

TREF  
Global Property Forum  
Brazil Portfolio

December 1, 2015



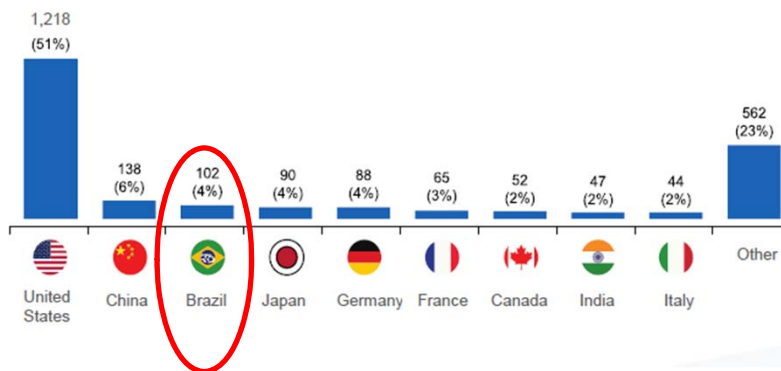
# LATIN AMERICA HEALTHCARE MARKET: Brazil at the forefront

## Brazil's is the 3<sup>rd</sup> largest private healthcare market

### Healthcare Private Expenditure – Selected Countries

(2010 - US\$ billions)

**Brazil – 3<sup>rd</sup> biggest private healthcare market**



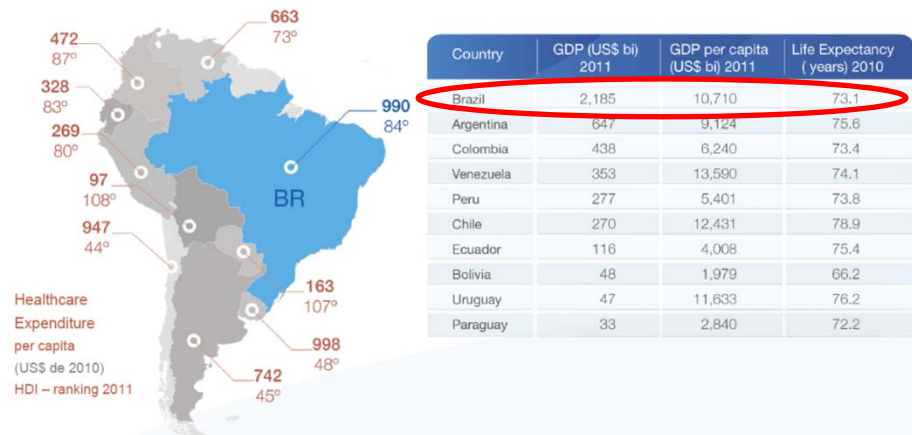
### Indicators

Brazil GDP (2012)*	US\$ 2.2 trillion
Healthcare Expenditure (2010)	9.0%
Private - % GDP (2010)	<b>4.9%</b>
Public - % GDP (2010)	4.1%

## Brazil exhibits strong healthcare spending per capita in South America

### South America

Healthcare Expenditure vs. Human Development Index



Brazil is the largest economy in South America and is roughly the size of the other South American economies combined. Brazil outspends the majority of its Latin American counterparts in per capita healthcare spending at \$990 per person, which ranges from \$97 to \$998.

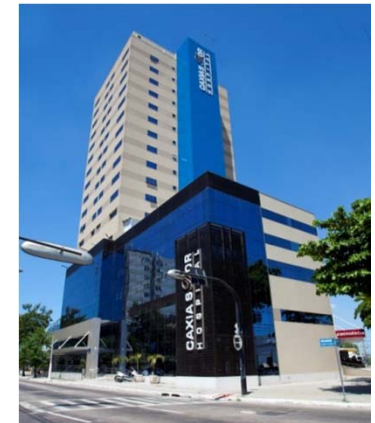
# NORTHWEST BRAZIL: Newly Built Private Pay Hospitals

## INVESTMENT AND MARKET OVERVIEW

- **Institutional quality, core healthcare infrastructure assets** in strategic markets including São Paulo, Brasilia and Rio de Janeiro
  - 100.0% occupancy and ~21.7 year WALE with over 900 beds
- **Stable cash flow with** long-term, triple-net, inflation-indexed leases, providing consistent organic growth
- **Long-term relationship** with one of the country's leading hospital operators Rede D'Or São Luiz S.A. (S&P National Rating: AA-)
- **Compelling Country Demographics** with a diverse population
  - Population: 204M (2015E)
  - Growing Population with a median cohort of 25-34
- **Consistent healthcare expenditures** of ~10% of GDP totaling US\$208bn, greater than the OECD average of ~9% of GDP



Hospital Infantil Sabará  
São Paulo



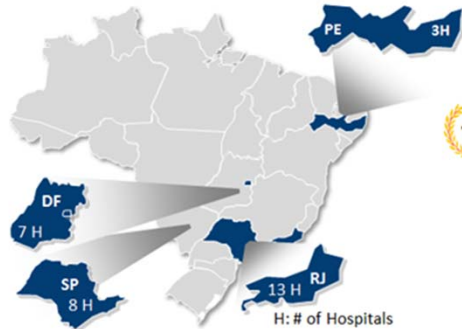
Hospital Caspary  
Rio de Janeiro

~\$325M Brazil Portfolio

5 Fully Leased Assets

Triple-net leases with Inflation Indexation

## Brazil's Largest Private Hospital Operator



"The hospital segment is very fragmented (6.6k hospitals) in Brazil, with small scale and limited bargain power with plans and labs, resulting in weak investment capacity, As the market leader Rede D'Or is ready to benefit from a low penetration of health insurance coverage"

-Rede D'Or

Top five hospital operators in Brazil

#	Company	Beds	Net Revenue (BRL Billion)
1	Rede D'or	4,194	5.0
2	ESHO	1,500	1.5
3	Albert Einstein	652	1.9
4	Sirio Libanes	372	1.3
5	Oswaldo Cruz	327	0.5

## Institutional Investor Support

- In Q2 2015, Rede D'Or completed a **R\$5.0BN equity investment from institutional investors**, The Carlyle Group (NASDAQ:CG) and GIC, Singapore's sovereign wealth fund, **valuing the business at more than R\$19.0BN**.
- Concurrent with the equity investments, Rede D'Or's credit rating was **upgraded to 'AA-' by S&P and newly rated 'AA' by Fitch** on a National scale.
- Rede D'Or plans to invest approximately **R\$1.5BN** to continue its growth plans (**Revenue CAGR 2015-2020 of ~17.5%**) through acquisitions, new developments and expansions at existing facilities

## Leading Operating Metrics

Operating Highlights	2013	2014
Average number of beds	3,441	3,764
Occupancy rate (%)	81.4%	81.0%
Attended patients per day ('000)	2.8	3.1
Revenues per patient ('000)	4.4	5.0

## Exceptional Growth Track Record

