

HEIRLOOM CARIBBEAN REAL ESTATE FUND

Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world.” Franklin D. Roosevelt (1882-1945)

Long Term Capital Appreciation + Income

The Heirloom Caribbean Real Estate Fund offers capital appreciation and an ongoing income opportunity by investing in a diversified portfolio of Caribbean real estate projects and assets. These investments are structured as equity investments and/or debt commitments. Each investment may be in conjunction with local market partners, or developers, that offer the Fund potentially higher yielding investment opportunities.

Focus of Investment Activity:

1. Existing Projects generating cash flow
2. Discounted Assets
3. Special Situations with Embedded Value
4. Distressed Assets in the hands of Receivers or Creditors
5. Greenfield Development sites

OUR UNIQUE **C.A.S.H.** APPROACH:

Cash Flow - Our property investments must generate positive cash flow.

Appreciation - The investment must appreciate in value, sometimes we are able to buy properties with built in equity.

Security - The investment is secured by a tangible hard asset (real property).

Holdings - Portfolio holdings are diversified geographically and by asset type to minimize risk and maintain sustainable cash flow.



THE OPPORTUNITY

In the current environment of low returns and the demise of certain regional financial institutions and reduced confidence in equity markets, we believe that acquiring deeply discounted real estate assets and creating a very well secured portfolio of high yield loans secured on low LTV's against the region's best real estate assets presents the most appealing combination to benefit from the current crisis.

Why is the Caribbean such a good investment opportunity?

The recent financial crisis and related credit crunch has reduced available credit and liquidity whilst demand for top quality properties remains. This has increased the number of opportunities and improved the terms that the fund can achieve in its deal pipeline thus increasing overall anticipated returns.

The Caribbean region suffers from an absence of equity risk capital in the US\$5 - 50 Million bracket for property investments. This void creates excellent opportunities for providers of such capital.

Investment vehicles such as the Heirloom Caribbean Real Estate Fund create a "win-win" environment for all parties. Investors benefit from a significant uplift, vendors crystallize paper profits from illiquid assets, and local governments increase tax revenues and create employment from development. Studies have shown that a 4/5 Star hotel will significantly improve the surrounding area, and sometimes a whole nations economy . It sparks a new upscale pride and property appreciation on the island.

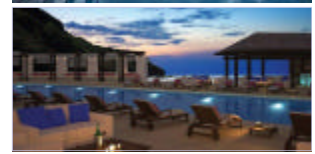
The Fund is always searching for opportunistic situations and it's deal pipeline is generated through a variety of local sources including: regional and international banks and local financial institutions, developers and real estate professionals. Many of the investment opportunities available to the fund are not public due to the sensitive nature of the transactions.

We focus on providing our investors with above average rates of return with low volatility. The diversification of our investment portfolio helps to mitigate these risks. The Fund acquires and/or provides financing only with direct claims to hard real estate assets which allow fund investors to generate attractive rates of return backed by assets secured at discounted values should the loans not perform.

Investment Management	Assets which are significantly discounted to the normal retail pricing in the marketplace for reasons such as liquidity needs of the vendors, or acquisitions from vendors in liquidity crisis.
Financing Alternatives	Provide capital to established real estate developers and sellers in the form of equity investment, joint-ventures, debt financing, and 100% equity acquisitions.



With interest rates near historic lows and investors stock market investments struggling to maintain their value, investing in Caribbean properties has never made more sense.



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INVESTMENT FOCUS

DISCOUNTED ASSETS

These are assets which are significantly discounted to the current retail price in the marketplace for a variety of reasons which are not limited to, but could include:

- Fire sales due to an urgent need of liquidity by the vendor;
- Acquisition of land or condo inventory at a deep discount from a developer (or other) in financial difficulty;
- Variations could include probate sales or inheritance settlements for which there is a problem or no obvious beneficiary.

SPECIAL SITUATIONS

Any situation where there is an embedded value available to the acquirer, and which may not be immediately visible on the first investigation:

- This could include acquiring listed companies which own significantly more valuable real estate than the NAV of the company reflects.
- Instances where the sum of the parts are much greater than the individual pieces.

DISTRESSED ASSETS

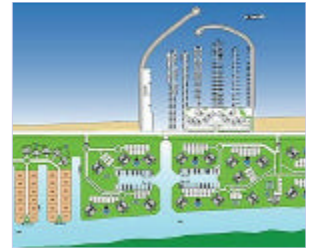
Assets which may already have gone into default and are in the hands of the receivers or creditors, who themselves have no desire to complete the project but would rather exit at a significant discount.

The usual source of these deals are regional and international banks, financial institutions, law firms and accountancy firms handling the disposal of such assets.

EXIT STRATEGIES

Prior to entering into any transaction we will consider all exit strategies including generating rental income from the assets pending a suitably attractive exit.

As with all investments, we evaluate each opportunity carefully and conduct the appropriate level of due diligence before making an investment decision.



It is no secret that the greatest wealth builder throughout history has always been investment in real estate.



OVERVIEW OF THE OFFERING

<i>Incorporation</i>	Heirloom Caribbean Real Estate Fund is organized under the laws of the Cayman Islands as a exempt company with limited liability.
<i>Investment Objective</i>	The Fund's principal investment objective is to provide investors with capital appreciation and income by investing in a diversified portfolio of real estate projects and assets in the Caribbean Region and in Latin American countries whose shores are bounded on the Caribbean Sea.
<i>The Offering</i>	This offering ("Offering") consists of a maximum of 4,999,000 Preference Shares (the "Shares") of Heirloom Caribbean Real Estate Fund (the "Fund") at an initial minimum offering price of US \$100,000 per Share (the "Purchase Price"), with further subscriptions in increments of a minimum of US \$10,000.
<i>Closing Date</i>	The Offering is a continuous offering and will be open until the maximum amount is completed. There is no minimum offering amount. Subscriptions will be closed and registered as received and accepted.
<i>Use of Proceeds</i>	The net proceeds of the Offering, after the payment of the expenses of the Offering, will be utilized to execute the Fund's acquisition of a diversified portfolio of real estate assets, including mortgages and mortgage note portfolios with a maximum loan to value ratio (LTV) of 70%.
<i>Investment Manager</i>	Heirloom Fund Management Ltd. acts as the Investment Manager and as the Investment Advisor of the Heirloom Caribbean Real Estate Fund, responsible for the allocation and the management of the Fund's assets.
<i>Shares Outstanding</i>	Upon completion of the Offering, the Fund will have a maximum of 4,999,000 Preference shares, with a value calculated by adding all the holdings of the Fund, less the Fund's liabilities.
<i>Price Per Share</i>	Upon completion of the Offering, the value of the Preference Shares will be equal to the assets less liabilities, determined in accordance with International Accounting Standards.



The next 18 to 24 months represents a once-in-a-lifetime buying opportunity for discounted, distressed, real estate.



THE BOTTOM LINE

- Small Investment - you get to invest in real estate without large upfront capital.
- 6% Dividend + Capital Appreciation - due to increases in property values.
- Steady Income Stream - structured to generate steady, high-yield cash flows, distributions to investors are intended to remain steady or increase over time.
- Investment is backed by tangible assets - secured by insured, tangible assets as collateral.
- Personal Liability protection - investors receive the further advantage of having *absolutely none* of the personal liability risks associated with personal ownership of real estate.

If you wish to invest, please visit our website at: www.heirloomfunds.com

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