



Excellent business environment for the SHEDLIN Latin American Property 1 Fund

“Building mania at the Sugar Loaf Mountain”, this is how the Bank Vontobel titles its latest research on the development in Brazil. According to this, the economy and the population continue their growth trend despite a severe shortage of apartments – all in all, the perfect basis for property investments.

Ideal economic conditions

The Brazilian property market is booming and investors can look forward to a growing market with good forecasts. In the years 2008 until 2010 alone, the average sales price of a new one-room apartment in São Paulo for example has doubled. A similar development regarding the increase in value of 40 % to 60 % can be seen for apartments with two to four rooms.

The reasons for this boom in the past few years were especially investments in the energy, oil, gas, agricultural and industrial sector, which led to a sustainable development of the employment across the country. In 2011, the unemployment rate reached its historic low. The continuously improving labor market, with the minimum wage increasing, supports a growing middle class which includes at present already 52 % of the population. This new middle class has needs and strives for work, consumption and above all residential property. Especially the latter shows a significant supply shortage.

This development caused the government to bring several programs into life in order to counteract the shortage of apartments. A latest estimation of the João Foundation, a state planning organization, resulted in a lack of a total of 5.3 million apartments for the year 2010. In the same year, the mortgage business increased by 58 % in Brazil. Despite the strong growth, the total amount of the mortgage debt is at a low 4 % in comparison with GDP. Hence, Brazil shows in an international comparison an extremely low debt ratio despite the strong mortgage growth of the past few years. (see chart)

SHEDLIN's Latin American Property 1

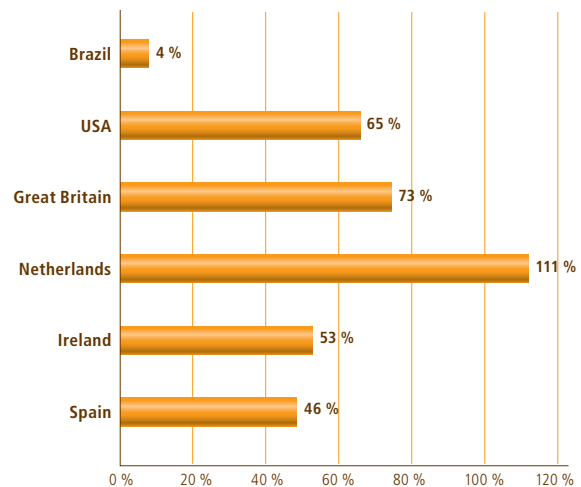
The investment of SHEDLIN Capital AG focuses exactly on this segment. The SHEDLIN Latin American Property 1 provides private investors with an opportunity to participate in the strong development of the property markets in the upcoming regions of Brazil. The regional focus is on Brazil's northeast with a population of approximately

52 million people and three of the six major cities of the country. As already projected by SHEDLIN Capital AG some time ago, the north-east is currently the fastest growing region in Brazil with the government supporting construction projects with its program “Minha Casa, Minha Vida”.

Brazil as growth market

The boom in Brazil continues. Even Great Britain has been overtaken in an international ranking. Brazil ranks now six amongst the largest economic nations of the world. All indicators continue to be set for growth in the future. The middle class in Brazil grows, and the two major events – World Cup in 2014 and the Olympic Games in 2016 – will direct the worldwide focus even more to this booming country.

Proportion mortgages/GDP in individual countries



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