

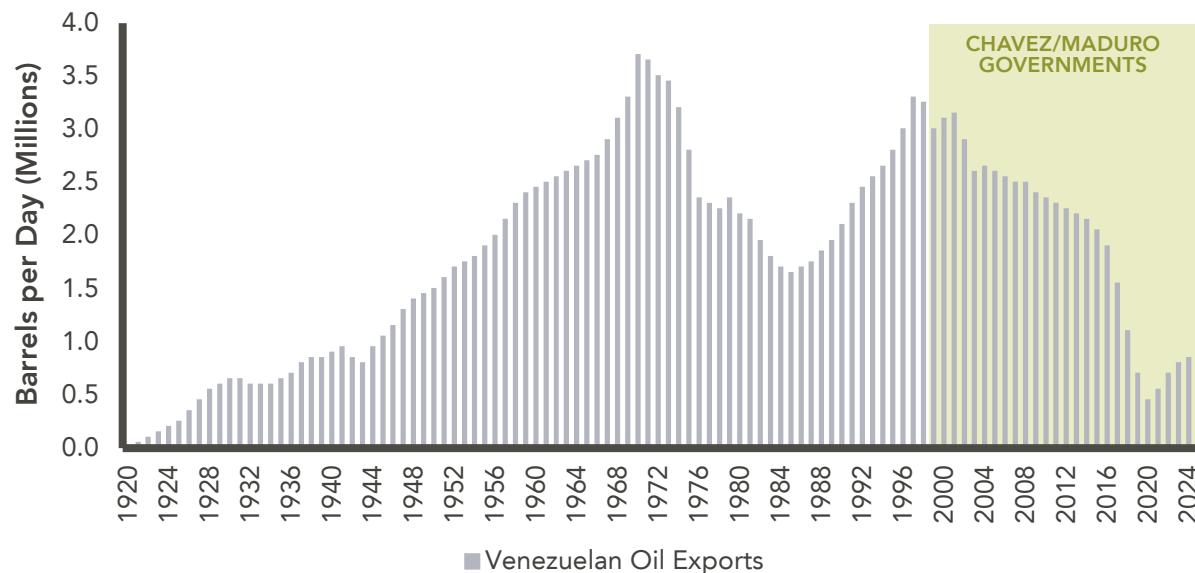
Chart of the Week

January 12, 2026

I Drink Your Milkshake

EVAN FRAZIER, CFA, CAIA, SENIOR RESEARCH ANALYST

↓ **Maduro's capture marks a turning point that could reopen Venezuela's vast oil resources to global markets, though the process will likely be slow**



Source: Bloomberg, BP, International Energy Agency as of December 31, 2025

The capture of Venezuelan president Nicolás Maduro is a watershed moment for a country whose natural resource economy has been managed by an interventionist, state-centric regime for nearly 30 years. Indeed, Maduro's detention effectively ends the command-and-control model that had long governed Venezuela's oil sector, in which the state-owned oil company PDVSA functioned largely as a political instrument rather than a commercial enterprise. Once a technically competent producer, PDVSA was hollowed out in the early 2000s as revenues were diverted to fund government spending, skilled workers were purged, and maintenance and reinvestment were neglected. As can be seen in this week's chart, this led to a steep decline in Venezuelan production and export capacity. For global markets, the immediate significance of the ousting of Maduro lies less in the regime change itself than in the potential reopening of one of the world's largest hydrocarbon endowments after years of sanctions and operational decay.

In the short run, Venezuelan oil exports are likely to increase modestly but unevenly. Although the nation's output has already started to recover from its 2020 trough due to limited sanctions waivers and ad hoc deals, infrastructure constraints remain severe. Years of deferred maintenance have left pipelines, ports, and storage facilities in poor condition, while a shortage of skilled labor and reliable power continues to limit throughput.

CONTINUED >

As a result, any additional barrels reaching export markets will likely come primarily via better utilization of existing fields rather than large-scale new investment, at least over the coming months. Deals that redirect crude toward the United States (particularly heavy oil suited for Gulf Coast refineries) could shift trade flows quickly, but they do not solve the deeper structural problems of the industry. Near-term export gains are therefore likely to be measured in hundreds of thousands of barrels per day rather than a return to Venezuela's historical multi-million-barrel output.

Over a longer time horizon, the toppling of Maduro could reshape Venezuela's oil sector more profoundly by altering its relationship with foreign capital and global commodities markets. International oil companies have long viewed Venezuela's reserves as attractive but effectively uninvestable due to sanctions risk, opaque governance, a history of expropriation, and weak contract enforcement. A political realignment raises the possibility of a gradual normalization of commercial terms, including joint ventures, profit-sharing mechanisms, and clearer legal protections for market participants. However, analysts widely agree that rebuilding production capacity would be a long and risky process, likely requiring tens of billions of dollars and many years of stable policy. Further complicating matters is Venezuela's exceptionally high methane intensity, which makes its crude oil among the most emissions-intensive in the world and increasingly problematic for buyers facing stricter environmental standards. Addressing these environmental liabilities would add both cost and time to any meaningful expansion of exports.

Beyond oil, Venezuela's broader natural resource abundance adds an additional layer of significance to the recent change in leadership. Specifically, the country sits atop substantial reserves of gold and other strategic minerals, and renewed export capacity could feed into a broader bull market in commodities if supply constraints ease. It is important to remember, however, that recent events do not automatically translate into a clean political transition, and the near-term outlook for Venezuelan commodities exports remains shaped by institutional fragility, security risks and unresolved questions about who exercises authority over production, contracts, and revenues. Ultimately, Maduro's capture creates an opening rather than a resolution, as it increases the probability that Venezuelan resources re-enter global markets at scale, but it does not eliminate the risks that have defined the country's commodities sector for years. ▀

PREPARED BY MARQUETTE ASSOCIATES

180 North LaSalle St, Ste 3500, Chicago, Illinois 60601 PHONE 312-527-5500
CHICAGO BALTIMORE MILWAUKEE PHILADELPHIA ST. LOUIS WEB marquetteassociates.com

CONFIDENTIALITY NOTICE: This communication, including attachments, is for the exclusive use of the addressee and contains proprietary, confidential and/or privileged information; any use, copying, disclosure, dissemination, or distribution is strictly prohibited. Marquette Associates, Inc. retains all proprietary rights they may have in the information.

Marquette Associates, Inc. ("Marquette") has prepared this document for the exclusive use by the client or third party for which it was prepared. The information herein was obtained from various sources, including but not limited to third party investment managers, the client's custodian(s) accounting statements, commercially available databases, and other economic and financial market data sources.

The sources of information used in this document are believed to be reliable. Marquette has not independently verified all of the information in this document and its accuracy cannot be guaranteed. Marquette accepts no liability for any direct or consequential losses arising from its use. The information provided herein is as of the date appearing in this material only and is subject to change without prior notice. Thus, all such information is subject to independent verification and we urge clients to compare the information set forth in this statement with the statements you receive directly from the custodian in order to ensure accuracy of all account information. Past performance does not guarantee future results and investing involves risk of loss. No graph, chart, or formula can, in and of itself, be used to determine which securities or investments to buy or sell.

Forward-looking statements, including without limitation any statement or prediction about a future event contained in this presentation, are based on a variety of estimates and assumptions by Marquette, including, but not limited to, estimates of future operating results, the value of assets, and market conditions. These estimates and assumptions, including the risk assessments and projections referenced, are inherently uncertain and are subject to numerous business, industry, market, regulatory, geopolitical, competitive, and financial risks that are outside of Marquette's control. There can be no assurance that the assumptions made in connection with any forward looking statement will prove accurate, and actual results may differ materially.

The inclusion of any forward-looking statement herein should not be regarded as an indication that Marquette considers forward-looking statements to be a reliable prediction of future events. The views contained herein are those of Marquette and should not be taken as financial advice or a recommendation to buy or sell any security. Any forecasts, figures, opinions or investment techniques and strategies described are intended for informational purposes only. They are based on certain assumptions and current market conditions, and although accurate at the time of writing, are subject to change without prior notice. Opinions, estimates, projections, and comments on financial market trends constitute our judgment and are subject to change without notice. Marquette expressly disclaims all liability in respect to actions taken based on any or all of the information included or referenced in this document. The information is being provided based on the understanding that each recipient has sufficient knowledge and experience to evaluate the merits and risks of investing.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any interest in any investment vehicle, and should not be relied on as such. Targets, ranges, and expectations set forth in this presentation are approximations; actual results may differ. The information and opinions expressed herein are as of the date appearing in this material only, are subject to change without prior notice, and do not contain material information regarding the Marquette Model Portfolio, including specific information relating to portfolio investments and related important risk disclosures. The descriptions herein of Marquette's investment objectives or criteria, the characteristics of its investments, investment process, or investment strategies and styles may not be fully indicative of any present or future investments, are not intended to reflect performance and may be changed in the discretion of Marquette. While the data contained herein has been prepared from information that Marquette believes to be reliable, Marquette does not warrant the accuracy or completeness of such information. Client account holdings may differ significantly from the securities in the indices and the volatility of the index may be materially different from client account performance. You cannot invest directly in an index. Artificial intelligence may have been utilized during the preparation of this document.

About Marquette Associates

Marquette was founded in 1986 with the sole objective of providing investment consulting at the highest caliber of service. Our expertise is grounded in our commitment to client service — our team aims to be a trusted partner and as fiduciaries, our clients' interests and objectives are at the center of everything we do. Our approach brings together the real-world experience of our people and our dedication to creativity and critical thinking in order to empower our clients to meet their goals. Marquette is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Marquette including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request and on our website. For more information, please visit www.MarquetteAssociates.com.