

Peer Insights

R E P O R T

Q&A with Peer Buergin

Founding Partner & Chief Financial Officer
at Prolifico Group

Principle Series:

Family Office Insights sits down with Peer Buergin, Chief Financial Officer at Prolifico Group to discuss his firm's business model, what differentiates them in the industry and why he and his team believe in Brazil.



Family Office Insights is a voluntary, "opt-in" collaborative peer-to-peer community of single family offices, qualified investors and institutional investors.

Learn more at:
FamilyOfficeInsights.com

Q: What does Prolifico do?

A: Prolifico is an alternative real estate and private equity investment management firm focusing on Brazil. The company pursues a differentiated investment strategy, targeting real estate dependent business models that are resilient in all macro-economic environments, such as self storage, senior living, student housing and data centers. Since it was founded in 2009, Prolifico has grown to a team of 14 people across Sao Paulo, Rio de Janeiro, London, Lisbon and New York. Prolifico enters into joint ventures with best-in-class industry partners to operate its real estate assets in these alternative sectors. An example is the firm's self storage business where it partnered up with James Gibson, CEO and co-founder of Big Yellow PLC, one of the leading self storage companies in Europe.

Q: Why Brazil?

A: In many ways Brazil is similar to the US. It has a huge, culturally and racially diverse population of 200 million people. It is a consumption driven economy, rich in natural resources yet only 10% of its GDP is export related.

By contrast, while the US middle class incomes have been declining for many years, Brazil has only recently become a middle class country (now accounting for 60% of the population). The tremendous prosperity growth over the last decade has resulted in the opportunity to bring various business models to Brazil that have succeeded in the US, with similar scalability factors.

Using the self storage example again, there are over 50,000 self storage facilities in the US, compared to the mere 150 in Brazil. Besides Prolifico, the likes of Blackstone and Equity International have recently entered the self storage market, which means this number is expected to grow rapidly over the next five to 10 years.

Brazil has gone through some tough times recently, hit by the compounded effect of a recession and political turmoil. However the recent successful progress in the impeachment of the current populist president, Dilma Rousseff and resulting entry of a business friendly, reformist and centrist government is expected to put the economy back on track. In the short term, the current recession in Brazil is providing some of the best investment opportunities seen in over 20 years.

Q: What differentiates Prolifico from other real estate/ private equity managers?

A: Doing business in Brazil can be a minefield. So picking the right partner is absolutely critical. What our investors especially appreciate about us is that we are a multi-national team with deep know-how and experience across a number of relevant disciplines and sectors. The founding partners have a strong European DNA, which helps bridging know-how transfer and operational excellence from developed markets into Brazil. We focus on long-term

relationships with our investors, proven by the fact that many of our investors have reinvested in subsequent raises. Thanks to our focus on alternative real estate and by applying resilient business models such as self storage (which even perform well during downturns), we are able to offer our investors access to the currently available distressed prime assets in city centers and then generate high yields for them from the get-go.

Q: Who are Prolifico's current investment partners?

A: Prolifico grew organically. It started off with commitments from high net worth individuals in the partners' circle of friends and family and subsequently brought in European family offices, including one of the continent's largest as an anchor investor in the firm's first fund. Since then, we have raised capital from a number of family offices and high-net-worth individuals across Europe, the US and Asia, including global real estate family offices.

Q: What are Prolifico's future plans?

A: Our current focus is self storage because the distressed assets currently available in the market lend themselves well to that business. However, we have also formed joint ventures with top international and local operating partners and will be looking to expand our other alternative real estate platforms, such as senior living, student housing and data centers. Although these are niche sectors, there are major supply-demand imbalances and there its remendous growth and scalability potential across Brazil.

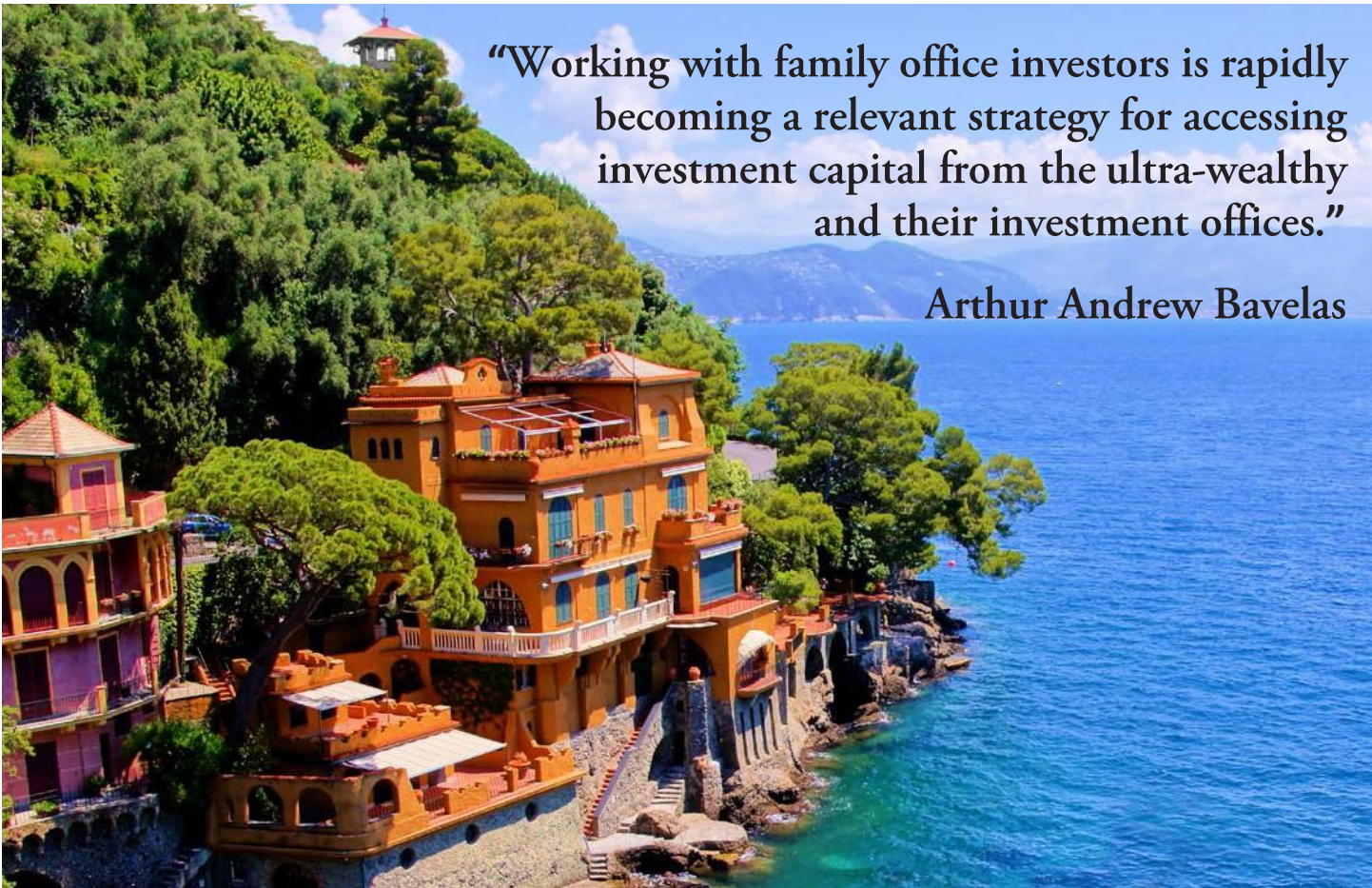


Peer Buergnis

Peer Buergnis a founding partner of Prolifico, which was established in 2009. He is a member of the investment team, manages the São Paulo office and is responsible for Prolifico's financial matters.

Prior to co-founding Prolifico, Peer was a senior member of UBS Pactual's Special Situations team in São Paulo, where he sourced and executed turnaround and real estate opportunities. Preceding his move to Brazil, Peer was an Executive Director in Structured Finance at UBS Investment Bank, New York. He began his career as a corporate finance analyst at Warburg Dillon Read in Zurich.

Peer is fluent in five languages, holds a B.A. in Mechanical Engineering and a M.Sc. in Industrial Engineering from the Swiss Federal Institute of Technology (ETH Zurich). He completed his master's thesis at the Massachusetts Institute of Technology (MIT), in the USA. For more information, please visit, <http://www.prolifico.com.br/> or send an email request to info@prolifico.com.br.



“Working with family office investors is rapidly becoming a relevant strategy for accessing investment capital from the ultra-wealthy and their investment offices.”

Arthur Andrew Bavelas