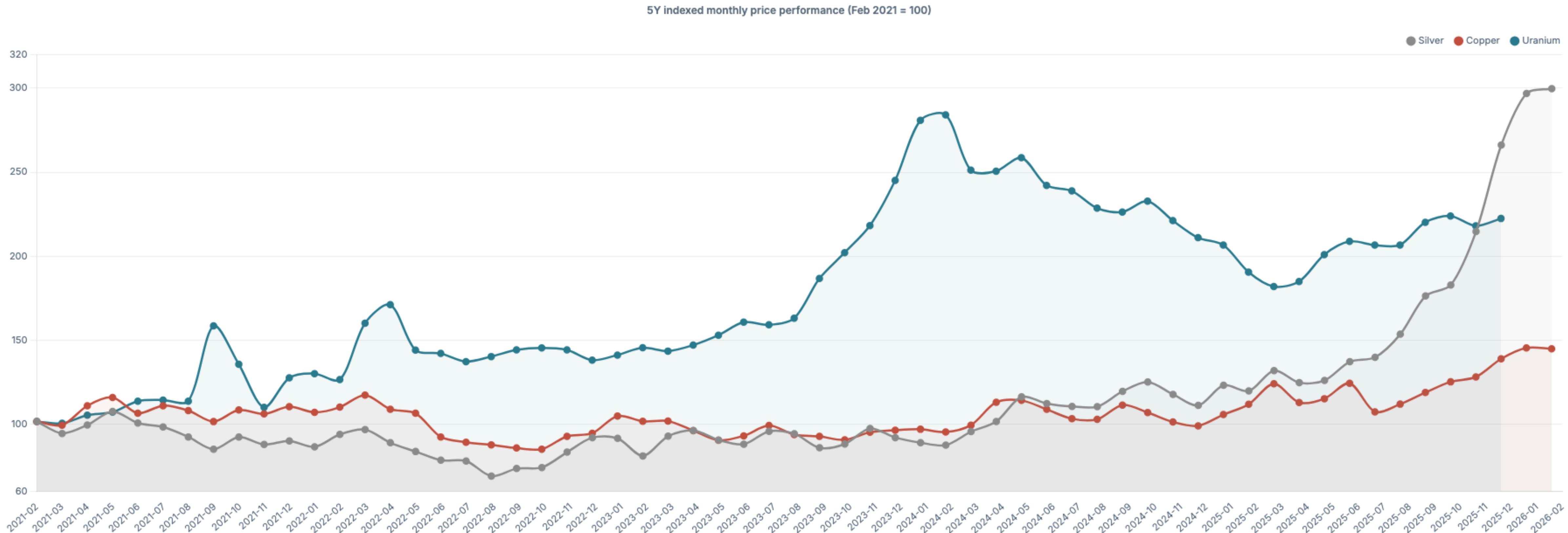
URANIUM

\$28.7/lb → \$63.5/lb

30+ countries pledged to triple nuclear capacity by 2050. Hyperscalers signing SMR PPAs for baseload data center power. A decade of underinvestment meets surging demand.

RESHORING & TARIFFS

The US is deploying **\$280B** on semiconductor fabs (CHIPS Act), **\$370B** on clean energy (IRA), and **\$1.2T** on infrastructure (IIJA) — all copper-intensive, steel-intensive, and energy-intensive. Trade policy compounds the pressure: **25% tariffs** on steel and aluminum, **145%** on Chinese goods, and Beijing's retaliatory embargo on gallium, germanium, and antimony. Reshoring doesn't reduce commodity demand — it **redirects and amplifies** it.



THE AI BUILDOUT

The largest infrastructure deployment since electrification — compounding the fiscal, energy, and commodity pressures already in motion

Why AI matters for this portfolio

Not a technology bet — a physical infrastructure bet. Every GPU cluster needs power, copper wiring, and concrete — AI accelerates the same commodity pressures our thesis already targets.

POWER DEMAND

120 GW

Projected US data center power demand by 2029 (from 4.3 GW in 2023). Equivalent to adding the entire UK grid. Drives natural gas, uranium, and grid infrastructure.

COPPER INTENSITY

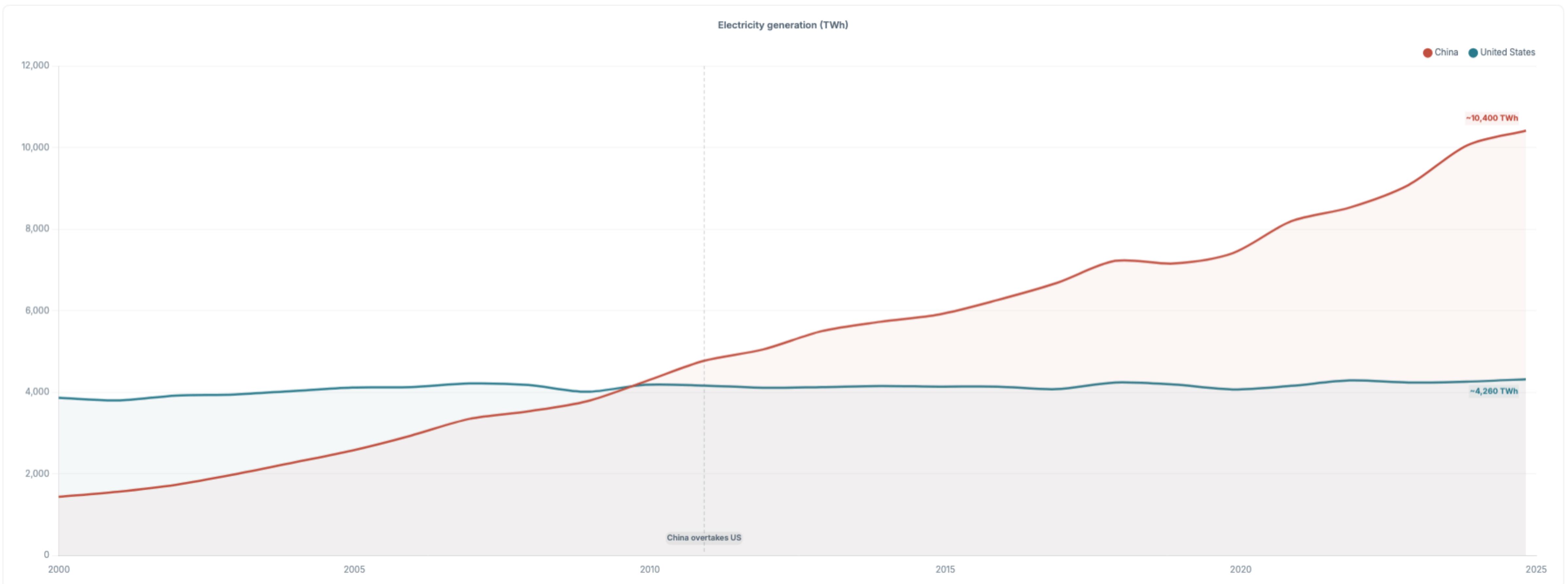
5-10X

More copper per MW in data centers vs. traditional buildings. AI accelerates the supply deficit in a metal that already takes 18–29 years to bring to market.

CAPEX CYCLE

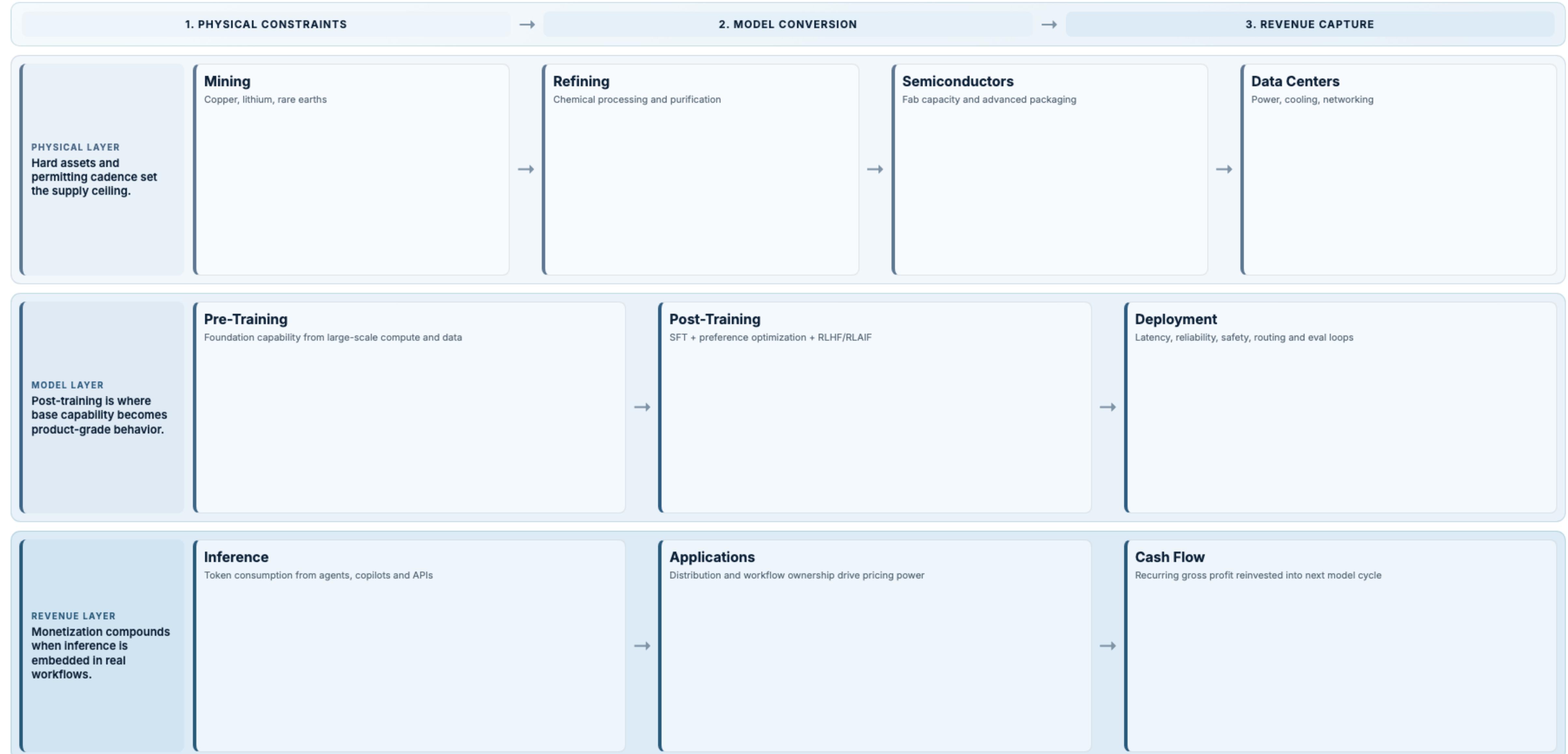
\$600B

Big Tech capex guided for 2026. Microsoft, Google, Amazon, and Meta are building physical infrastructure at a pace not seen since the railroads.



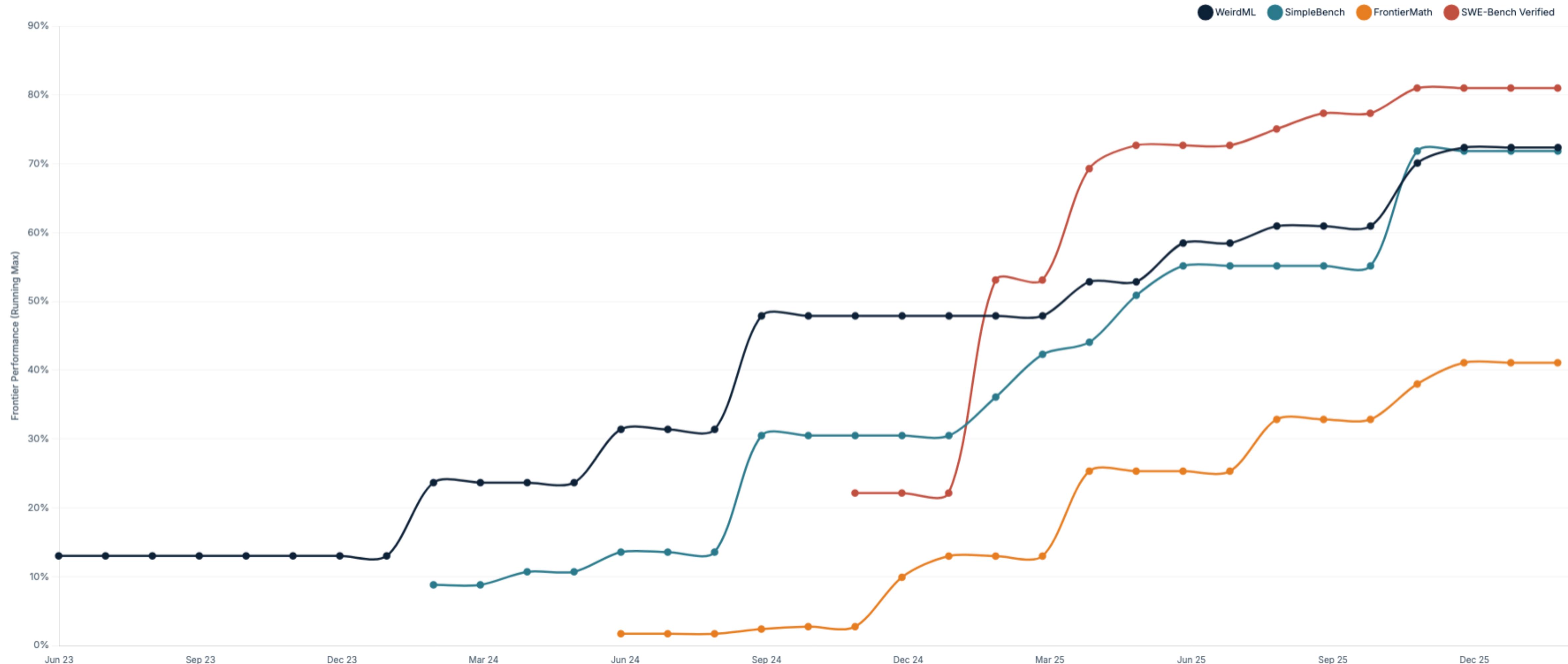
AI Value Chain: Constraint to Cash-Flow Map

Investment framing: physical bottlenecks first, capability conversion second, recurring monetization last.



Harder benchmarks show capabilities still climbing steeply

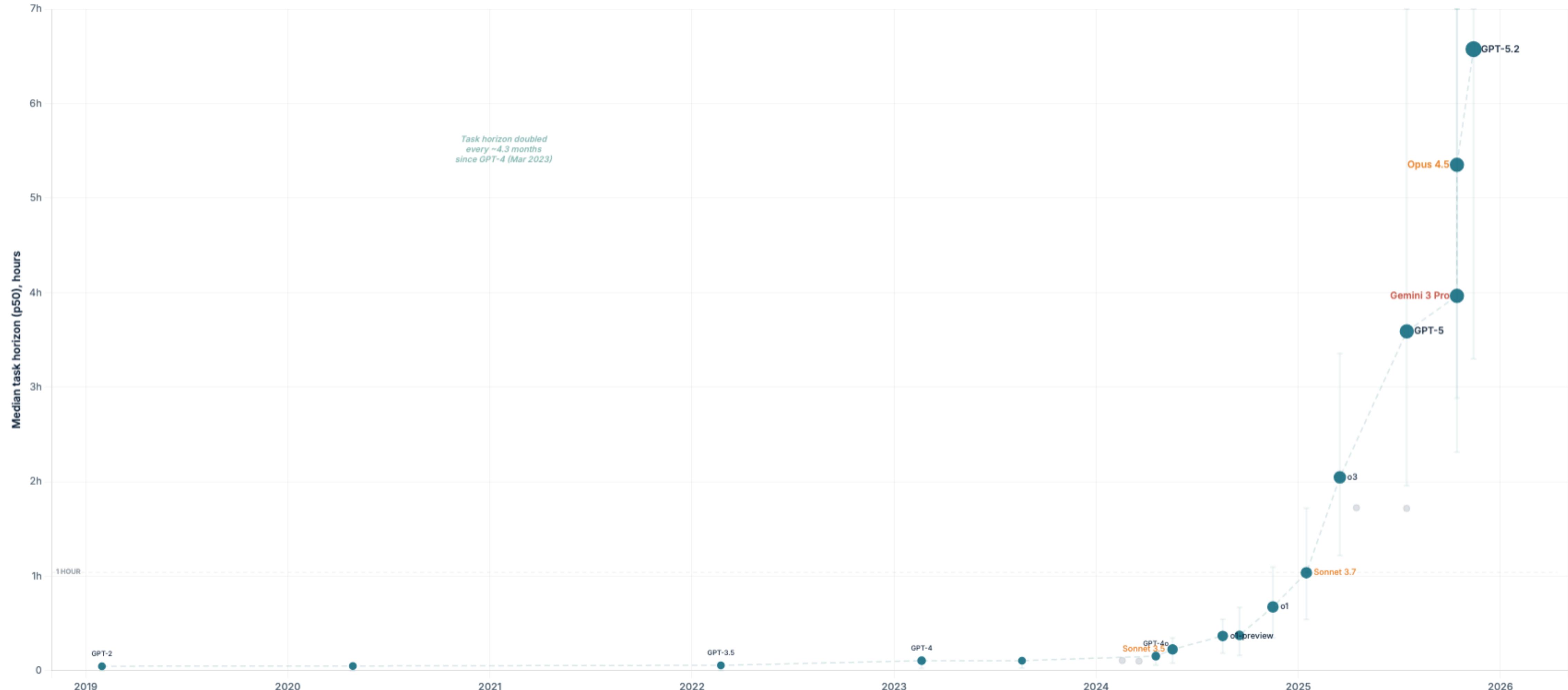
Frontier running max on non-saturated benchmarks — SWE-bench broke 80% (Opus 4.5), FrontierMath 1%→41% in 18 months



Source: Epoch AI Capabilities Index (ECI); performance = best-ever score as of each month

The task horizon is doubling every 4.3 months

METR-Horizon v1.1 — GPT-5.2 can now complete tasks that take humans ~6.5 hours



Source: METR Horizon v1.1 benchmark; p50 = median task duration where AI succeeds 50% of the time

AI adoption is unprecedented — consumer and enterprise

~900M weekly consumer users. 1.3M+ business customers across the two leading AI labs. OpenAI has more enterprise customers; Anthropic captures 40% of enterprise LLM spend vs OpenAI's 27%.

ENTERPRISE ADOPTION

1M+

OpenAI business customers
enterprise seats 9x YoY

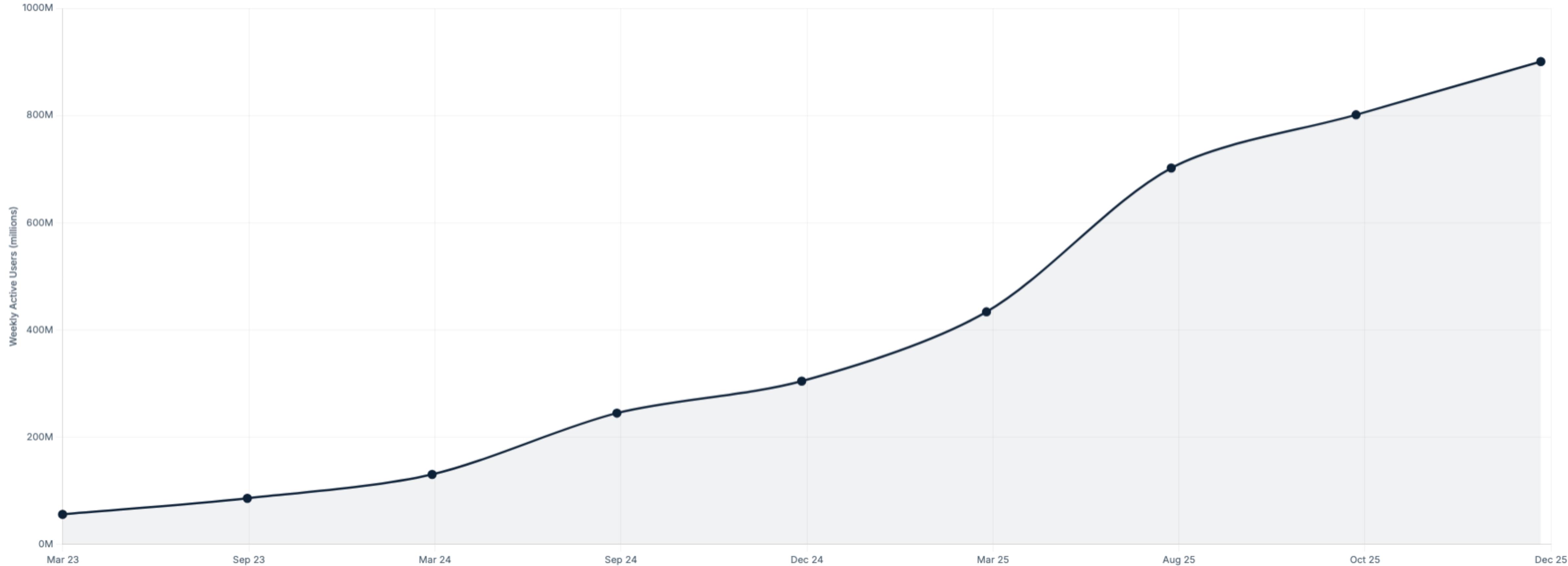
300K+

Anthropic business customers
from <1K two years ago — 300x

65%

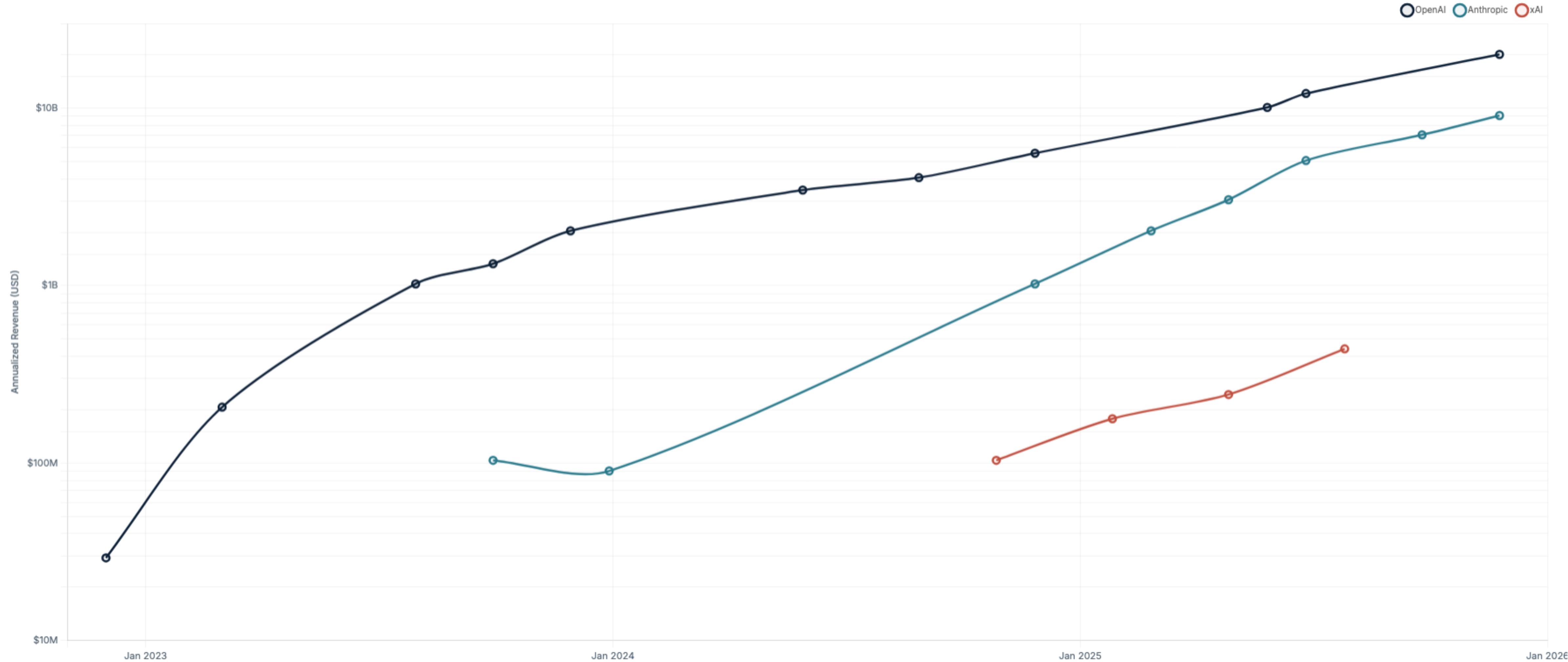
Google Cloud customers using AI
cloud backlog doubled to \$240B

CONSUMER — CHATGPT WEEKLY ACTIVE USERS



Revenue is already materializing – faster than any prior technology wave

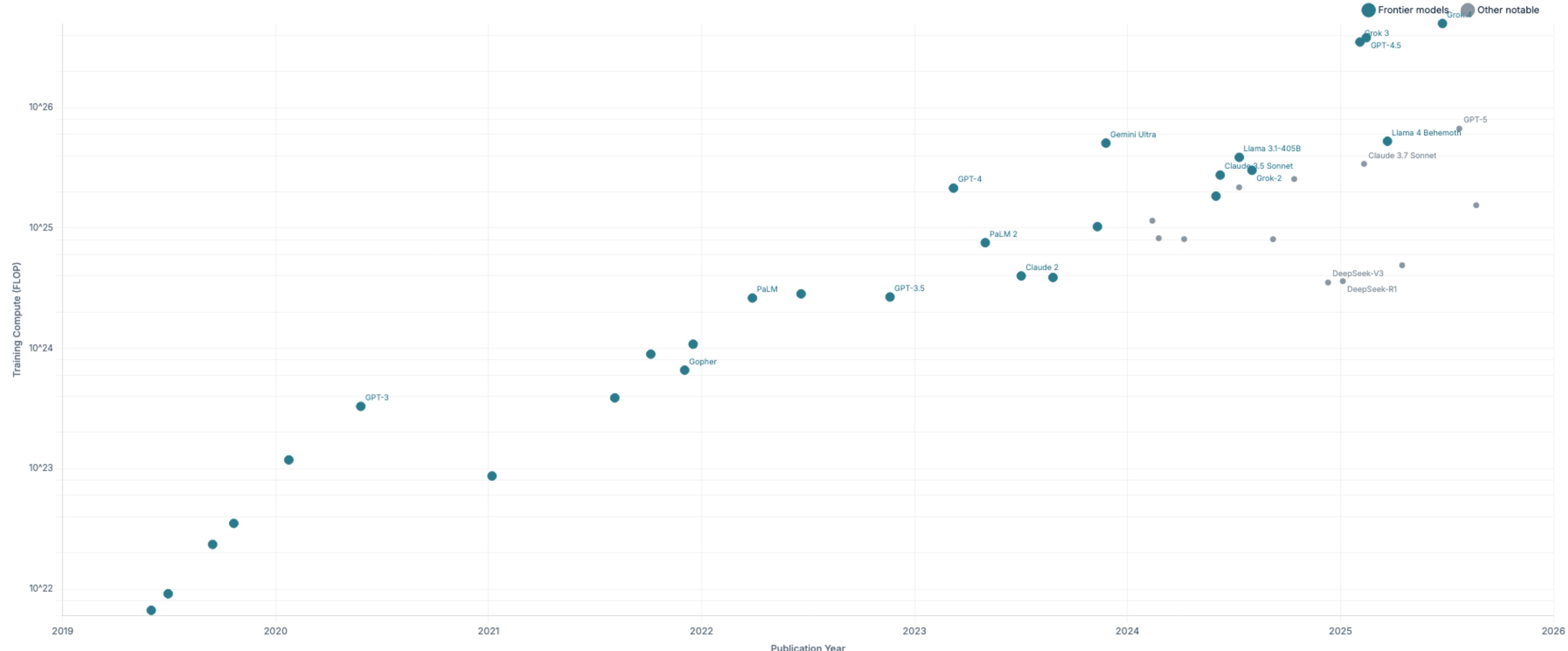
The market is already paying for what these models produce. OpenAI: \$28M → \$20B in 3 years. Anthropic: \$100M → \$9B in 2 years.



Source: Epoch AI; company disclosures; The Information; Bloomberg; CNBC

Training compute has grown 5 orders of magnitude since 2017

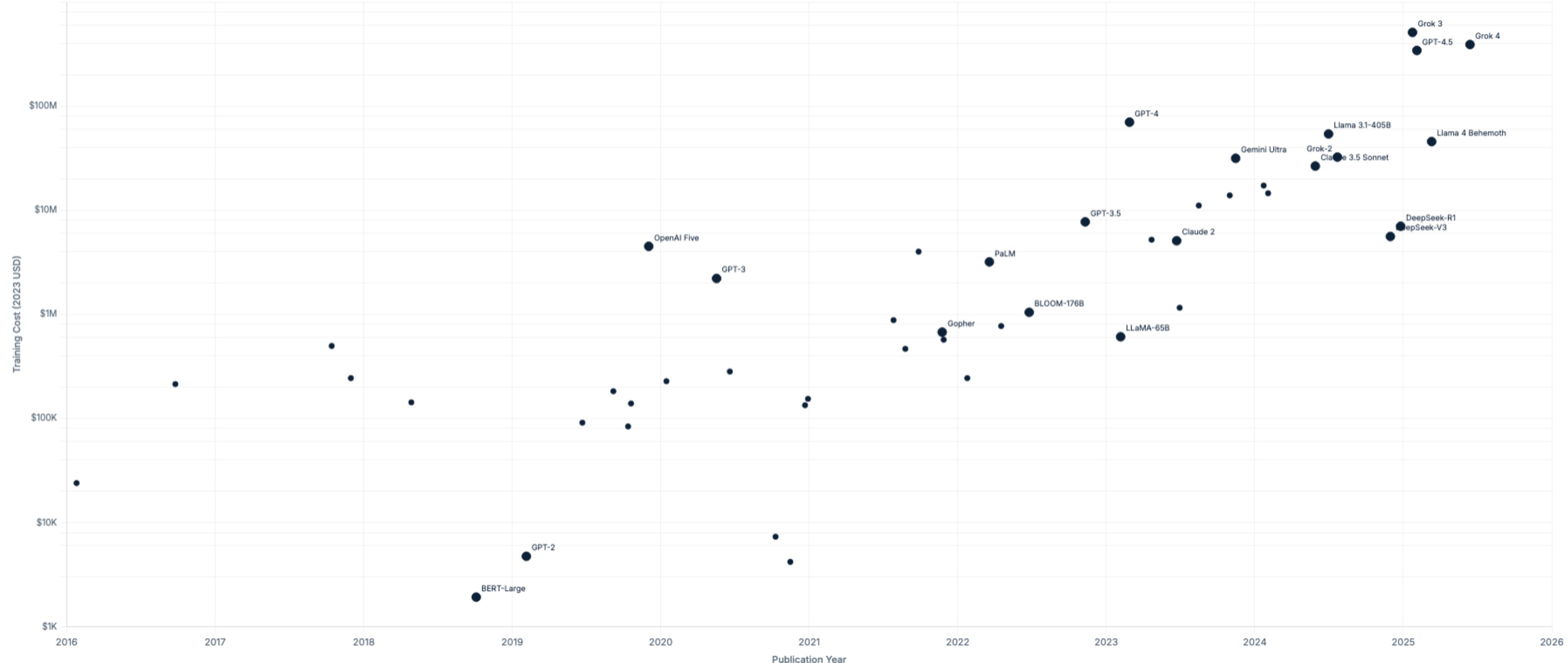
Each generation of model requires exponentially more hardware — from $\sim 10^{21}$ to $\sim 5 \times 10^{26}$ FLOP in 8 years



Source: Epoch AI Notable AI Models database

Training costs have crossed \$500M — approaching \$1B per run

More compute per model means more chips, more power, more cooling — each run is a megaproject



Source: Epoch AI Notable AI Models database; costs in 2023 USD

32× more chips shipped in three years

AI ACCELERATORS SHIPPED (H100 EQUIV.)

310K

2022

1.4M

2023

5.5M

2024

10M+

2025

ASSOCIATED CHIP COST

\$11B

2022

\$37B

2023

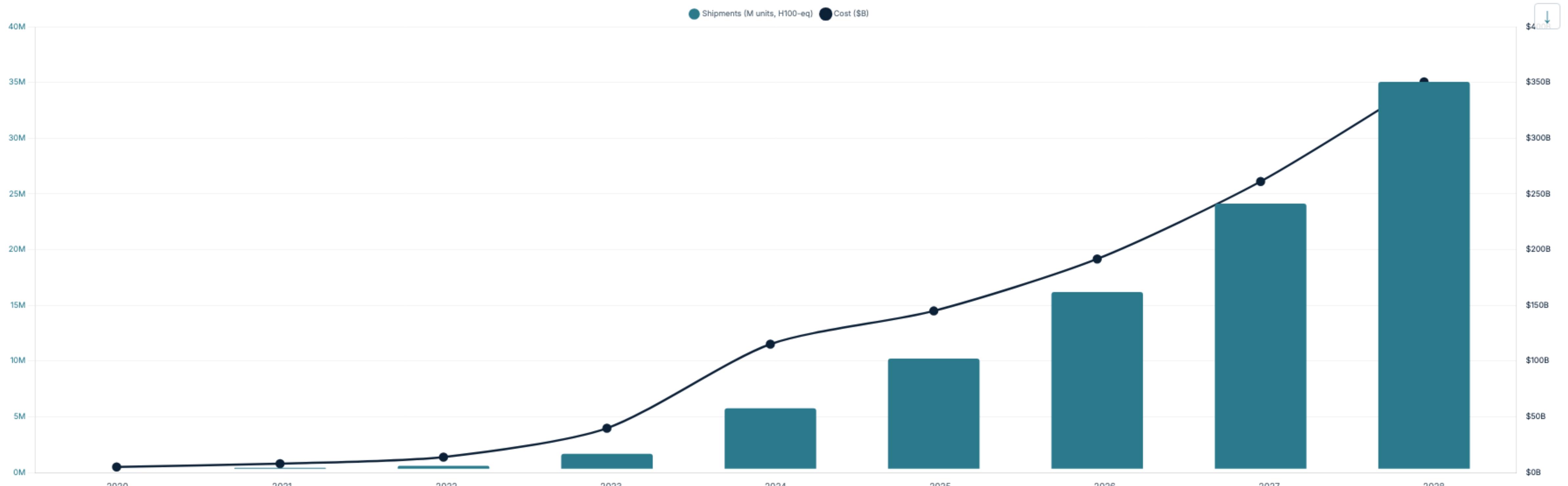
\$113B

2024

\$143B

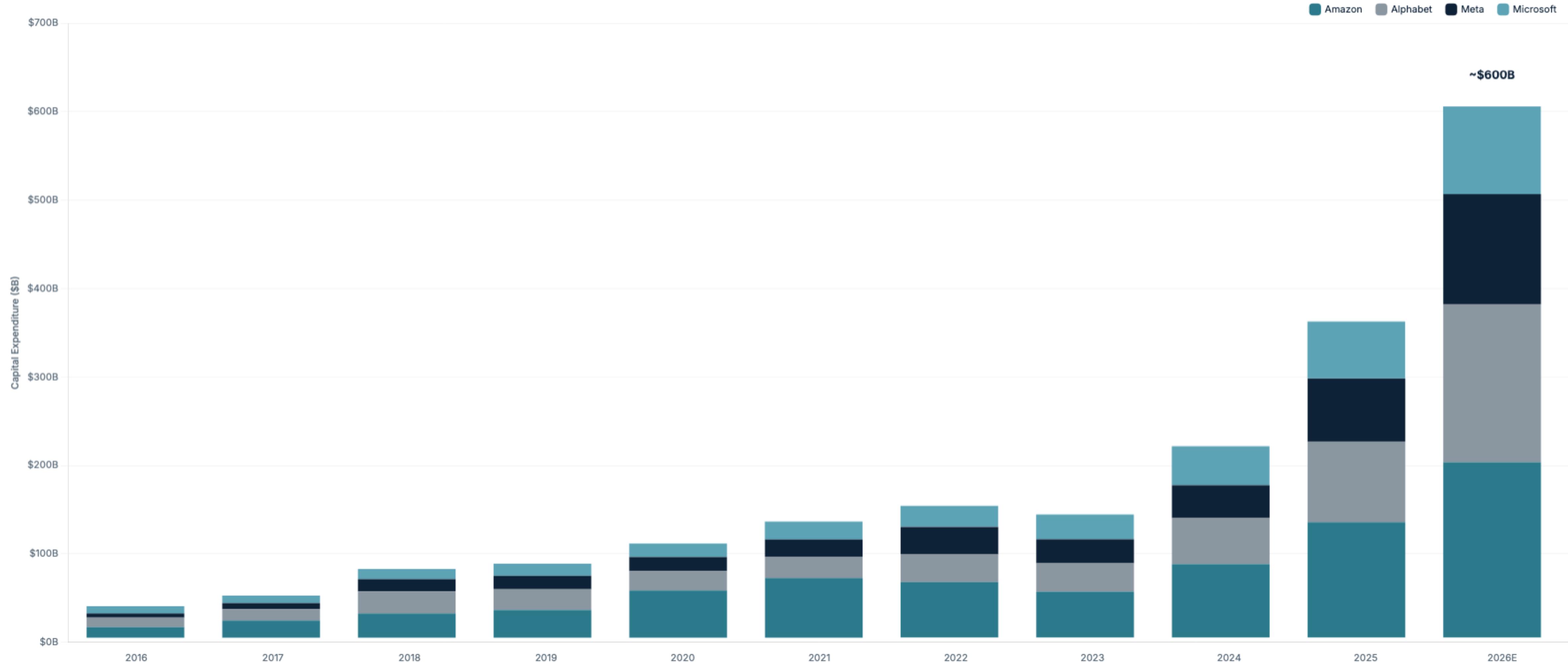
2025

5.96 GW shipped chip power draw in 2025 (assuming ~600W per accelerator) — roughly six large nuclear plants. Source: company filings and SemiAnalysis estimates.



Hyperscaler capex is entering escape velocity

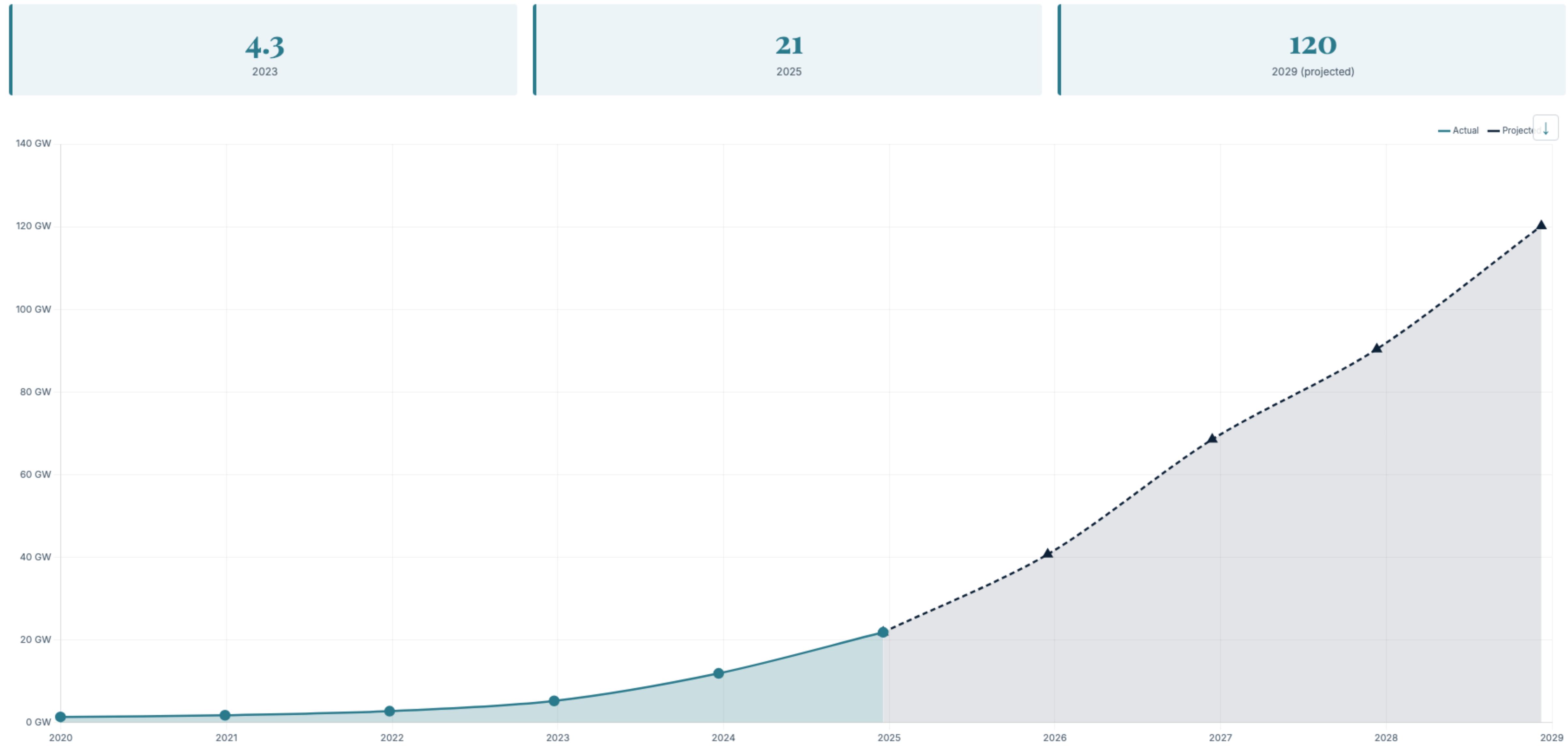
Microsoft, Meta, Alphabet and Amazon are expected to spend >\$600B this year — up from roughly \$360B spent in 2025



Source: Company earnings (Q4 2025 / Q2 FY2026); 2026E = company guidance (META, GOOGL, AMZN) & Bloomberg consensus (MSFT)

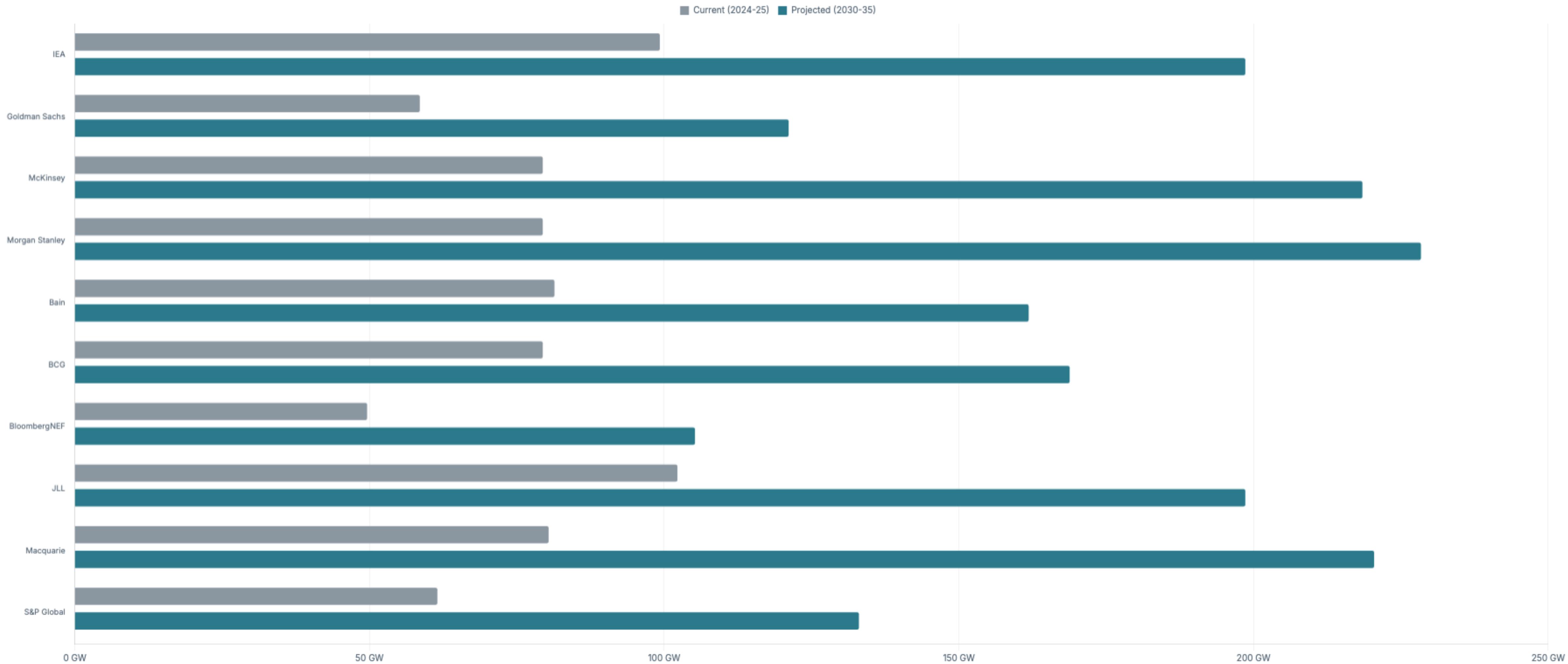
The datacenter buildout is at megaproject scale

TOTAL AI DATACENTER OPERATIONAL POWER (GW)



US datacenter load doubles to 130 GW by 2030

62 GW consumed in 2025 — PJM capacity market prices up 10x in two years (\$29 → \$329 / MW-day)

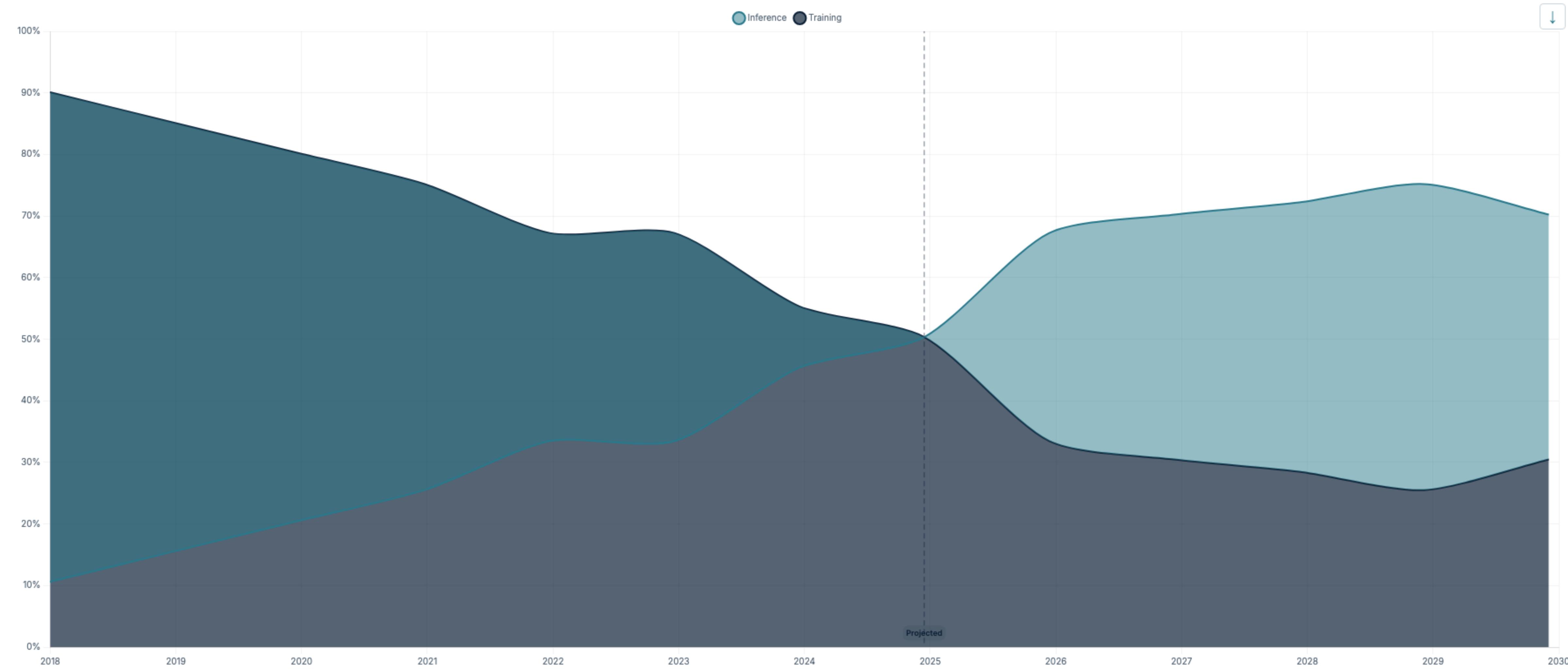


Source: Energy Institute, JPMAM, PJM Interconnection

Inference is 45% of compute spend and growing

Agentic workloads turn every task into hours of sustained reasoning

Models get cheaper to run, but usage grows faster — a Jevons dynamic. As AI shifts from single queries to autonomous multi-step agents, total inference compute is compounding. Every hour of agentic reasoning is hundreds of API calls — each requiring chips, power, and cooling. The physical layer scales with deployment, not just training.



Margin accrues to bottlenecks, not the most visible layer

APPLICATION / PLATFORM

Largest upside, most competitive. Margin protected by distribution, data, workflow lock-in.

DATA CENTERS

Hybrid — moat migrates from space to power + interconnection + speed to deliver.

POWER & GRID INFRASTRUCTURE

Contracted, regulated. Quasi-bond cash flows with equity upside. Capacity markets + long-term PPAs.

SEMICONDUCTORS — FAB · COWOS · HBM

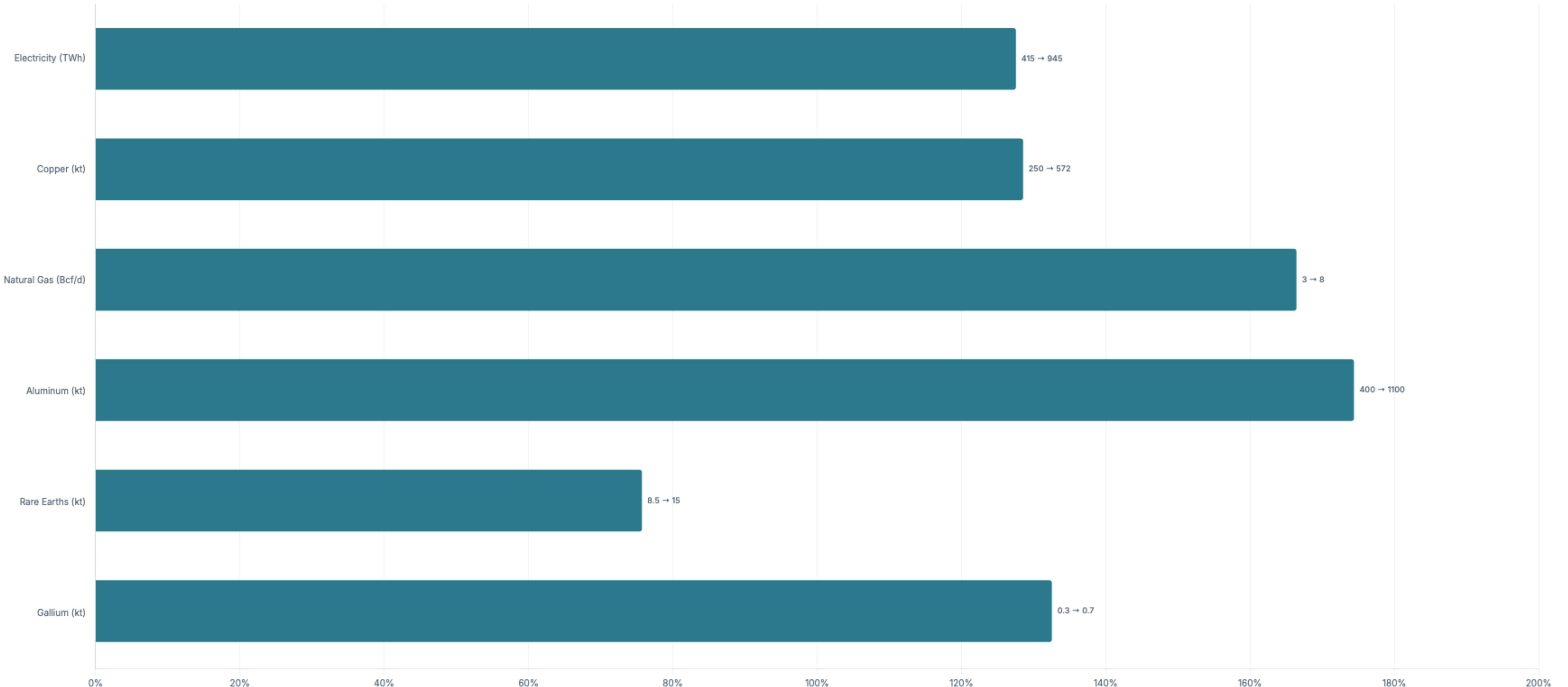
Scarcity rent: allocation pricing, persistent gross margin expansion, contracted demand.

WHY THESE FORCES COMPOUND

The intersection of macro shift and AI infrastructure

AI is deflationary in cognition. Inflationary in everything it needs to run.

Electricity. Copper. Grid hardware. Aluminum. Advanced packaging. Specialized memory. All in a system where permitting, geopolitics, and supply chain concentration constrain elasticity.



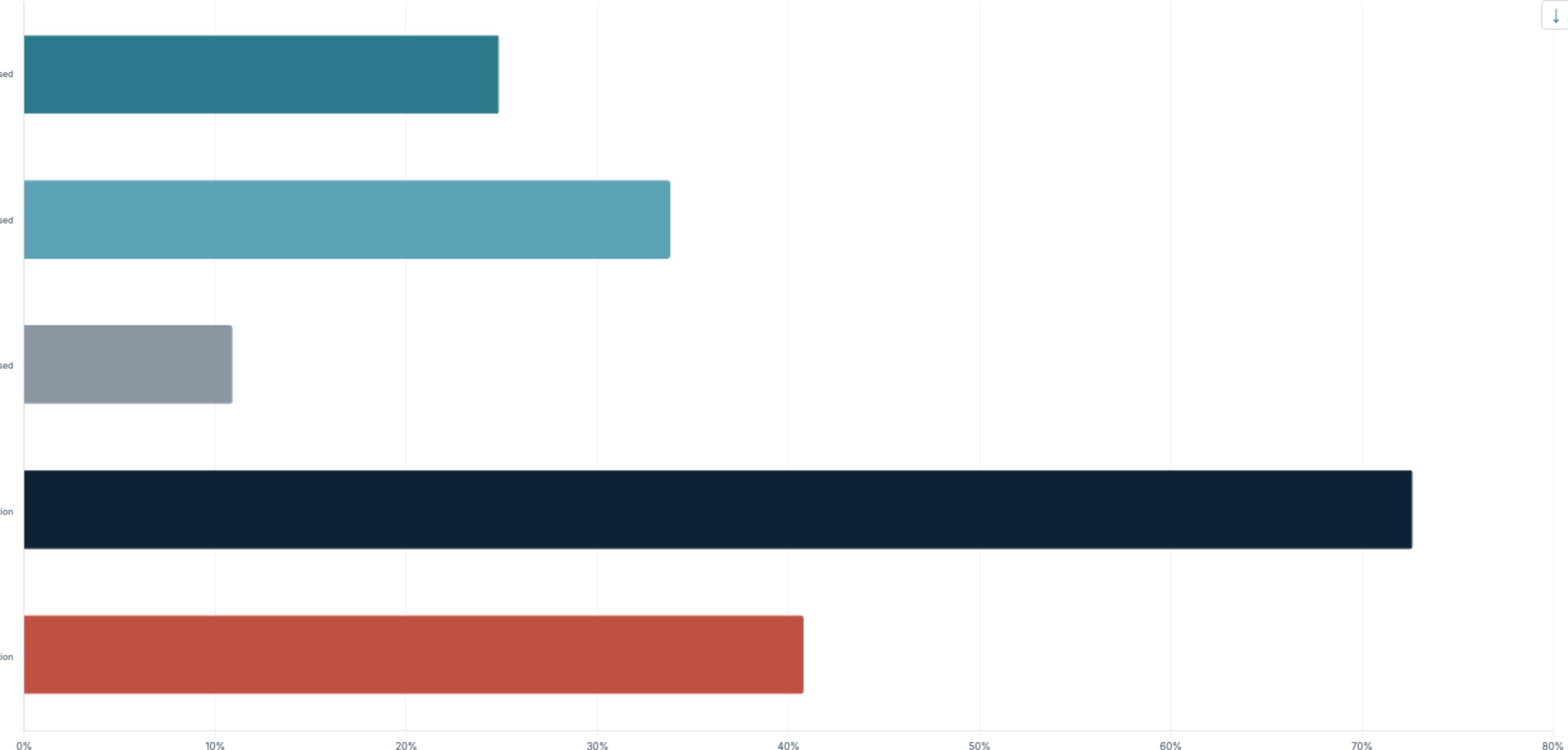
Source: IEA, McKinsey, Goldman Sachs commodity research



Labor exposure is broad and automation plans are accelerating

Sourced values only: 2025 labor exposure and 2030 employer labor-planning signals

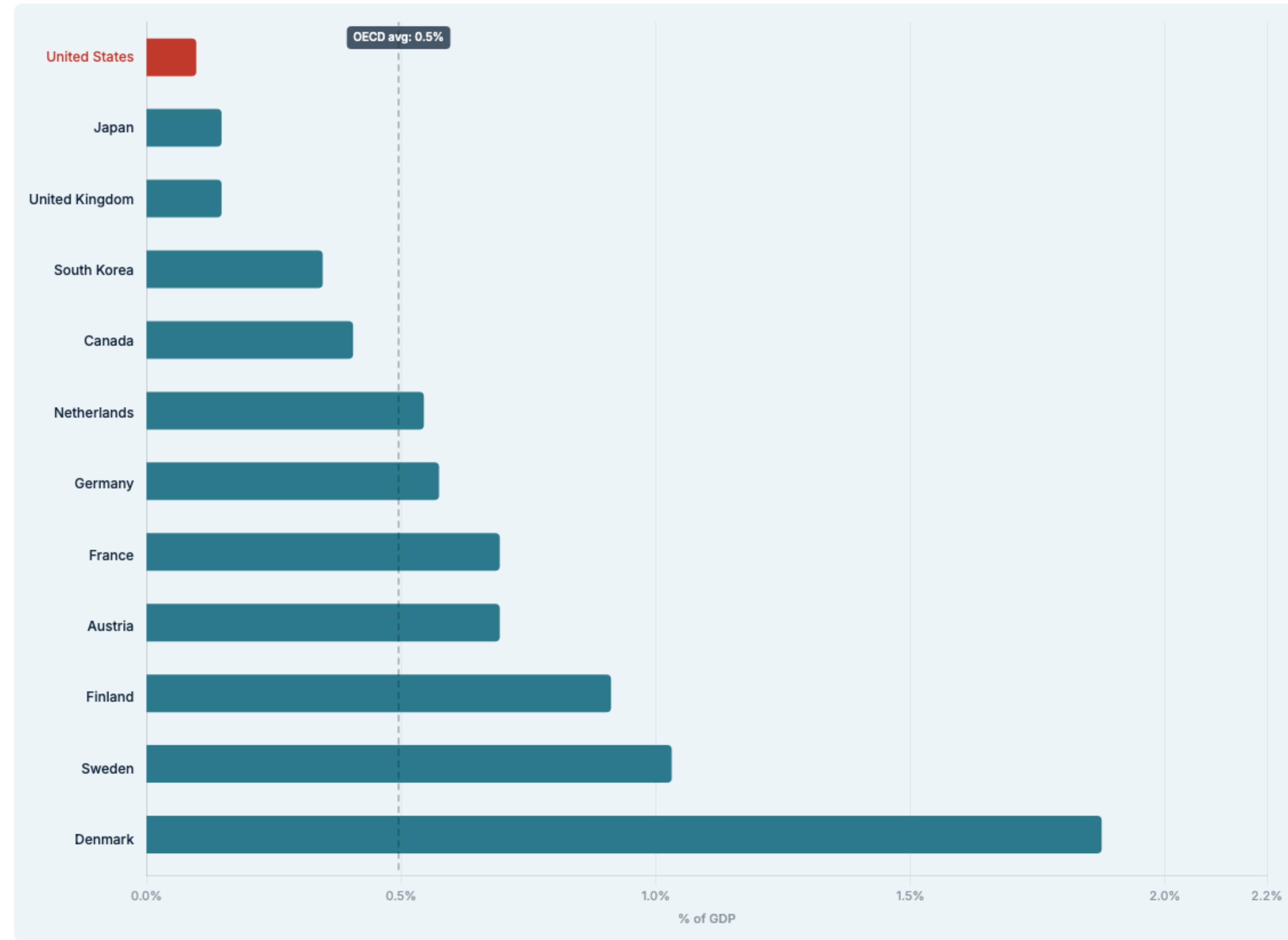
ILO's 2025 index puts exposure at 25% globally (34% in high-income economies; 11% in low-income). WEF reports 73% of employers plan task automation and 41% expect workforce reductions by 2030.



There is no fiscally neutral path through AI displacement

60% of advanced-economy jobs are exposed to AI. UBI-style responses are possible in theory, but the U.S. still relies on labor-heavy taxes and has not enacted a replacement tax base at comparable scale.

PUBLIC SPENDING ON ACTIVE LABOR MARKET POLICIES (% OF GDP, 2019)



Source: OECD Social Expenditure Database (SOCX), 2019 pre-pandemic baseline

REVENUE CONCENTRATION

84% of FY2024 receipts tied to labor taxes

Individual income + social insurance receipts were \$4.136T of \$4.919T. VAT, AI-rent, and automation-tax ideas are still exploratory in U.S. federal policy.

Sources: U.S. Treasury FY2024 Table 2 (Receipts by Source); RAND, "Federal Revenue When AI Replaces Labor," 2025

SAFETY NET IS POLICY-SENSITIVE

\$187B SNAP cuts (2025-2034 est.)

P.L. 119-21 tightened eligibility/work rules and shifted costs to states. CBO estimates 2.4M fewer SNAP participants in an average month.

Sources: CRS R48552 (Aug 15, 2025), summarizing CBO estimates (Jul 21 and Aug 11, 2025)

WORKFORCE ADJUSTMENT UNDERFUNDED

~\$20B federal workforce programs today

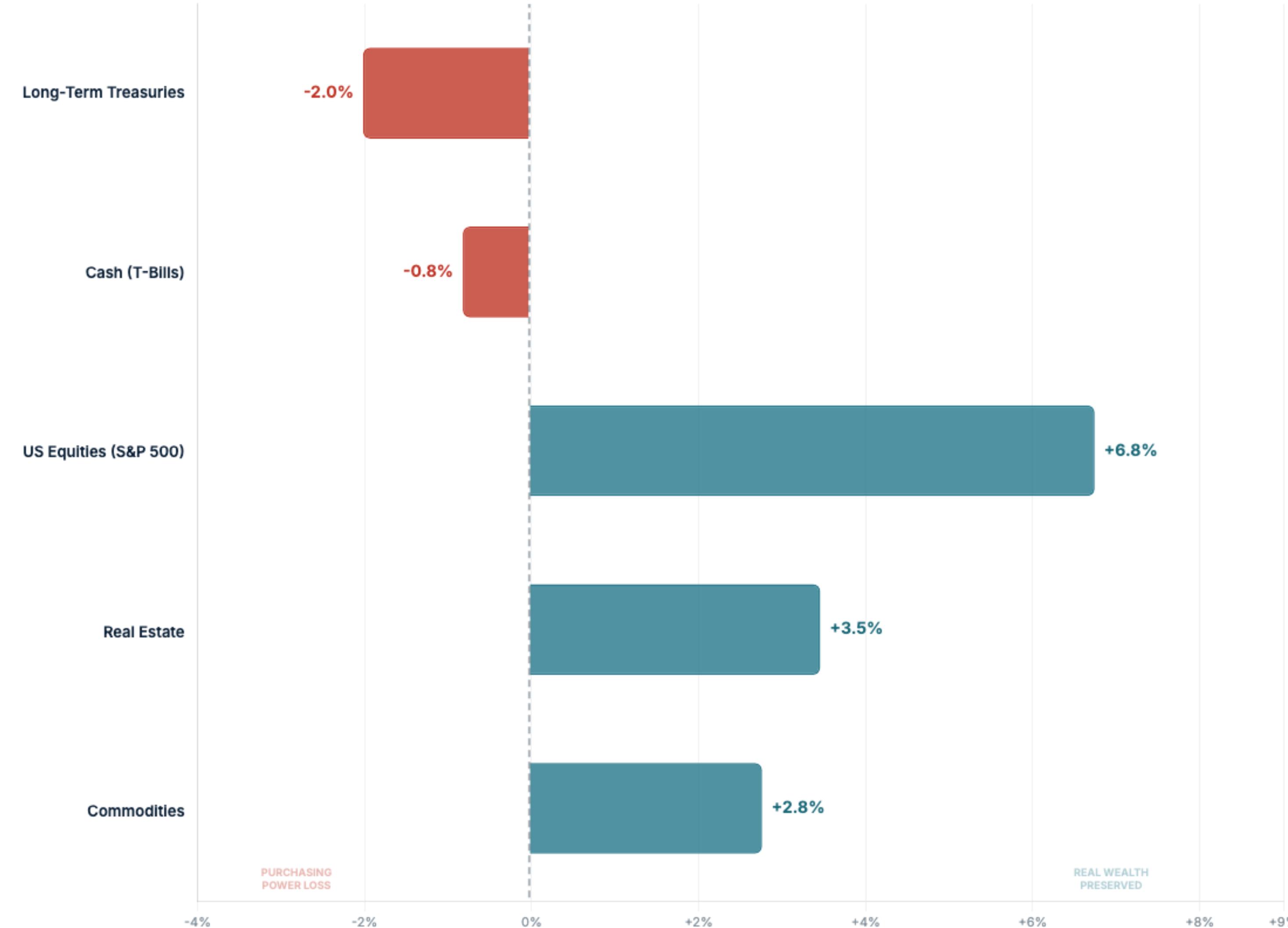
Down from roughly **\$60B** (inflation-adjusted) in 1979 while the labor force grew ~50%. Core WIOA Titles I/II are about \$6B.

Sources: Brookings (May 23, 2023), citing GAO-19-200

Financial repression is the proven playbook for sovereign deleveraging

Real rates held below nominal growth for decades, silently transferring wealth from holders of nominal claims to the government. The same real assets that capture value from the AI buildout are the natural hedge.

REAL ANNUALIZED RETURNS DURING FINANCIAL REPRESION (1946-1980)



THE PRECEDENT

119% → 32%

Debt/GDP fell 87 percentage points over 35 years of negative real rates — without default or hyperinflation.

TODAY

123%

US federal Debt/GDP — surpassing the 1946 wartime peak for the first time in history.

Nominal returns deflated by CPI. Treasury = long-term government bonds. Equities = S&P 500 total return. Real estate = NCREIF-equivalent residential. Commodities = broad commodity index.

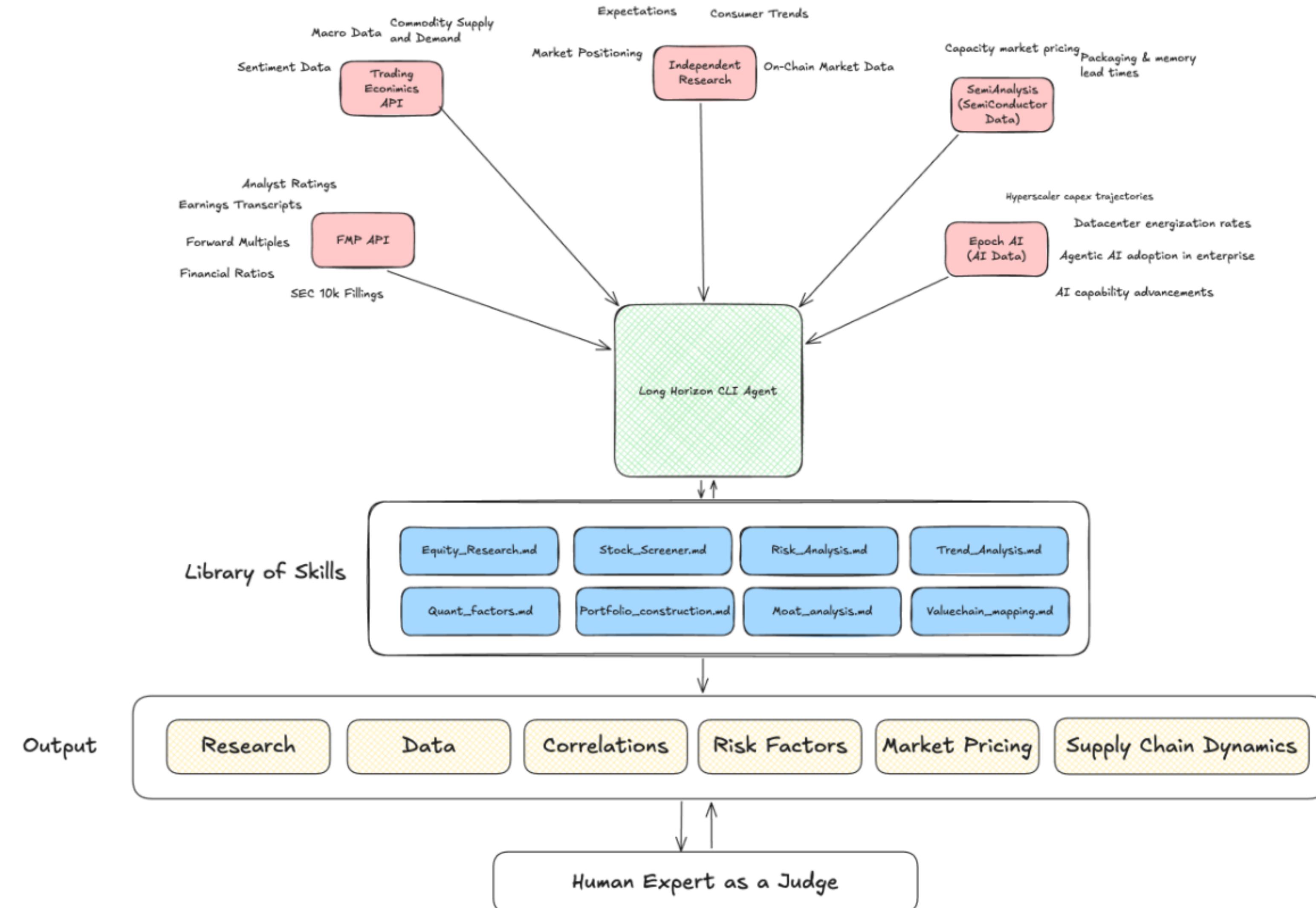
Sources: Federal Reserve, BLS, Ibbotson SBBI, Dimson-Marsh-Staunton Global Returns; Dalio, *Principles for Navigating Big Debt Crises* (2018)

PORTFOLIO CONSTRUCTION

Built to compound through volatility

Proprietary research system powered by a long-horizon AI agent

A CLI-based autonomous agent ingests live data from financial APIs, semiconductor supply chain trackers, on-chain feeds, and independent research — then executes structured analytical skills to produce equity research, risk analysis, and supply chain intelligence. Every output is reviewed by a human expert before informing portfolio decisions.



What we track

Three signal towers feed one decision engine: buildout velocity, macro constraints, and market regime.

AI BUILDOUT

Capex revision breadth

Hyperscaler guidance revision momentum.

Power conversion pace

Queue conversion and energization delay trend.

Packaging and HBM tightness

CoWoS and HBM lead-time slope.

Training-to-inference mix

Inference mix shift and monetization quality.

MACRO REGIME

Term premium and curve structure

Discount-rate regime and risk-premium repricing pressure.

Real-rate and breakeven split

Growth shock versus inflation shock decomposition.

Debt-service and fiscal impulse

Interest burden trajectory and policy room to absorb shocks.

Commodity supply response lag

Energy and materials constraints feeding inflation persistence.

MARKET REGIME & POSITIONING

Index valuation state

CAPE, trailing and forward P/E, earnings yield spread.

Volatility and policy uncertainty

VIX regime and policy/trade uncertainty composites.

Cross-asset stress transmission

Rates, FX, metals, credit, and equity risk transfer.

Crowding and breadth

Concentration risk and factor crowding deterioration checks.

MONITORING COVERAGE MAP

CADENCE	AI BUILDOUT
Daily	Primary
Weekly	Primary
Monthly + Event	Secondary

MACRO

Primary

MARKET

Primary

PORTFOLIO ACTION

Size risk and update gross/net exposure.

Secondary

Primary

Rotate conviction weights and tighten stops.

Primary

Secondary

Re-underwrite, re-rank, and approve adds/exits.

DECISION HOOK

If two towers deteriorate together, conviction is cut and the position is re-underwritten.

This prevents single-metric anchoring and forces alignment between fundamental, macro, and market evidence before capital is added.

How we underwrite

Institutional gate-based underwriting with explicit failure conditions, kill-switches, and non-negotiable risk rails.

1

Structural Demand Quality

End-market growth must remain durable through an entire cycle.

Fail if demand depends on one-off policy, subsidy, or single-buyer concentration.

2

Supply-Constraint Persistence

Scarcity duration must exceed what current valuation already discounts.

Fail if supply response can normalize before demand compounding peaks.

3

Balance-Sheet & Liquidity Integrity

No plausible forced-seller path under adverse rates, spreads, or volumes.

Fail if covenant stress, refinancing fragility, or liquidity mismatch is material.

4

Entry Multiple & Exit Optionality

Return profile must clear hurdle rates without multiple expansion heroics.

Fail if the thesis requires precise timing to crystallize value.

IC DECISION STATES

Go: all gates pass and no trigger is active.

Watch: thesis intact, but one gate is degrading.

Pass / Exit: gate break persists beyond tolerance.

KILL-SWITCH PROTOCOL

Structural demand downgrade.

Scarcity unwind faster than underwriting case.

Balance-sheet stress above approved limits.

NON-NEGOTIABLE RISK RAILS

Max single position: **10% NAV**.

Margin / borrowing: **prohibited**.

Outright shorts: **prohibited**.

Mandatory re-underwrite on material signal break.

FUND TERMS

Structure, governance, and alignment

Scenario analysis

Adjust assumptions to model projected returns · NOI escalates 2% annually (NNN lease) · 10-year fund life



10.2%

Gross IRR

2.63×

Gross MOIC

9.0%

LP Net IRR

2.37×

LP Net MOIC

\$27.3M

LP Net Profit

\$5.3M

GP Carry

Terms at a glance

FEE STRUCTURE

Management Fee: 2.0% of committed capital (Yr 1–5), 2.0% of NAV (Yr 6–10)

Carried Interest: 20% above 9% preferred

Preferred Return: 9.0% cumulative

GP Catch-Up: 100% until 20% of profits

Formation Fee: 1.0% of LP capital

INVESTMENT GUIDELINES

Permitted: Equities, ETFs, bonds, commodities, FX, futures, options, crypto, Treasuries

Max Single Position: 10% of portfolio NAV

Margin / Borrowing: Prohibited

Outright Shorts: Prohibited

Derivatives Leverage: Permitted

LIQUIDITY

Years 1–5: Full lock-up, no redemptions

Years 6–10: GP discretionary liquidation window

Secondary Transfers: 90% NAV (seller) / 95% NAV (buyer); 5% spread accrues to the fund (all LPs)

ROFR: Existing LPs have first right of refusal

GP Capital: Locked until full dissolution

REPORTING & BENCHMARKS

Real Estate (~45%): NCREIF Property Index

Structural Long (~55%): S&P 500 Total Return

Fund Level: Weighted composite

Reporting: Quarterly NAV + annual letter

Access: Direct LP-to-GP communication

FUND LIFECYCLE

Yr 1

Yr 2

Yr 3

Yr 4

Yr 5

Yr 6

Yr 7

Yr 8

Yr 9

Yr 10

Full Lock-Up · 2% fee on committed capital

GP Discretionary Window · 2% fee on NAV

Risk architecture

Every risk has a structural mitigation built into the fund design

RISK FACTORS

- Property value decline** — affecting refinancing ability
- Tenant default** — loss of contractual cash flow
- Interest rate risk** — balloon refinancing at Year 10
- Market risk** — across structural long portfolio positions
- Crypto / FX volatility** — position-level drawdowns
- Structural leverage** — through real estate debt

STRUCTURAL MITIGANTS

- 55% LTV hard cap** — 45% equity cushion at all times
- AAA NNN tenants** — investment-grade contractual cash flows
- Full NOI surplus** — accumulated in U.S. Treasuries
- 10% position limit** — enforced diversification
- No margin, no shorts** — eliminates forced liquidation
- 30-year amortization** — manageable debt service

STRESS SCENARIO — WHAT IF EVERYTHING GOES WRONG?

-30% RE

45% equity cushion absorbs decline before LTV breach

-50% Portfolio

No margin = no forced liquidation, RE collar preserves capital

Tenant Default

AAA NNN lease + T-bill reserve covers 2+ years debt service

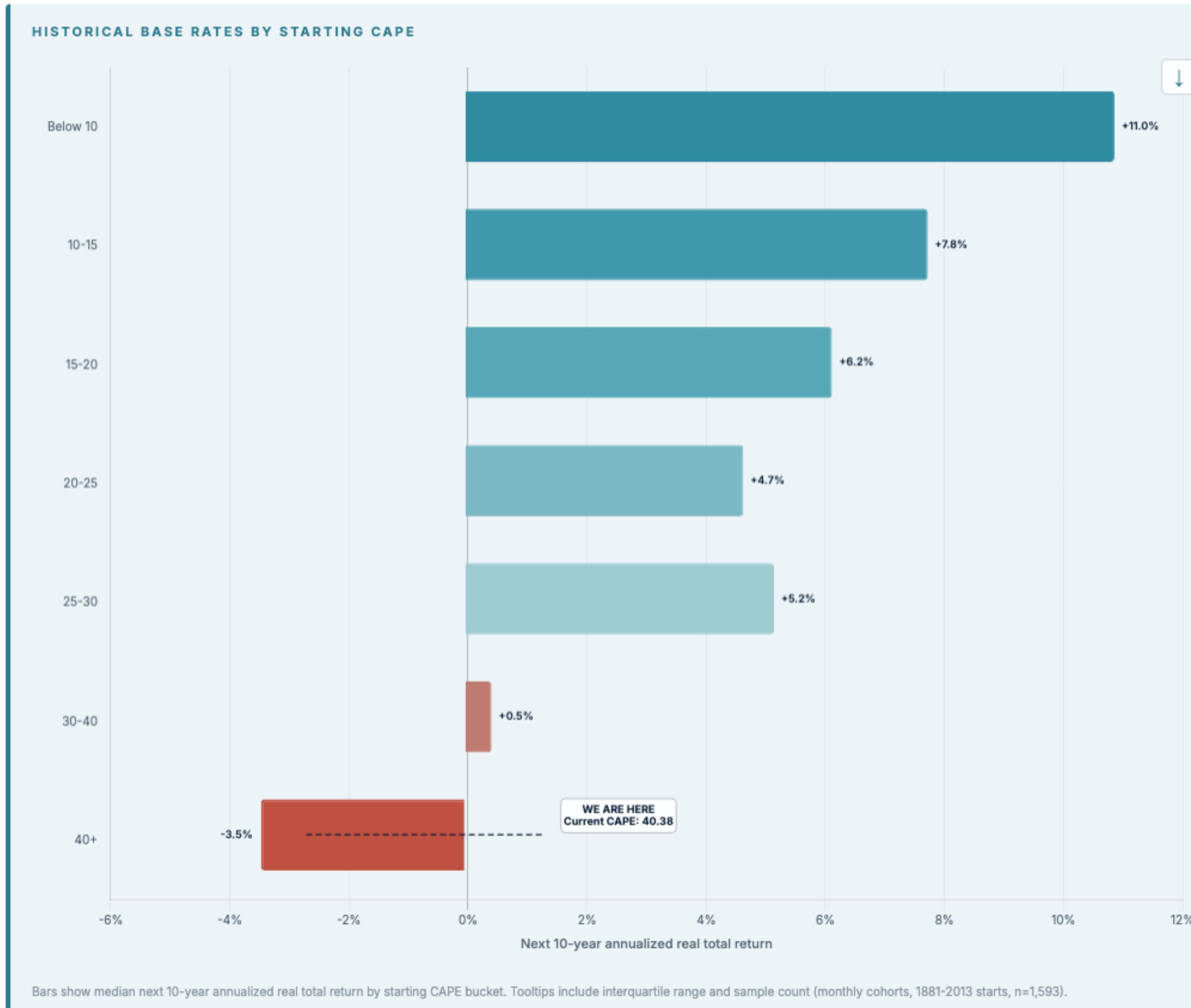
Rate Spike

10-year fixed term insulates from interim rate movements

The real estate collar creates a structural floor. The structural long portfolio creates the upside.

Traditional portfolio construction was designed for a regime that no longer exists.

At current starting valuations, historical forward real return base rates for broad equity beta are materially compressed.



S&P 500 VALUATION SNAPSHOT (UPDATED MONDAY, FEBRUARY 9, 2026; LAST CASH CLOSE = FEBRUARY 6)

METRIC	CURRENT	LONG-RUN MEAN	SIGNAL
Shiller CAPE	40.38	17.33	98.8th pctile
Trailing P/E	29.75	16.19	+84%
Earnings Yield	3.36%	7.21%	-53%
Dividend Yield	1.13%	4.22%	-73%

WHERE WE ARE NOW

CAPE 40.38

40+ bucket historically mapped to a **-3.45%** median next-10Y annualized real return.
Equivalent to roughly the **98.8th percentile** of historical CAPE readings.

PORTFOLIO CONSTRUCTION IMPLICATION

In high-starting-valuation regimes, Index beta carries weaker long-horizon base rates. Allocation edge shifts to manager selection, dispersion capture, and non-index exposures that do not rely on multiple expansion.

CLOSING

What if we are right?

"I remember the spring of 1941 to this day. I realized then that a nuclear bomb was not only possible — it was inevitable. Sooner or later these ideas could not be peculiar to us. Everybody would think about them before long, and some country would put them into action. [...]

And there was nobody to talk to about it, I had many sleepless nights. But I did realize how very very serious it could be. And I had then to start taking sleeping pills. It was the only remedy, I've never stopped since then. It's 28 years, and I don't think I've missed a single night in all those 28 years."

James Chadwick

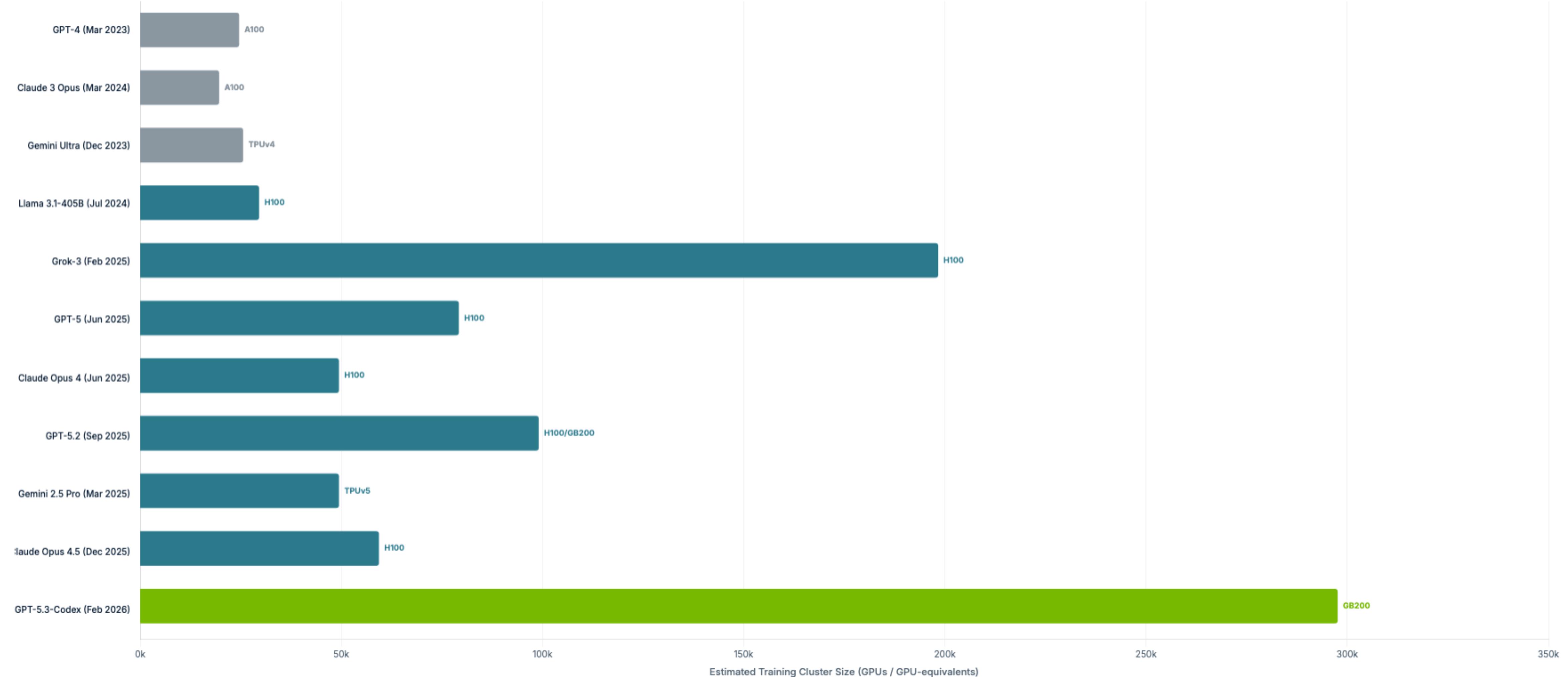
Physics Nobel Laureate and author of the 1941 British government report on the inevitability of an atomic bomb, which finally spurred the Manhattan Project into action

APPENDIX

Supporting detail and technical reference

Each GPU generation unlocks a new frontier of training scale

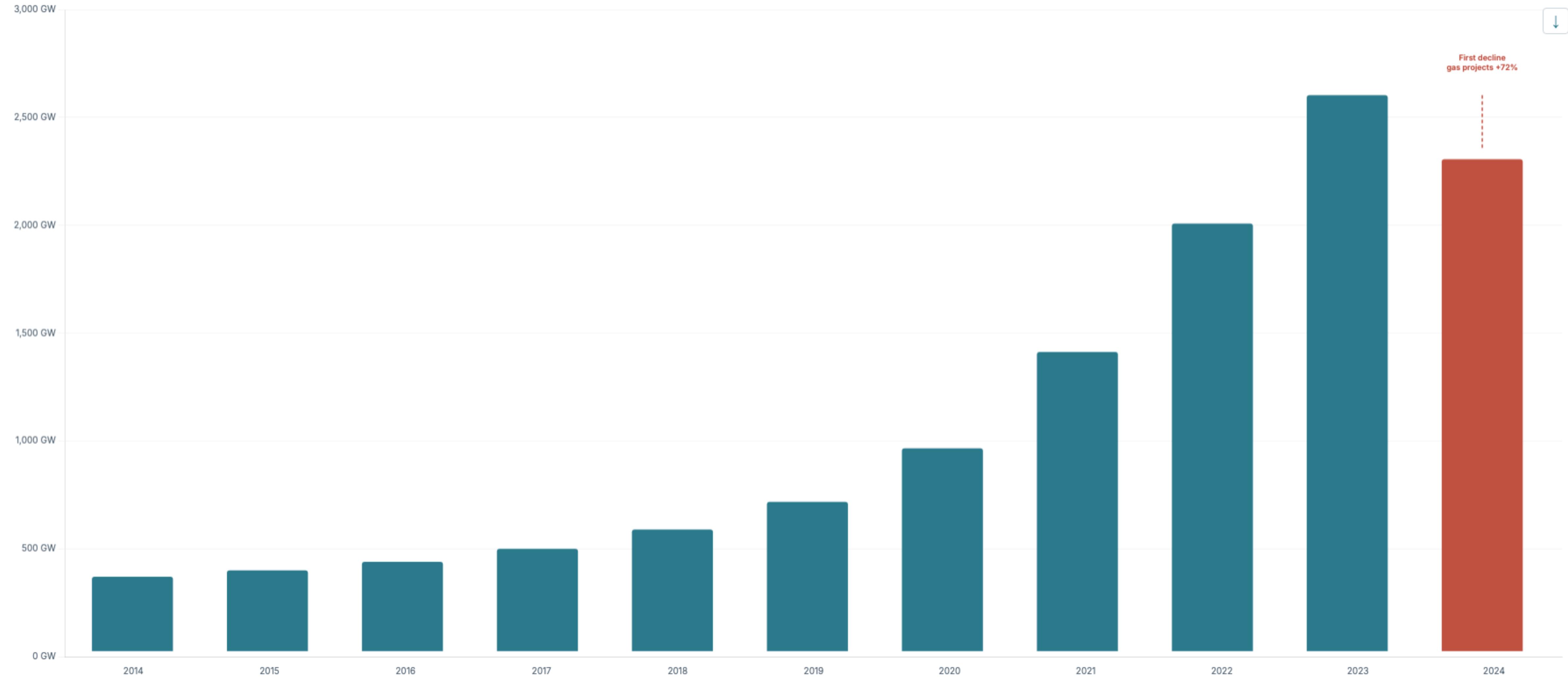
GPT-5.3-Codex (Feb 2026) is the first frontier model fully trained on NVIDIA GB200 NVL72



Source: OpenAI, NVIDIA, SemiAnalysis, The Information; cluster sizes are best public estimates

Interconnection queues stretch 5–7 years

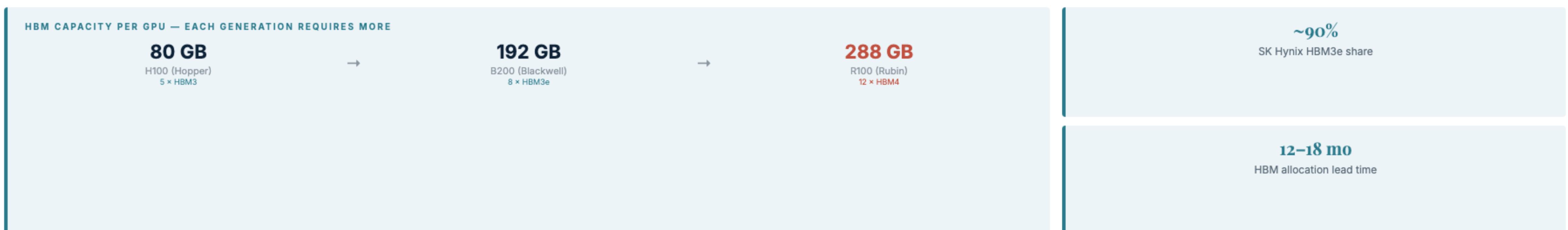
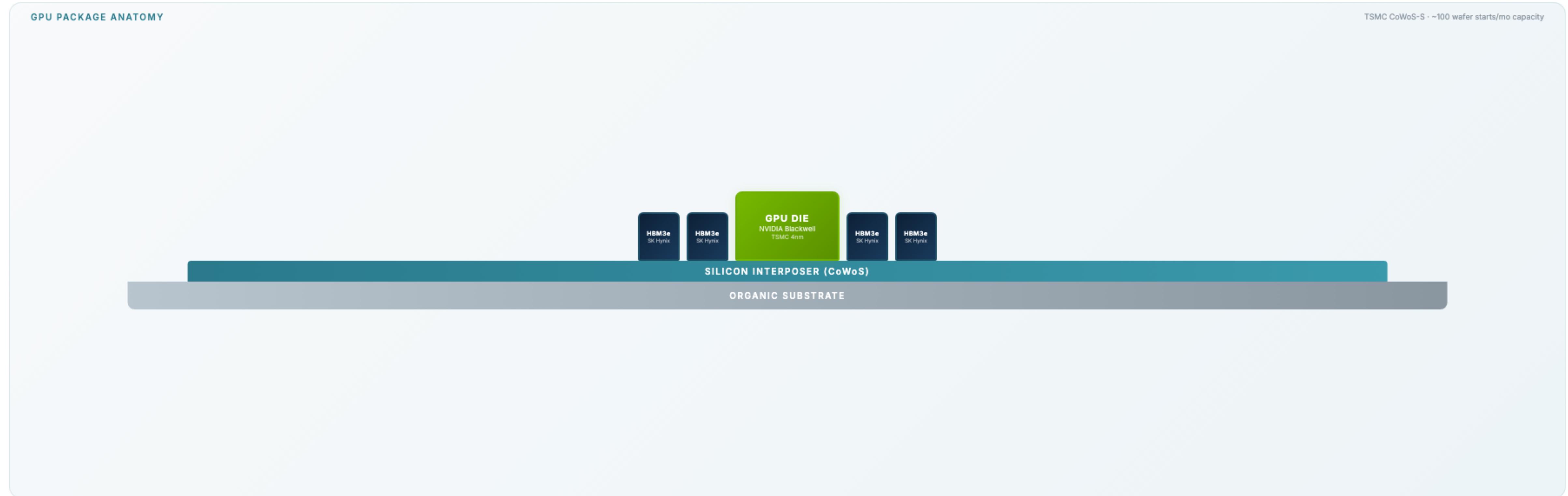
The grid cannot accommodate the demand without massive new investment



Source: Lawrence Berkeley National Lab, PJM, EIA

GPU supply is a packaging story, not just a wafer story

CoWoS + HBM = the second chokepoint



How large language models work

A simplified view of the architecture behind frontier AI systems

1. TRAINING DATA

Trillions of tokens from the internet, books, code, and licensed datasets. The model learns statistical patterns in language.

2. TRANSFORMER

Self-attention layers process all tokens in parallel, learning which words relate to which. Hundreds of billions of parameters.

3. PRE-TRAINING

Thousands of GPUs run for weeks–months. The model predicts the next token, adjusting weights across every layer. This is where the compute cost lives.

4. FINE-TUNING

RLHF and instruction tuning align the model to be helpful and safe. Smaller compute cost but critical for usability.

5. INFERENCE

Every API call or chat message runs the model forward. Generates one token at a time. This is where ongoing compute demand compounds.

SCALING LAWS

Performance improves predictably with more data, more parameters, and more compute. This is why labs keep building bigger — it keeps working.

TRAINING vs. INFERENCE

Training happens once (massive burst). Inference happens billions of times per day and is growing. Both require GPUs, power, and cooling — but inference is the long-term demand driver.

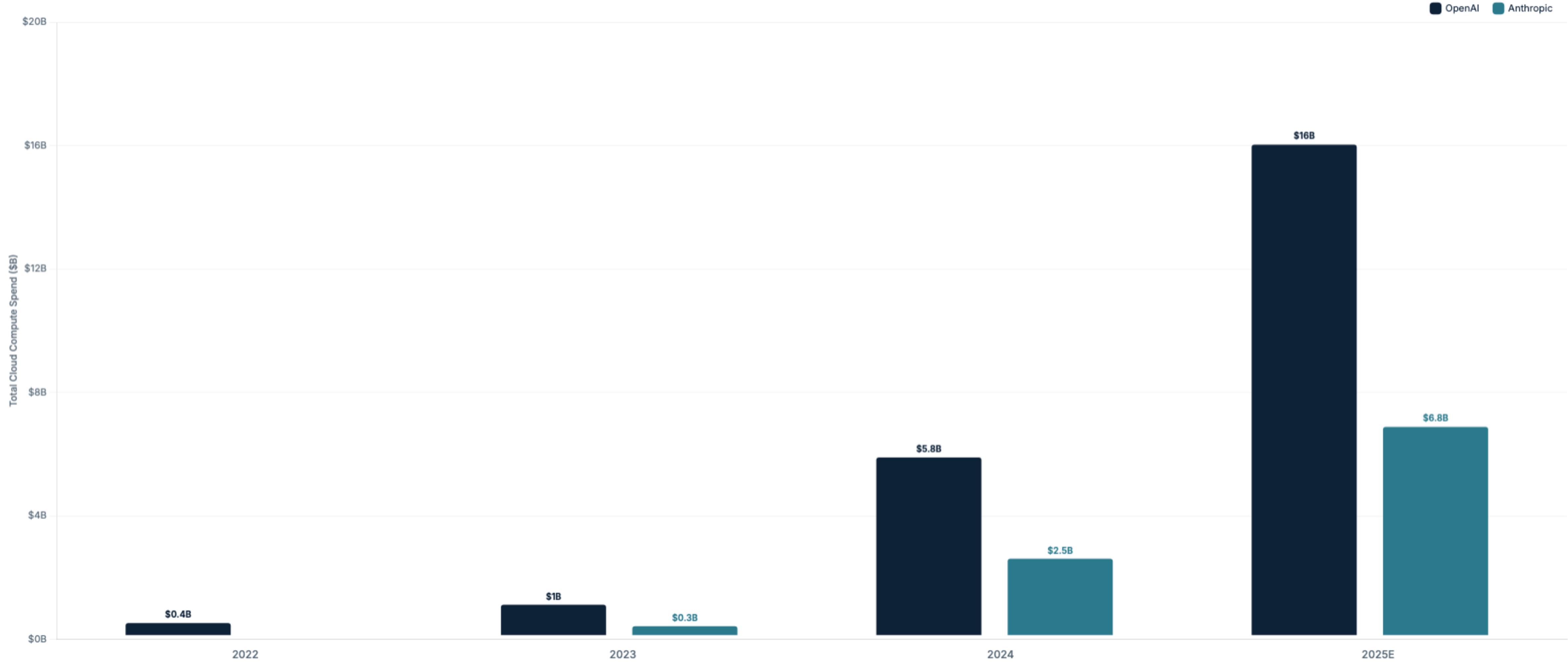
PHYSICAL FOOTPRINT

A single frontier training run consumes enough electricity to power 10,000 US homes for a year. Inference at scale requires purpose-built data centers drawing hundreds of MW.

For this portfolio: You don't need to bet on which model wins. Every model — from every lab — needs the same physical inputs: semiconductors, copper, power, cooling. The value accrues to the supply chain, not the application layer.

AI lab compute spend is doubling every year

Every dollar here flows into chips, power, and cooling — the physical layer of the AI stack



Source: Epoch AI; The Information; company disclosures