ALTERNATIVE LatinInvestor

Issue 10

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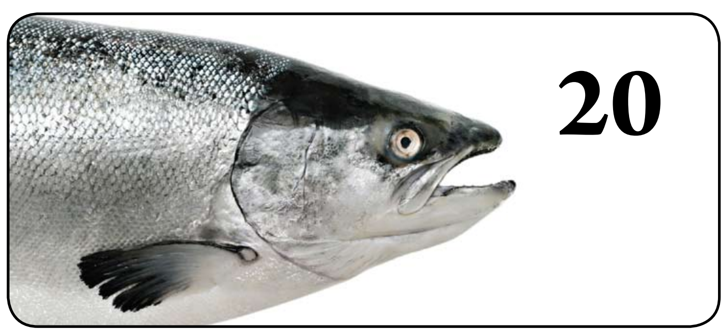


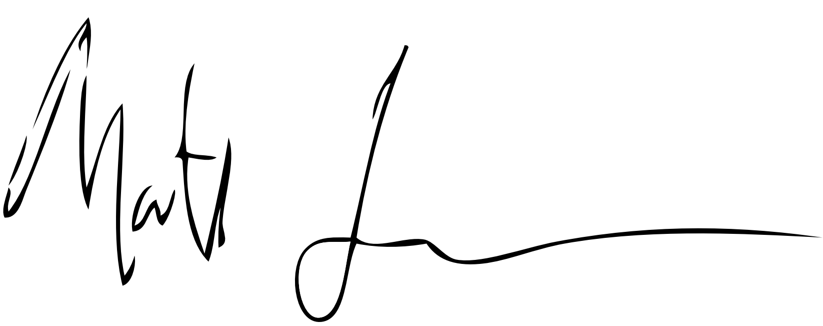
Letter from the Editor

It has been over one year since I set foot within Latin America, and in all honesty, the feeling of returning is indescribable. During my prolonged absence I have been attempting to learn, evaluate and understand both other emerging markets as well as those of the developed world, mainly Western Europe and Africa. Through these evaluations I have hoped to better determine how these markets might come into play within the LatAm region. To our loyal readers: I have to say, the situation is dire, and whether for personal or economic reasons, I feel fortunate to work and live in Latin America.

Could the advantages of the emerging markets be due to the non-reliance on antiquated old world (developed market) stratagems? The hard lessons learned by the developing world have apparently translated into current prosperity. The so called 'First World' has forgotten the errors of the past, and some emerging markets are learning from them. I see Africa now as Latin America was 15 years ago—fraught with possibility and ripe with opportunity—though the lack of infrastructure, stable governments and fiscal policies make investment a scary proposition. However, as I said, it was not that long ago when Latin America faced many of the same problems, and is now emerging as a strong competitor on a global scale. Even today we are faced with political risk though it is off-set by the stability of many of the Latin nations.

These trials and tribulations are what make research and coverage of emerging markets—Latin America in particular—so interesting and rewarding. Alternative Latin Investor has been covering the growth of the alternative asset market within Latin America for the past two years and due to the increase in interest from our readership, we are now preparing to expand our coverage of the region. In August we will be launching 'ALI Premium' which will be available both in hard-copy and digital formats. By 'Premium' we mean we'll be adding over 60% more content regarding actionable sectors - mainly hedge funds, private equity, real estate, forex, renewable energy, infrastructure and commodities. As always, Alternative Latin Investor strives to serve as a platform for the exchange of ideas and information within the industry. If we, the media at large, have neglected any sector, opportunity, individual, firm or region, please let us know so we can give exposure to those topics. I want to thank you for all of your support and feedback and look forward to continuing to bring you the most in-depth coverage of alternative asset classes in Latin America.

Also...its good to be back.



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Contact:

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Landing IN Latin America:

perspectives for the region's airports

Private sector participation in the operation of Latin American airports is very uneven. While state-owned Infraero operates every major airport in Brazil, Aeropuertos Argentina 2000 operates 90% of the airports in Argentina. In the middle we find countries such as Peru, Mexico, Chile and the Dominican Republic where single or groups of airports have been privatized through concessions.

What is not uneven is the growth rate of current and expected passenger traffic levels in the Latin American region. As the tables on the following page show, these numbers are likely to continue to grow during the next years. But this upward trend in volumes will represent challenges. First, airports will need to plan, pay and deliver the necessary improvements in capacity. Second, airports will face the test of gaining additional capacity in a limited airspace while at the same time maintaining the highest degree of safety and security. And third, leaving aside the discussion of whether airports are or are not natural monopolies, private sector operators will have to deal with the requirements of regulatory agencies to provide the best possible service to the passengers. In this sense, passengers care about how easy it is to access the airport, the transportation and signalization within it, baggage handling, security controls, the quality and friendliness of airport staff, ease of making connections, and the variety of products and services on offer amongst others.

Who will face these challenges? We don't think governments should take on this responsibility for two fundamental reasons. First, the constraints governments in the region face when considering investing in infrastructure. A World Bank report explains the idea of the "infrastructure gap" very clearly: "Governments that decide to use these funds (government funds) for the provision of ATI (air transport infrastructure) forego their use for other purposes, such as the provision of certain public goods and services, other marketed goods and services for which market failures are perceived as equally or more severe, transfer payments designated to redistribute income, or some other policy that requires government spending". Second, political motivations lead to operational inefficiencies and inappropriate pricing of services which end up adversely affecting the quality of the service provided and draining government resources.

These constraints and inefficiencies have already materialized. A reader survey conducted by Latin Trade puts São Paulo's Guarulhos, Caracas' Maiquetia and Rio de Janeiro's Jobim as the worst airports in the region. It is also interesting to note that in last year's annual ranking by Sky Research, the three highest ranked airports in Latin America were operated by private sector consortia or companies. These were the airports of Santiago de Chile operated by SCL Terminal Aéreo Santiago S.A. Sociedad Concesionaria, Lima run by Lima Airport Partners and Buenos

A reader survey conducted by Latin Trade puts São Paulo's Guarulhos, Caracas' Maiquetia and Rio de Janeiro's Jobim as the worst airports in the region.

Passenger Growth: LatAm v. World

	2010	2011	2012	2013	2014	2019	2029
Africa	7.80%	6.40%	6.40%	6.40%	5.90%	5.00%	4.20%
Asia/Pacific	10.70%	7.90%	7.80%	7.70%	7.30%	6.50%	5.30%
Europe	1.60%	3.10%	4.10%	4.00%	3.50%	3.10%	2.60%
LAC	***9.10%***	***6.10%***	***6.00%***	***5.70%***	***5.50%***	***5.10%***	***4.50%***
Middle East	9.00%	5.70%	5.10%	4.90%	4.70%	4.30%	3.80%
North America	1.10%	3.30%	3.50%	2.80%	2.50%	2.30%	2.10%
World	**4.80%**	**4.90%**	**5.20%**	**4.90%**	**4.60%**	**4.20%**	**3.70%**

Airports Council International Latin America and Caribbean – 2010 Traffic Report

Passenger Growth within Latin America and Caribbean

		2010	2011	2012	2013	2014
Domestic		262.0	279.0	296.0	313.0	331.0
Volume (millions)			6.5%	6.1%	5.7%	5.8%
International		126.0	133.0	142.0	150.0	159.0
Volume (millions)			5.6%	6.8%	5.6%	6.0%
Total (incl. direct transit)		402.1	426.8	452.3	478.1	504.6
Volume (millions)			6.1%	6.0%	5.7%	5.5%

Airports Council International Latin America and Caribbean – 2010 Traffic Report

Aires (Ezeiza) in charge of Aeropuertos Argentina 2000.

Our sense is that due to financial and technical efficiency reasons (even though, in this last sense, research papers have shown different results regarding the performance of private and public operated airports) the region is going to see a consolidation of the trend of private sector involvement in the operation of airports. Governments will retain the role of looking after safety, security, the environment and competition so that passengers and airlines get a fair deal.

Some recent and upcoming industry developments are encouraging:

- We were glad to read that with the restructuring approved by the Constitutional Court of Ecuador, Corporación Quiport, made up of Aecon Construction Group, Andrade Gutierrez Concessões, HAS Development Corporation and Airport Development Corporation, will be able to finalize the construction and then operate the New Quito International Airport (currently the only greenfield airport project going on in the Americas).
- As expected, the Chilean Ministry of Public Works will put up San-

tiago International Airport, one of LAN's main hubs, for concession next year in a USD480 million contract.

- While it depends on Congressional approval, the Paraguayan Executive branch intends to have that nation's airports undergo a very necessary concession process in early 2012. The always-present IADB recently provided Colombian Opain, currently operating El Dorado airport in Bogota, with a USD165 million loan for the construction of a new terminal.

Perspectives for Brazil

The adoption of a concession model for the Brazilian airport system seems to be a must (Natal's international airport surely marks the beginning of the process) given what the statistics and reports are showing and the sporting events that will occur in that country in the coming years. During the first half of 2010 passenger traffic increased 23% compared to the same period in 2009. Of the ten busiest airports in Latin America during 2010, five were Brazilian. As a result, several Brazilian airports are operating beyond capacity in terms of runways, taxi areas and terminals so it is common to read about delays, long lines and increased costs. Brazilian authorities have been urged to address this problem as 2014 (World Cup countrywide) and 2016 (Olympic Games Rio de Janeiro) are approaching fast and Infraero is considered to be unable to cope with the increasing demand (Infraero controls 94% of Brazil's airports). It is also important to highlight that by 2014 Brazil's domestic market is expected to reach the 90 million passenger mark, making it the fourth largest in the world. According to a domestic source, major players from Australia (Macquarie), Mexico (Aeropuertos del Sureste de Mexico, ASUR, Grupo Aeroportuario del Pacífico GAP, Grupo Aeroportuario del Centro Norte OMA), Spain (Obrascon-Huarte-Lain) and Brazil (Companhia de Concessões Rodoviárias, Odebrecht, Camargo Correa) have shown interest in what we can only hope will be the future concessions of that country's main airports.

The Case of Mexico

Mexico presents an interesting scenario. Thirty-five airports, previously operated by the government agency, Aeropuertos y Servicios Auxiliares (ASA), were transferred to the private sector between 1998 and 2000. These airports were divided in three groups: southeast, pacific and north-central and bids were offered for each. ASUR, GAP and OMA, are the current concessionaires.

Each group has one very important airport: Cancún, Guadalajara and Monterrey, and one or two others with a certain degree of importance such as Mérida, Tijuana and Acapulco. These airports are critical for each concessionaire as, like Aeropuertos Argentina 2000 in Argentina, most other airports in the group operate at a loss.

The shares of each holding company awarded with the concession were originally thought to be distributed as follows: 15% to the "strategic partner" (made up of the company operating the airport, a Mexican partner and investors) and 85% to be sold on the stock market. The shares of two of these companies are also listed the NYSE and the shares of the third are listed in the NASDAQ.

Also, as was mentioned above, these groups have shown interest in participating in the concessions of Brazilian airports currently under Infraero's control.

Advent and the Dominican Republic

International private equity firm Advent's interest in LatAm infrastructure cannot go unmentioned as the firm has owned, since October 2008, Aerodom Dominicana Siglo XXI. This company holds the concession for the construction, modernization, operation and administration of six airports in that Caribbean island. Unfortunately, Advent appears to have encountered certain resistance from government officials when the private equity firm intended to expand its activities in that country. Hopefully, this won't adversely affect the future of Advent on the island. A proper administration of the island's airport is crucial for that country given the weight important international tourism has on that country's economy.

Author Biography:

Patricio Abal began his career at an Argentine law firm doing corporate work and then moved onto the United States Senate where he worked on significant pieces of legislation such as the American Recovery and Reinvestment Act of 2009. As the Infrastructure Editor of Alternative Latin Investor he is a regular contributor and has directed the Infrastructure Investment Latin America 2011 research report. He is also an attorney at DFG Abogados where he advises multilateral financial institutions in the structuring of infrastructure and agribusiness finance operations throughout South America.

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Investing in Lithium

By Michael Romano

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The lithium industry has seen a sharp rise in investor interest in recent years. Forecasts from the likes of Credit Suisse and Byron Capital Markets are bullish and see demand for the metal rising significantly in the coming decade. The main reason behind the enthusiasm is that lithium is the crucial element in the dominant battery technology of the burgeoning electric car industry, and many expect it to remain so as that industry takes off.

A race to supply this demand is underway, and investors are looking to Chile and Argentina, two established leaders in lithium mining and the most promising sources of the metal in the future, and even Bolivia (cover image Lithium rich Salar de Uyuni of Bolivia) which has the largest lithium reserves in the world but has yet to capitalize on them. They have also turned recently to the Global X Lithium ETF, an exchange-traded fund launched by Global X Funds in 2010, which has filled a void by giving investors exposure to lithium industry trends on the open market.

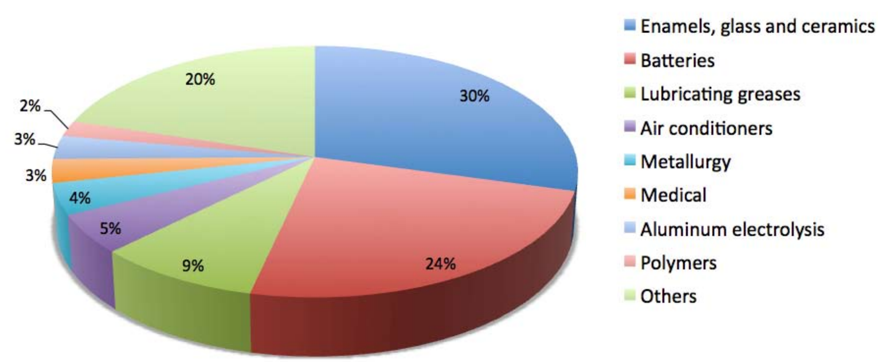
Still, important aspects of lithium remain obscure to many investors, including its uses, its production, its future, the major players involved and the options for investment.

Lithium, the lightest metal, is extremely versatile and can come in many forms. About a third of global supplies go to ceramics, enamels and glass manufacturing, mainly in China, while about half goes toward the manufacturing of products such as lubricating greases, air conditioners and pharmaceutical drugs. Currently the battery industry accounts for only a quarter of the market, though its share seems poised to grow.

Lithium's prominence in the battery industry is due to its extreme lightness and excellent energy density. The most common lithium-based battery, the lithium-ion battery, is used in many consumer portable electronics, including laptop computers, cell phones and digital cameras, as well as in energy storage grids, an important complement to the alternative and renewable energy generation industries.

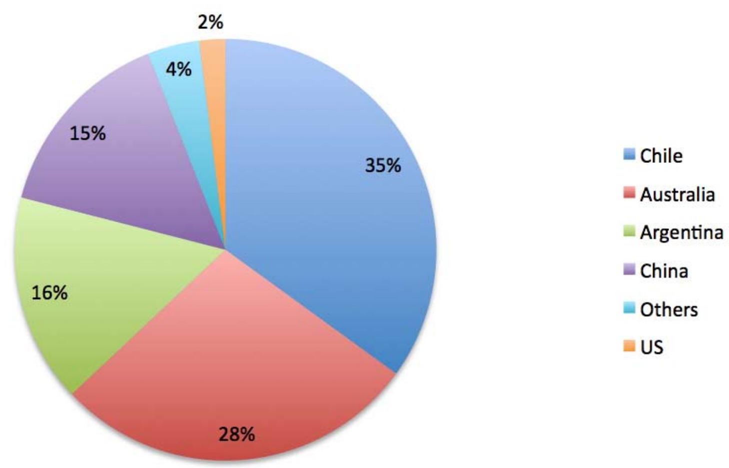
It is also the dominant battery technology in current electric cars, used in every major model on the market, including the Tesla Roadster, the Chevy Volt and the Nissan LEAF. Individual cars contain between 15 and 40 kg of lithium, depending on the model. Tesla has recently pioneered a new, significantly lighter lithium-ion battery model for its new line, based on laptop computer technology, and other carmakers have begun to adopt it. Though that will mean smaller lithium quantities in each car, it will also lower battery and car prices dramatically, which could quicken the electric car's entry into the mainstream.

Lithium Demand (2010): Main applications



Source: Signumbox 2011

Lithium Supply: Market Share per Country (2010)



Source: Signumbox 2011

Lithium-based battery technologies should continue to develop, as Japan and South Korea, the established leaders in battery-making, as well as China and the U.S., race to determine and own the future of electric transportation. China is currently investing more than anyone in battery technology development.

There are rivals to the lithium-ion battery, as well as alternative technologies such as supercapacitors, which could challenge its standing in years to come. But most suspect that the lithium-ion battery will remain dominant. As Daniela Desormeaux, a Chilean economist, general manager of the consulting firm signumBOX and expert in industrial metals, says, "With the information available today, lithium is the best mineral for batteries and energy storage. The future of electric vehicles is with lithium batteries, there's no doubt about it."

Chile has supplied the most lithium to the world market for the last ten years, currently accounting for over a third of global supply. It is home to the mining operations of three industry giants: Sociedad Química y Minera (SQM), a Chilean fertilizer producer and world leader in lithium production; FMC Lithium Corp., an American company with mining operations in Chile; and Chemetall Lithium, a specialty company that is part of the American firm Rockwood Holdings.

Australia is second in total production, with over a quarter of the market, led by the other major player in the industry, Talison Lithium (which recently merged with the Chilean firm Salares Lithium). Argentina is currently third in production, but a wealth of recent discoveries and new investment in near-term projects could see its standing rise.

It was recently determined that Bolivia has the largest lithium reserves in the world, located in the Uyuni salt flats. The country's lack of infrastructure and weak investment climate, however, will delay development of the industry. The leftist government of Evo Morales has invited investment and consultants from the Japanese and Iranian governments to help Bolivia develop a lithium and battery industry, though he is apparently determined to keep mining in national hands.

Most of today's lithium is obtained from one of two distinct methods. The most common method is to extract it from brines in salt

The car parts makers Toyota Tsusho and Magna International have each invested in separate lithium mining projects in Argentina.

flats, mostly in the high deserts of Chile and Argentina, as well as in western China. The three major Chile-based operations all obtain their lithium from brines. The process is the cheapest by far and accounts for most of the world's supply.

The alternative is to mine it from hard rock ore. This process is by all accounts the most energy-intensive and expensive, but it is also the fastest. Talison, with mining operations in Australia, is the leading producer of lithium via this method (though Salares, with whom Talison merged, owns major salt flat reserves in Chile).

These four major companies—SQM, FMC, Chemetall and Talison—are the undisputed heads of the current industry, with control of the highest-quality reserves. There are, however, numerous new projects emerging that have attracted investment—around 80 by Ms. Desormeaux' s count. The Korean metals manufacturer POSCO, for instance, has recently invested in Pan American Lithium, which owns lithium reserves in Chile. The car-parts makers Toyota Tsusho and Magna International have each invested in separate lithium mining projects in Argentina. A recent *New York Times* article reports that 60 feasibility studies are being carried out by various lithium mining companies in Argentina, Serbia and Nevada.

Still, many experts believe that the four heads of the industry are in the best position by far to dominate in the coming years, and suspect that they alone should be able to meet global demand. "Supply has overreacted," says Ms. Desormeaux. In a recent report, the TRU Group, a Toronto-based consultancy firm, also warned of over-supply: "Existing lithium chemical producers have the in-ground resources and ability to meet nearly all market requirements by expanding capacity.… Pipeline projects and expansions could increase capacity…[to] double what the industry needs."

Ms. Desormeaux, the TRU Group and others predict that lithium prices will remain steady and somewhat depressed in the foreseeable future, at around US$5000 per ton, and that this situation bodes ill for companies trying to break into the market. "Only a select few new projects could make it into profitable production," said the TRU

Group in the same report, "and then only as marginal suppliers." Ms. Desormeaux agrees: "We have studied, analyzed and ranked these 80 new projects, and I can say that there are no more than five that I would bet on."

Buying shares in one of the four main companies, or in companies involved in these new projects, is one way to invest in the market—and, until recently, it was the only way. Lithium is not on any commodities exchange and probably will not be in the foreseeable future. This is because it is sold in a number of different forms, as part of different chemical compounds (including lithium carbonate and lithium hydroxide), each of which is sold at a different price. Ms. Desormeaux also notes that lithium producers generally do not use distributors but sell directly to their customers, "so prices are extremely difficult to track."

About a year ago, however, Global X Solutions, a New York–based creator of exchange-traded funds (ETFs), addressed this difficulty by creating an ETF that tracks an index focused on lithium-related companies. It is the first and only of its kind. Alex Ashby, an analyst at Global X, explained that his company was aware of the difficulties in investing in lithium:

"We got the interest of investors interested in alternative energy and the automotive industry. They knew lithium was a key component of batteries, but they weren't sure how to invest in that trend. That prompted us to do some research to see how many lithium mining companies were out there, whether there was enough of a market to make a product. And we determined that there were enough names out there, and that the companies were liquid enough and large enough that they would function well within the ETF structure."

Global X contacted Structured Solutions, a German index-creator, to create an index tracking the lithium market. The results were the Solactive Global Lithium Index and the Global X Lithium ETF. The index and the ETF are separate entities. "As the ETF provider," Ashby explains, "we don' t have any input regarding the index. We just track the index that's provided by a third-party." He adds that Global X doesn't trade any shares or actively hedge. "We passively track the index by holding certain percentages of each company."

The Lithium ETF launched on July 22, 2010; it has grown about 40% since and currently has about $180 million in assets.

Ashby explains that, of the companies included in the fund, about 70% are lithium mining companies and 30% battery production companies, with some overlap. The focus is on lithium mining companies over industries that use lithium because many of those industries perform according to factors irrelevant to the lithium market. "We're trying to give the investor exposure to lithium demand and lithium prices," says Ashby, "through things like primary mining companies. If you start to include pharmaceutical companies, you'll get some exposure but you'll also get exposure to the pharmaceutical industry, which may perform very differently. In our opinion, this was the best way to keep it focused on lithium and give the investors the potential to benefit if the demand for this particular commodity increases."

Ashby sums up the fund's performance in its first year. "The fund has done very well…. People understand some of the growth opportunity, they know the story, they know what lithium does, but there aren't a lot of products out there that give you that exposure. We've been successful because we're the best at doing that at the moment. So it [has] been an advantage to us."

In the coming years, investors will no doubt be watching the Global X Lithium ETF and the companies it tracks, as the fates of the electric car and battery industries determine the metal's future.

"We got the interest of investors interested in alternative energy and the automotive industry. They knew lithium was a key component of batteries, but they weren't sure how to invest in that trend."

HFA for to Provide a Voice Latin American Hedge Funds

Hedge Fund Association's (HFA) expansion into Latin America could provide valuable guidance and encourage unity in the region's blossoming hedge fund industry. This spring, the US-based HFA, a non-profit organization that aims to be the collective voice of the hedge fund industry, opened a Latin America chapter. The move marks another milestone in HFA's global expansion program: last September it opened a European chapter and in January launched operations in the Caymen Islands.

David Friedland, President of the HFA, says the expansion into Latin America made sense given the rapid growth in hedge fund activity in the region. "Just seeing the number of funds launching in Latin America, and particularly Brazil, we felt it was an appropriate time to get involved there," he said in an exclusive interview with ALI.

According to independent data provider Eurekahedge, Latin American hedge funds held $60 million in assets under management at end-2010. Though this is a tiny fraction of a global industry estimated to be worth $1.75 trillion, it represents a historic high for the region and is 25 times the figure of a decade ago.

Over the same period, the number of hedge funds operating in Latin America has quadrupled. And more are expected in the coming years as strong economic growth spurs the development of more sophisticated capital markets in the region.

Friedland hopes the knowledge and expertise gained by the HFA in 16 years as an industry representative in the US will help the new wave of funds opening across Latin America. As well as providing a vehicle for members' to express ideas and concerns, the HFA also represents the hedge fund sector in negotiations over regulatory movements.

Thinking Beyond Brazil

Institutional investors are already pouring into Brazil as it develops into a global economic powerhouse, spurred on by huge development projects in the run up to the Soccer World Cup in 2014 and Olympic Games in 2016. But Victor Rodriguez, the newly-appointed director of HFA's Latin American chapter, hopes the association will educate the global alternative investment community about the full spectrum of opportunities that exist in the region.

The new regional chapter initially includes offices in Brazil, Chile and Colombia, with plans to expand into Peru, Argentina and Central America in the near future.

Maria Rothschild, head of BNP Paritas Security Services Brazil, and Otávio Vieira, managing director of Safdié Gastão de Patrimônio, will be the co-directors for the Brazil chapter. Juan Luis Rivera, a partner at Moneda Asset Management will be director for Chile and Daniel Osorio, CEO of Andean Capital Management, will lead the Colombia chapter. management industry, focusing on the hedge fund space.

Juan Luis Rivera

Juan Luis Rivera Director - Chilean Chapter Partner at Moneda Asset Management, Santiago, joined Moneda in 2006, as a partner, launching and managing Moneda Absolute Return strategy. This strategy seeks to generate superior risk adjusted returns with capital protection through a multi strategy approach with a Latin American focus. Strategies include: equity long-short, credit and distressed investing. At company level, Moneda manages over US $ 3.1 billion through various Lat-Am focused investment strategies, which include, credit and equities, long only and absolute return. Prior to joining Moneda (1996-1998 & 2000-2006), he worked at Bancard, a Chilean investment company, acting as the chief executive officer from 1997 onwards. Under Mr. Rivera's management, Bancard's investment portfolio grew from US$250 million to US$1,300 million, investing in financial securities such as equities, derivatives, corporate bonds, distressed debt, syndicated loans, commodities, etc. mainly from Latin American companies and U.S. companies. He also led several private equity processes, acquiring companies such as Chilevisión, Constructora Aconcagua, Chile.com web portal, etc. Mr. Rivera holds a Master of Business Administration degree from Harvard Business School, and a business administration degree from the Pontificia Universidad Católica de Chile.

Marcia Rothschild

Marcia Rothschild is Head of BNP Paribas Securities Services Brazil. Prior to relocating to Brazil, Marcia was Head of Sales and Relationship Management Institutional Investors for BNP Paribas Securities Services in the US. Marcia has over 18 years of financial services industry experience, including senior positions at Citigroup's Securities Services Division in Brazil, Luxembourg and the United States, and at FXall, the leading multi-bank foreign exchange trading web portal. Marcia is an active member of the financial services community, including memberships in the Investment Company Institute's International Operations Advisory Committee, Anbima and NICSA as well as a supporter of the fast growing alternative investment industry in Brazil. Born in Brazil, Marcia received a BA from Fundação Getúlio Vargas, the top business school in Brazil, and a MBA from Duke University's Fuqua School of Business. Marcia is fluent in Portuguese, English and French.

Otávio Vieira

"It is a great honor to be invited as co-head of HFA Brazil Chapter. My goals are helping HFA founders, managers and contributors to interact with the LATAM asset".

Mr. Vieira is Director of Investments and Head of Fund Advisory Services for the Safdié Group in Brazil. He began his career as a fixed income sales & trading associate. Later on, he performed the role of fixed income senior trader for bank proprietary desks. After MBA graduation in the US, he made a transition for wealth management services. He was responsible for the creation and development of one of the largest companies in Brazil. Mr. Vieira joined Safdié Group in 2005. He holds a BA in business administration and post-graduate degree in finance from Catholic University of Rio de Janeiro (PUC-RJ). He undertook an MBA program at Thunderbird, School of Global Management in Phoenix, AZ.

Daniel Osorio

"I think the opening of the Latin American chapter of the HFA is an important step in modernizing investment management throughout Latin America and particularly the Andean Region. I think the LatAm chapter will do a lot in educating people locally where we focus in Colombia and Peru of what sophisticated money management is, what a hedge fund is and what is to be expected from this industry going forward. Externally the LatAm chapter will educate international investors both on the high net worth side and the institutional side as to how the alternative investment industry is evolving in Latin America. For Andean Capital Management it will be useful to be able to transmit to the international investor community that there are attractive investment opportunities not only in Brazil, but in other Latin American countries such as Colombia."

Daniel Osorio - President and Portfolio Manager for Andean Capital Management - began his career in 1997 at Salomon Brothers (a Citi legacy firm) in New York, and worked for Citi as a Director in their Emerging Market Fixed Income trading division until 2006. He traded Latin American external and local currency denominated debt instruments, focusing on the Andean region. Mr. Osorio founded Andean Capital Management in 2007. This multi-strategy Bogota based fund invests in Latin America with a concentration in the Andean region. Mr. Osorio is a graduate of Duke University.

Rodriguez says one of HFA's most important tasks is to tell the world that Latin America "has talented people, talented managers, a lot of resources, and is an important place where you should diversify."

By representing hedge funds through the region, HFA's Latin America chapter will also help encourage unity among investors, managers and regulators in a continent that has traditionally suffered from disjointed markets and country-centric thinking.

Some of the smaller markets in the traditionally fragmented region are already working together to attract new, and larger, investors. Chile, Colombia and Peru, for example, are in the process of pooling their national bourses in the Integrated Latin American Market (MILA), with the aim of competing more with regional heavyweights Brazil and Mexico. By increasing market depth and diversifying risk across three distinct economies, the joint project should encourage more hedge funds to enter the high-growth sub-region.

Presenting a New Image

Despite recent advances, Latin America still has a long way to go to compare with developed markets, and even other developing regions, such as Asia. Part of the challenge is debunking some of the misconceptions about the hedge fund industry as a whole, particularly in the wake of the global financial crisis.

NFA members are typically small and mid-sized funds or family offices, but mainstream media tends to focus on the activity and profits of the world's largest hedge funds (usually based in the US). These represent a small segment of the overall industry, but the concentration of assets in the hands of a few giant funds distorts the public view of the entire industry.

One of Rodriguez's main aims in Latin America is to show how the hedge fund industry can achieve much more than just profiting from the market. A transparent, efficient and healthy hedge fund sector implies strong capital markets and incoming investment, which in turn benefits the wider community.

"We want to create awareness about our work and the sector," he adds, "to make sure all the participants understand that with clear rules the hedge fund [industry] is a great sector in the financial community that ends up helping the capital markets and the country."

CAN LATIN AMERICAN EQUITY MARKETS RESUME GROWTH IN 2011?

Latin American equity markets are underperforming other emerging markets so far in 2011. The MSCI Latin America Index is down 4% while global emerging markets are up 1% during the same period. So far this year, Latin American equity markets returns over 10 years still outperforming emerging Asian markets (see Exhibit 1).

Exhibit 1

MSCI Index in US$	Performance 2011 %	Performance 10 years, annualized, %
Eastern Europe	+12	+17
Asia (Emerging)	+2	+13
Emerging Markets	+1	+13
BRIC	-1	+15
Latin America	-4	+17

Source : MSCI

Exhibit 2

MSCI Index in US$	Performance 2011 %	Performance 10 years, annualized, %
Colombia	+2	+38
Chile	-2	+17
Brazil	-4	+18
Mexico	-4	+14
Argentina	-18	+9
Peru	-20	+27

Source : MSCI
Note : Data as of May 6, 2011

Within the LatAm stock market, returns vary greatly by country with Colombia being the only market showing positive returns in US$. Peru and Argentina are down 20% and 18% respectively following a stellar performance in 2010. Over a longer time period, all major markets, except for Argentina, provide double digit annualized returns.

What's Happening in 2011?

Fund flows have not been favorable for LatAm equity markets in 2011 which in part explains the poor performance. Hence the region has seen portfolio outflows of US$ 2.1 billion while Asia ex Japan has attracted US$ 1 billion and Eastern Europe/ Middle East/ Africa recorded inflows of slightly over US$ 4 bn. April was the third month in a row with net outflows in LatAm equity markets. In Brazil, with the region's largest economy and stock market, flows are lagging; and while, on the one hand, macro-uncertainties linger, on the other hand, commodity plays have suffered locally from regulatory noise involving Vale among others. On May 3rd, Vale's CEO was dismissed after the Brazilian government repeatedly criticized the company for not investing more in the domestic steel and fertilizer industries to generate more jobs and export more industrialized products.

The Brazilian banking sector has also been weighing negatively on the overall performance of LatAm stocks in 2011. As if the fear of additional 'macro-prudential' measures was not enough, concerns about asset quality are now also driving negative market sentiment. Non-performing loans are increasing, usually a leading indicator of future delinquency. Based on data released by Banco Central do Brasil, delinquency has risen from 3.5% in Dec. 2010 to 4.4% in March 2011. Banco Santander and Banco do Brasil have seen their stock price drop by 19% and 10% so far in 2011 while heavyweight Itau Unibanco has shed 8%.

In Mexico, the region's second-largest equity market, antitrust reform has dampened investors' risk appetite. A new antitrust law submitted to parliament in April has been perceived as a game-changer because Mexico's premium valuation – second highest return on equity (RoE) among emerging markets- is largely built on its high profitability. This is due to the oligopolistic makeup of the Mexbol, the main stock index, whereby 60% of companies in the index are in a situation of monopoly or oligopoly in their industry. The new law states that monopoly activity is a criminal offence punishable by up to ten years in prison. The risk is that this change could reduce pricing power over time and put pressure on companies' operating margins. On the other hand it may boost Mexico's potential GDP by reducing consumer prices.

Investors in Latin America, however, should stay confident in the medium term. Equity markets valuations remain very reasonable while economic growth should continue to provide a strong foundation for corporate profits. The International Monetary Fund (IMF) predicts a 4% growth in GDP for the region in 2012 with a steady fiscal deficit at 2.4% of GDP. Inflation seems to have been partly contained for now as consumer prices rose less than expected in April in Mexico, Brazil and Chile. If the trend continues interest rates may stabilize at current levels therefore putting less pressure on companies' financing costs.

From a profitability perspective, Latin American equity markets fare well compared to other emerging markets on certain measures. EBIT margins, which highlight a company's earning power from ongoing operations before deduction of interest payments and income taxes, are higher in Latin America as a whole (Exhibit 3). Within the region, margins are expected to stay strong next year (see Exhibit 4).

The MSCI LatAm Index is trading on a 12-month forward price/earnings ratio of 11 times, just above its 15-year average but significantly below its more relevant 5-year average of 14 times. The region is at a discount to emerging Asia, at 12 times.

China remains the key though. First quarter results of 2000 companies listed on the Shanghai stock exchange revealed that headline profits increased by 25% year over year. This impressive result however is overshadowed by the fact that operating margins are getting squeezed. Operating cash flow plunged by 65% year over year with 69% of companies reporting either a negative or declining operating cash flow. If this signals a slowing of the Chinese economy, corporate profits of companies in the basic material sector in particular will be under pressure. Asia accounts for 50% of Vale's total revenues and 65% of Antofagasta. Latin American exports to China represent 9.3% of total exports. China is among the top destinations for exports from Brazil (17%), Chile (24%) and Peru (12%).

Author Biography:

Bernard Lapointe is a Portfolio Manager in the Overlay Strategies division at Caisse de dépôt et placement du Québec, a Canadian-based global fund manager. Mr. Lapointe has been a portfolio manager and trader of equities, currencies and commodities since 1994. He holds a Master degree in Economics and speaks French and Mandarin.

Exhibit 3

	EBIT Margin 2011 %	EBIT Margin 2012 %
Latin America	22	24
Asia	11	12
EMEA	20	21

Source: Deutsche Bank
Note : EMEA is Developed Europe, Middle East and Africa

Exhibit 4

	EBIT Margin 2011 %	EBIT Margin 2012 %
Argentina	19	22
Brazil	24	25
Chile	15	16
Mexico	19	20
Peru	61	69

Source: Deutsche Bank

The World Aquaculture Society is set to meet in Natal, Brazil, June 6 – 10, 2011. Aquaculture is big business in Latin America. Worldwide, nearly half of all fish consumed are now raised in fish farms and more than half of all wild catch species being monitored are listed as "fully exploited" and one-fourth of the species are "overexploited". This is a market with strong growth potential. Hunting fish as we do now is not sustainable.

Aquaculture began in Latin America in the 1940's for recreational purposes and restocking. It grew rapidly in the 1970's as a source for local food, and as an export commodity in the 1980's. According to the Food & Agriculture Organization (FAO), the value of regional aquaculture rose from US$852 million in 1988 to over $3 billion annually in recent years. Asia is still the superpower in aquaculture, but Latin America is gaining ground in an annual world market estimated to be $60 billion at retail.

Almost 3 million metric tons of fish were required for Latin American consumption in 2010 and this market segment has great potential for growth. In order to match world per capita seafood consumption, Latin America would need to double its current consumption levels. Yet the region is already the second most important producer in the world for aquaculture. Aquaculture production was concentrated in salmon (in Chile) and shrimp (in Ecuador, Mexico, Honduras, Colombia, Peru, Panama and Belize), which

Fish Farming

New Opportunities on the Horizon?

were mainly export products. The FAO estimates that 90% of cultured shrimp and salmon, 50% of tilapia and 90% of seaweed are exported.

In the 1990s, marine shrimp farming began booming in Colombia, Honduras, Mexico and Ecuador. Trout farming has traditionally represented one-third of salmonid production and has played an important role in the growth of aquaculture in Chile, Colombia, Mexico and Peru. Salmon farm development has been concentrated almost exclusively in Chile, with production rates higher than any other aquaculture activity in the region. According to the FAO there is a need for ongoing innovation and for more closed systems. Most fish farms harbor disease and parasites that are affecting wild populations; then there is the excrement, which is a valuable fertilizer for plants.

There are many aquaculture investment opportunities in Panama, and one very new possibility. Panama is poised to be the latest home to high-tech salmon farming. The province of Chiriquí is home to salmon farmed for research by Aqua Bounty Technologies out of Waltham, Massachusetts. Agua Bounty seeks to introduce genetically engineered (GM) salmon to the USA. The US Food & Drug Administration (FDA) held hearings last year on issues related to human consumption and the environmental impact of GM salmon that is an Atlantic salmon spliced with genes from a Chinook salmon and an ocean pout, which enable it to grow year-round.

Aqua Bounty's farm-raised salmon matures in half the time of conventional farm-raised salmon which grow only in warmer months, growing to maturity in less than 18 months and they require less feed. The company is calling the new fish AquAdvantage salmon. This will be the first transgenic animal approved for human consumption; many more are being researched worldwide. The eggs for the salmon being farmed near Boquete come from a lab on Canada's Prince Edward Island. Panama is the first and only place in the world where GM salmon are being grown for study, at present.

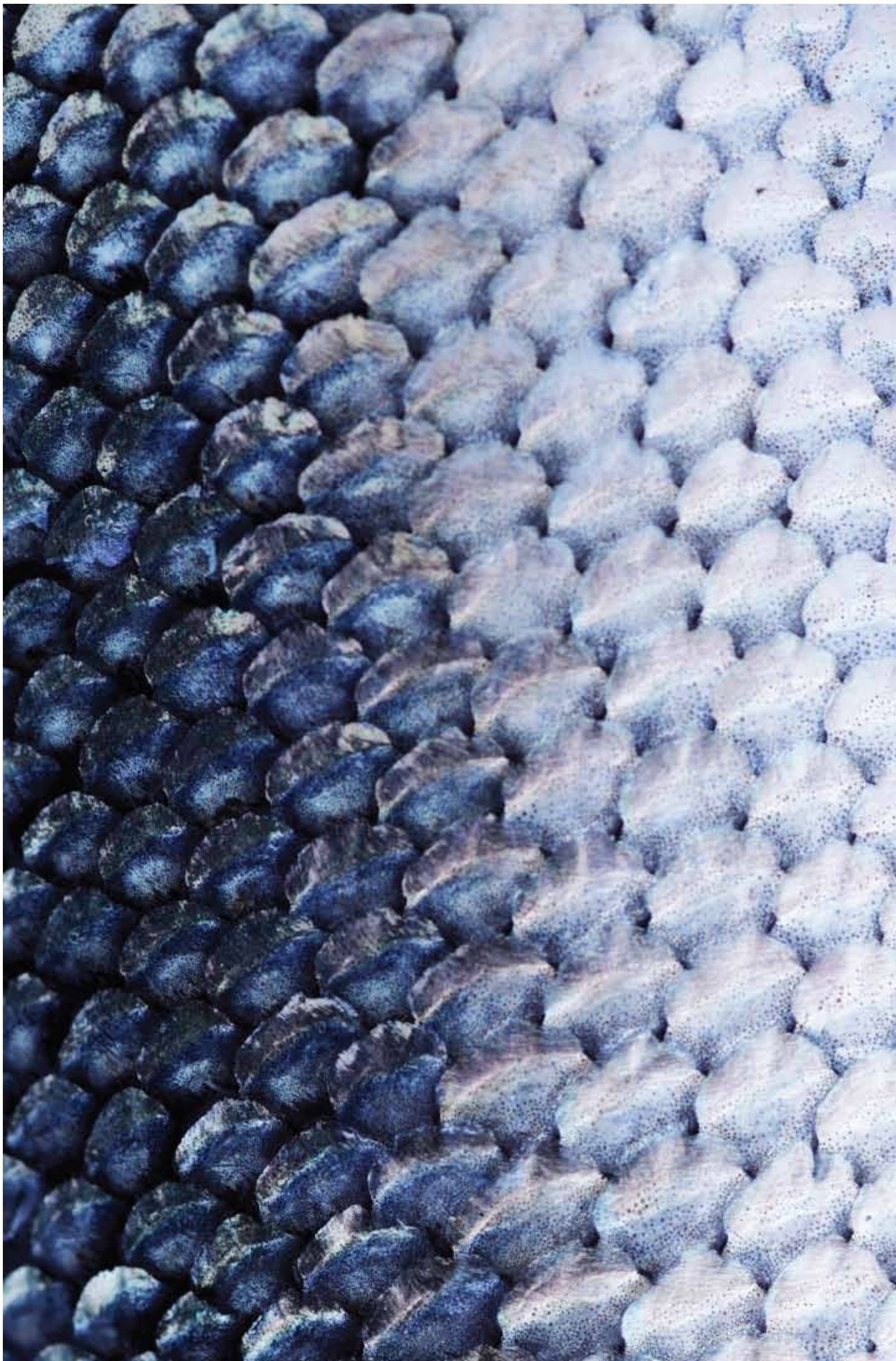
The FDA asked Aqua Bounty to establish a research facility outside of the USA. Panama was chosen when company officials met members of Chiriquí's Lamastus family at a convention. Sr. Luis Lamastus farms rainbow trout in Chiriquí near Parque Nacional Volcan Baru. The salmon tanks were added in 2007 using the clear, clean water of the Rio Caldera. In the event that a GM salmon escaped into the cold mountainous section of the river, it would not thrive because minutes downstream the river becomes a warm tropical river which is not conducive for salmon. However, the company is taking every precaution to keep these fish from being released into the wild, and farmed salmon are typically sterile.

Overpopulation and overfishing make such innovation attractive, if not necessary, to meet forecasted demand of a world whose population continues to double in a matter of mere decades. Already people have almost loved salmon to extinction. Wild salmon runs are declining and the USA is destroying two large dams near the Puget Sound in an attempt to return native habitat previously stolen from Pacific salmon. The Atlantic salmon is also endangered and the GM salmon would likely wipe out the genetically pure species if they made it into traditional habitat to compete. "Each year millions of farmed salmon being grown in ocean pens escape into the wild, outcompeting native populations for resources and straining ecosystems," according to Andrew Kimbrell of the Center for Food Safety; "we believe approval of GM salmon would represent a serious threat to the survival of native salmon populations already teetering on the brink of extinction."

GM foods are controversial and Americans are wary even of irradiated food. Market development for this new salmon will be difficult if it is approved. Approval is expected after debates and hearings scheduled to be completed in 2012. Few people, however, realize how many GM ingredients they are already consuming. GM seeds have long increased yields of disease-resistant agricultural commodities such as grains. It is not clear whether the GM salmon eggs will be made available to other companies, but Aqua Bounty's CEO has expressed an interest in multiple production sources and Latin America is the most logical region.

Another controversy is the amount of wild fish used in feed for farmed fish; this situation does not represent a solution for our oceans. Why GM salmon? The answer of course is primarily: profit. Aqua Bounty has already invested $60 million in this project and is years away from delivering the first AquAdvantage salmon to market. According to the FDA, GM salmon does not differ substantially from regular salmon. Therefore, the FDA's own regulations would not require Aqua Bounty to label it as GM salmon.

A Washington Post poll found 78% of respondents to be worried about the health and safety risks of GM salmon.



Consumer protection organizations went on the record during the public comment phase stating that consumers must be informed on the label exactly what they are buying. A Washington Post poll found 78% of respondents to be worried about the health and safety risks of GM salmon. Marion Nestle, the author of the book Safe Food: The Politics of Food Safety, argues that letting the public have a choice is the right thing to do, and will promote trust.

The FDA's Veterinary Medicine Advisory Committee has requested more food safety data and continues to monitor the farm's processes and results in Panama. They made public the Environmental Impact Assessment from the ongoing study.

www.fda.gov/AdvisoryCommittees/CommitteesMeetingMaterials/VeterinaryMedicineAdvisoryCommittee

For more information on GM salmon, visit:

www.cbc.ca/news/canada/prince-edward-island/story/2010/09/10/pei-gmo-salmon-aquabounty-584.html

For an excellent overview of the aquaculture industry, markets and prospects for Latin America, see:

http://library.enaca.org/certification/publications/BrazilWorkshop/07_Aquaculture_in_Latin_America.pdf

http://www.fao.org/docrep/003/ab412e/ab412e20.htm

Author Biography:

Stephen Kaczor is a Seattle-based writer, entrepreneur, and market development consultant. He recently founded Changes In Latitude to help travelers explore Latin America and he is a partner at International Market Resources. In addition to consulting and writing, he is passionate about travel, Latin American culture, and sustainable agriculture. Steve has served as Chairman of the Border Region Business Incubator, Associate Professor at Western International University, and on the Governor's Arizona-Mexico Commission. Steve@BigRiverFoundation.org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Nicaragua:

taking its agricultural sector up a notch

Written by PRONicaragua
AGENCIA DE PROMOCION DE INVERSIONES

In today's highly competitive world, finding sources of safe, reliable and high-quality agricultural products, within close proximity to the world's largest markets, is becoming increasingly challenging. As development, raw materials and labor costs make it more difficult to produce and maintain the levels of competitiveness, many offshore agricultural operations are now looking to Nicaragua.

So what's the big deal with Nicaragua? Here's a sneak peak.

Nicaragua, historically called the "breadbasket of Central America," has a long tradition of agriculture and livestock, as both have been fundamental to the country's economy for more than 150 years. Traditional agricultural products, such as meat, sugar and coffee spearheaded Nicaragua into international markets and led the way to the diversification of exports of new non-traditional innovative products, such as hydroponic sweet peppers, organic products and exotic fruits.

Nicaragua's agricultural sector has been growing at an average annual rate of over 14 percent during the last five years, and in 2010 represented almost 19 percent of the country's gross domestic product, 66 percent of total exports (excluding free zones) and 32 percent of the working population.

The Government of Nicaragua, well aware of the importance of developing the sector, has pledged its support to agriculture diversification by promoting programs and reforms intended to foster knowledge and technology transfer, specifically in vegetables, fruits, grains, oil seeds, and ornamental flower production. Having earned a reputation as a successful agricultural producer, Nicaragua is now concentrating its efforts on moving up in the value pyramid of industrialized and processed goods, which will allow local companies to export higher-value products. There are currently great opportunities in the processing of meat, seafood, fruits, beans, dairy products and plantains due to their worldwide growing demand and high quality.

Leading agricultural companies in the world are all placing sustainable agriculture at the forefront of their business planning, acknowledging that long-term viability and solid economic returns are based on the well-being of the communities and environment in which they operate. Nicaragua offers a great opportunity for the development of forestry projects given that there are more than 1.8 million hectares of land apt for forestry plantations to grow trees of commercial value, including cedar, mahogany, pochote, teak, eucalyptus and melina, among others. It is estimated that Nicaragua has 19,000 km^2 of economically valuable natural forest, with potential for sustainable management. Forestry plantations create the possibility to generate energy from biomass and capital based on environmental services, such as the sale of carbon bonds.

In July 2008, the forestry company Precious Woods received an endorsement from the Ministry of the Environment and Natural Resources (MARENA), which authorizes the company to claim certificates of greenhouse gas emission reductions. MARENA, an entity in charge of administering the Kyoto Protocol, issued a resolution that states that the Precious Woods project in Nicaragua contributes to the sustainable development of the country and abides national legislation. Precious Woods is the first forestry company of Nicaragua to receive this endorsement and become part of an elite group of companies that enjoy these pro-environment benefits.

These are some of the top reasons investors are now shifting their attention over to Nicaragua's agribusiness sector:

Abundance of land at competitive prices

Nicaragua is Central America's largest country in territorial extension. Its total area of approximately 130,370km^2 represents nearly 25 percent of all Central America's surface, of which 10,000 km^2 are covered by lakes, lagoons and rivers. The country has 4.9 million hectares of deforested land suitable for agriculture and reforestation projects, of which only 1 million are currently being exploited, which qualifies them as the most competitively priced and ample lands in the Central American region.

Preferential access to important markets

Through its free trade agreements, Nicaragua has assured preferential access to important markets, such as the United States, Mexico, Dominican Republic, Taiwan, Panama, Canada, Japan, the European Union, Colombia, Venezuela, Cuba and Bolivia, among others, with particularly attractive benefits for agricultural products. The country's total market access has been calculated in over 1.2 billion people.

Skilled labor at competitive costs

Nicaragua has the most competitive labor costs in the Central American region, and its work force, comprised of 2.8 million people, is known to be flexible and highly productive, with good working habits and fast learning skills. While most jobs are concentrated in the cattle raising and farming industries, forestry, fishing, and diversified production are also generating a significant amount of jobs for the Nicaraguan population.

Generous fiscal incentives

In order to promote exports and the production of greater value-added goods, the Nicaraguan Government offers investors generous fiscal incentives under legislations such as the Free Zones Law (46-91), the Forestry Incentives Law (462), the Temporary Admissions System (Law 382) and the Fiscal Equity Law (453).

In recent years, Nicaragua has experienced sustained economic growth as a result of prolific fiscal, financial, and currency exchange policies. Clear legislation and administrative procedures concerning businesses have promoted exports, as well as contributed to a strong inflow of foreign direct investment (FDI). Moreover, current macroeconomic policies have allowed the national economy to remain stable during the international financial crises, with a registered growth of 4.5 percent in gross domestic product (GDP), the highest in the Central American region.

As evidence of the country's continuous efforts to improve its business climate, Nicaragua has achieved international recognition in a number of independent evaluations. The 2011 Doing Business Report, which is a study executed by the World Bank that provides objective measures of business regulations and their enforcement across 183 economies, ranked Nicaragua as the top location in Central America in indicators such as "starting a business" and "investor protection".

Reaffirming Nicaragua's position as a leader in agribusiness, renowned international companies, such as Kraft Foods, Parmalat, Cargill, Nestlé, Wal-Mart (Hortifruti), Pescanova, SuKarne and Precious Woods have established successful operations and are already benefiting from the many advantages the country offers. FDI inflow in this sector is expected to continue to grow as global markets demand that companies seek investment destinations that provide a competitive edge and allow them to take advantage of industry trends.

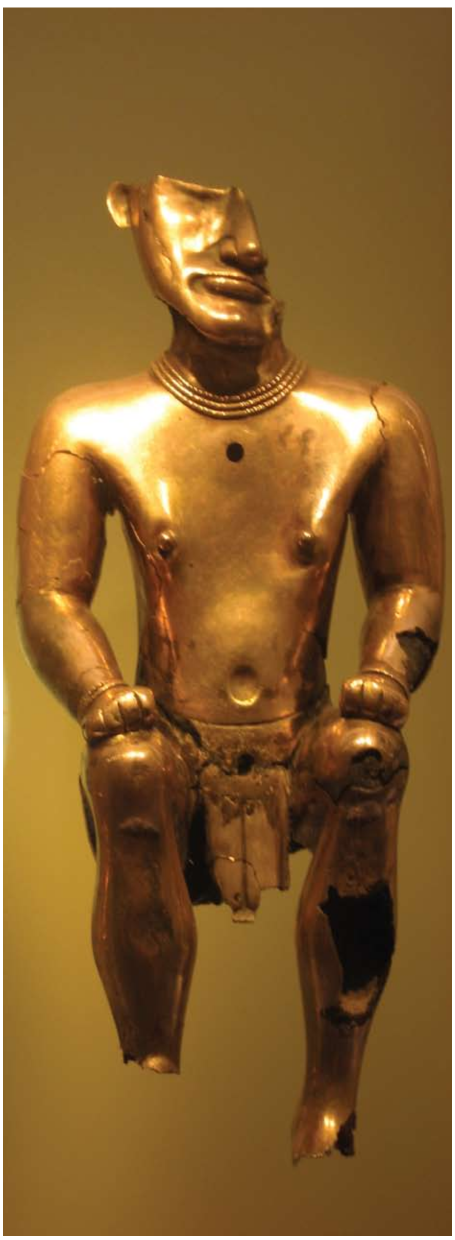
About PRONicaragua

PRONicaragua is the Nicaraguan investment promotion agency, established in 2002. It is a non-profit, public-private institution whose mission is to generate economic growth and job creation in Nicaragua by attracting high-quality foreign direct investment. The agency provides complimentary support services to qualified investors seeking investment opportunities in our country.

Contact Information: info@pronicaragua.org - www.pronicaragua.org

The Artistry and Stability of Colombian Gold

"An estimated 90 percent of the mineral-rich country has yet to be explored..."



The history of Pre-Columbian gold mining dates as far back as the years 1-1000 A.D. Some of the world's earliest discoveries have been made in Northeastern Colombia from the Tairona culture, Early Zenu culture and the Muisica culture. The important gold mining center of Buriticá, in the mountains of Colombia's northern Antioquia Province, exploits rich alluvial deposits and vein gold. Historically, these golden objects were used as ritual spiritual offerings as well as traded daily for food, salt, emeralds, and other items with peoples in the north, east, and south.

This area of Colombia was the largest gold producer in South America between the 16th century and 19th centuries. The majority of the production was located in the department of Antioquia, where numerous mining companies are still currently developing exploration programs. There has also been significant recent growth in mining activity in the north of Tolima. Other areas, including Marmato-Riosucio, Vetas-California and the department of Narino, have a long mining history.

Colombia's Gold Cultures

Colombia produced 21 t of gold in 2001, making it Latin America's fifth largest producer, after Peru, Brazil, Chile and Argentina. Most of Colombia's gold production is produced from alluvial operations, mostly by local artisanal miners. Gold recoveries from these operations are poor, with recoveries of less than 60% being reported. In response to this the Colombian government has been pushing for a move away from artisanal min-

"Much of this foreign investment is coming from Canadian companies eager to capitalize on the fact that an estimated 90 percent of the mineral-rich country has yet to be explored. From 2003 to 2008, foreign direct investment (FDI) in Colombia's mining industry tripled from $900 million to $3 billion."

ers towards high-quality mechanized mining. The country's largest alluvial operation occurs along the Nechi and Tigui Rivers – operated by Mineros de Antioquia S.A., Colombia's largest official gold producer.

Colombia's rich deposits of minerals like gold, silver and copper make it an alluring target for foreign investors interested in mining projects, however due to Colombia's history of unstable business conditions and unfavorable tax laws the history of foreign investment in this field has been less than remarkable. Luckily, the administration under President Alvaro Uribe (2002-2010) saw improved safety, new investor-friendly mining laws and record international gold prices. All of this has inspired foreign mining companies to return to Colombia to tap its natural resources.

According to Baker & McKenzie Global Law Firm, "Much of this foreign investment is coming from Canadian companies eager to capitalize on the fact that an estimated 90 percent of the mineral-rich country has yet to be explored. From 2003 to 2008, foreign direct investment (FDI) in Colombia's mining industry tripled from $900 million to $3 billion". "The Colombia-Canada link in the mining, oil and gas industry is becoming stronger and stronger," says Alejandro Mesa, head of Baker & McKenzie's Energy Law Practice Group in Bogota. "Significant improvements in security have been a real boost for the sector."

Another factor in the return of investment is the increase in overall safety in Colombia. For decades foreign mining companies avoided

Colombia for fear of being kidnapped by rebel groups. Since President Uribe's term, however, violence has dropped. Murders have fallen 50 percent and kidnappings have decreased 93 percent, largely because of Uribe's military efforts to stop the guerilla warfare that has plagued the country since the 1960s. With foreigners no longer afraid to travel to Colombia, international investment has risen, sparking economic growth.

Gold on Display

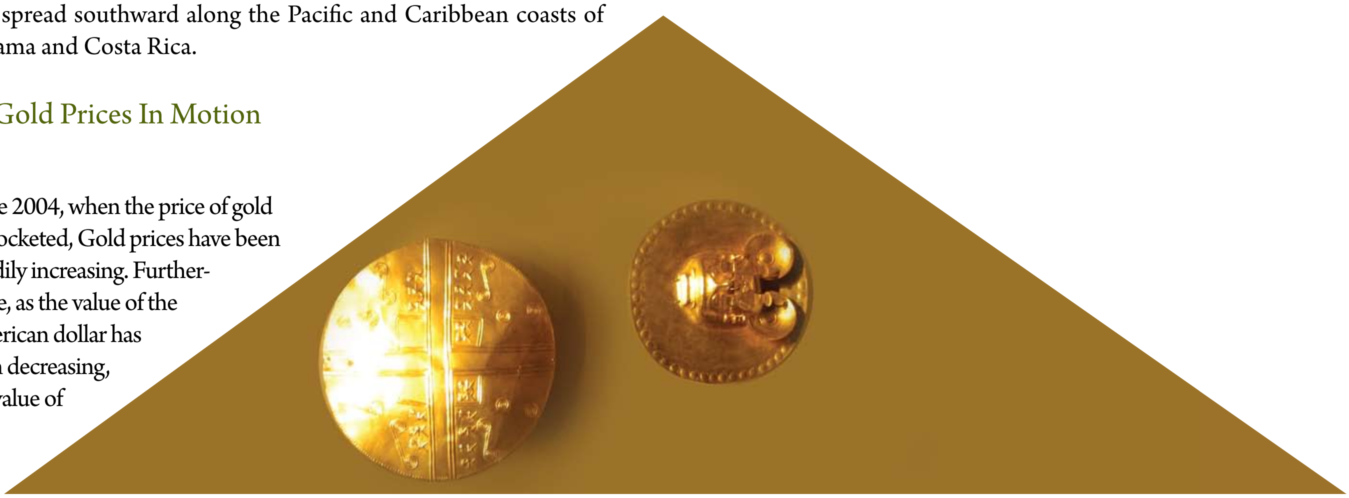
The Banco de la República Gold Museum, in Bogota, Colombia, displays the world's largest selection of Pre-Columbian gold work. This extraordinary collection together with other pottery, stone, shell, wood and textile archaeological objects, testify to the life and thought of different societies which inhabited what is now known as Colombia before contact was made with Europe.

The advanced craftsmanship and skill of goldsmiths in Pre-Columbian American societies is some of the most impressive in the history of gold jewelry making. The Incas, Mayas and Aztecs used gold to adorn tombs, decorate royalty, embellish religious icons and bedeck themselves in gold jewelry, long before the Spanish and the Catholic Church invaded, stole and melted down Indian gold jewelry and wares in order to recover their depressed economy by shipping large amounts back to Europe.

Pre-Columbian cultures such as the Chimu, Incas, Mayas and Aztecs were accomplished gold jewelry makers utilizing techniques of granulation, pressing, hammering, inlay, filigree and lost-wax methods all of which are still used today in modern fine jewelry making. The technologies invented by these cultures for mining gold and other metals began with the higher civilizations of Mexico and spread southward along the Pacific and Caribbean coasts of Panama and Costa Rica.

Gold Prices In Motion

Since 2004, when the price of gold skyrocketed, Gold prices have been steadily increasing. Furthermore, as the value of the American dollar has been decreasing, the value of gold



continues to increase in the US. As with any investment class, there are pros and cons in regards to investing in gold jewelry. The pro is that naturally gold is virtually the most stable thing you can invest in. There is no need to follow the stock market or keep close tabs on Forex. Your job is merely to keep your jewelry in a safe place and in pristine condition, knowing all the while it continues to appreciate in value.

As US Global Investors' CEO and Chief Investment Officer Frank Holmes told The Gold Report – "Gold has taken off; it's in motion. The last thing you want is for it to shoot up thousands of dollars overnight. That would be a crisis of serious magnitude. I think that we're going to see gold gradually grow in value relative to other currencies in the world for two reasons. In the first place, emerging markets have already taken it on the chin. They've had currency crises, etc. They basically have very low debt per person, very low debt as a country. They have growth rates because their government policies are for infrastructure spending, which creates sustainable jobs. And in those countries there's an emotional attachment to gold for gift giving. So that's a key factor… I think the best country right now for value with government policies – and I've met with the ministers and the new president – is Colombia."

There is no need to follow the stock market or keep close tabs on Forex. Your job is merely to keep your jewelry in a safe place and in pristine condition, knowing all the while it continues to appreciate in value.

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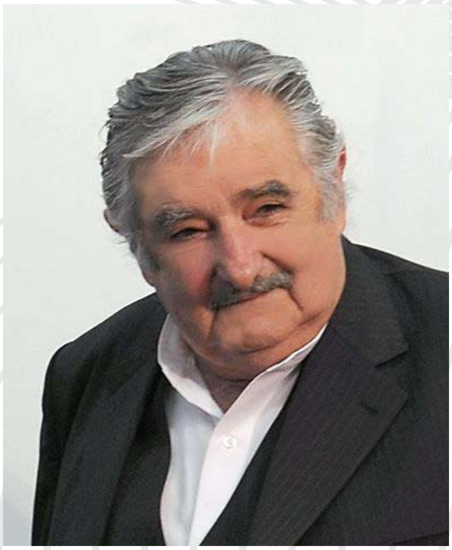

José Mujica, President of Uruguay and member of the embattled FA
Credit: Agencia Brasil

Divisions in the FA provide opportunity for opposition

Divisions in Uruguay's left-wing ruling coalition, Frente Amplio (FA), over the contentious repeal of the 'Ley de Caducidad', which prohibits the investigation and prosecution of crimes committed by the military during the dictatorship (1973-1985), provide an unexpected opportunity for the weak opposition. The institutionally strong FA has been successful in pushing the repeal initiative through congress only by forcing its members to vote in favour or face expulsion from the coalition. As a result, at least one prominent FA congressman has resigned, and another's expulsion is pending. The approval of the proposed reforms would also spark a major rift with the military. Meanwhile, the country's traditional parties, the right-of-centre Partido Nacional (Blancos) and the Partido Colorado have managed to present a unified front against the initiative. They support the argument that the defeat of two previous referendums (1989 and 2009) to repeal the law reflects the "political will" of the people regarding the issue. Should the approval of the initiative prove to be detrimental to Uruguay's healing process, the highly successful FA could be seriously weakened in the public eye. This would certainly place the Blancos and Colorados in a good position to challenge the FA at the next elections.

Ollanta Humala, Candidate for Peruvian presidency

Peru's polarised election

The two most extreme of the five main candidates in the first round of the Peruvian presidential election will compete for the presidency in the decisive second round on 5 June. Early opinion polls give Ollanta Humala, the leftwing former radical revolutionary, a handy (42% to 36%) lead over Keiko Fujimori, a daughter of a jailed former president Alberto Fujimori (1990 to 2000). The opinion polls also show that only 10% are undecided while 12% are determined to vote for neither candidate.

In the 130 seat congress no party will have anything approaching a majority. Humala's Gana Perú will be the biggest party with at least 45 seats. Fujimori's Fuerza 2011 will have 38 seats.

Humala's impressive campaign so far, which has drawn heavily on Brazilian advisers, has panicked investors and sent the Peru stock market down 24% so far this year, making it the worst performing in the region. If Fujimori starts to close the opinion poll gap, the market may recover, but any recovery will probably only encourage more foreign investors to sell. The country has been wracked by an increasingly violent series of disputes, especially over mining and water rights. These disputes reflect the fact that despite the strong GDP growth in the past few years, few infrastructure projects have been delivered. Until the new government improves the country's infrastructure and reduces poverty further, the investment outlook is likely to be volatile.

Ex-First Lady Sandra Tolls to run for presidency
Credit: Johan Ordonez/AFP/Getty Images

Divorce paves way for Guatemalan First Lady to run for president

Guatemala's presidential first couple, President Alvaro Colom and Sandra Torres, were granted a divorce this month allowing Torres to run as presidential candidate for the ruling centre-left Unidad Nacional de la Esperanza (UNE) and its ally Gran Alianza Nacional (Gana) in the September 2011 general elections. The divorce allows Torres, a politician in her own right, to sidestep a constitutional ban on those related to the incumbent running for the top job. In a country where 51% and 15% of the population live in poverty and extreme poverty respectively, Torres has made a name for herself as champion of the poor through her identification with government social programmes such as the conditional cash transfer scheme, "Mi Familia Progresa"– the only method of state intervention available to Colom due to the refusal of the opposition-dominated congress to approve tax reform (at 10.5% in 2010 Guatemala has the lowest tax take as percentage of GDP in Central America). Torres is second in the polls, behind former general Otto Pérez Molina of the rightwing Partido Patriota who is campaigning on the other chief public concern security. (With a homicide rate of 50 per 100,000 inhabitants, Guatemala ranks below only Honduras [77] and El Salvador [66] in Latin America).

Cristina Fernández – likely to run
Credit: Presidencia de la Nación

Argentina's unknown electoral quantities

Argentina goes to the polls in October to elect a new president and congress. Unusually, it is far from clear as to who will be running for the presidency. The general assumption is that President Cristina Fernández will run for a second consecutive four year term, though she has yet to declare herself. Ricardo Alfonsin, son of a former president, is all but assured of the nomination from the main opposition party, the Unión Cívica Radical (UCR). The UCR's big handicap is that none of its presidents have ever completed their presidential terms.

Fernández leads the Frente Para la Victoria, the dominant faction of the Partido Justicialista (PJ, Peronist party), but other wings of the PJ are threatening to challenge her. The economy's strong performance, on the back of high soya prices and the high Real, which has allowed Argentine companies to compete in the Brazilian market, means that there is unlikely to be an economic crash until after the elections. The economic problems are mounting, however. One sign of this is the surge in inflation which even government allies now accept is running at about 25% a year rather than at the single digit rate the government's official statistical agency, Indec, claims.

The Panama Network

Panama plays a pivotal role in global commerce as a nexus between oceans, continents, and markets. In recent years, it has assumed a prominent role in the digital space, as well, emerging as an elite player in a region whose overall web, mobile phone, and smartphone markets are growing at some of the fastest rates in the world. A 2010 report from the Latin Business Chronicle ranked Panama second among Latin American countries in technological development and internet penetration (behind only Uruguay), while a separate LBC report ranked it first in wireless network penetration (ahead of Argentina).

Panama´s technical prowess is due in large part to a sustained foreign presence revolving around the U.S.´s century-long administration of the Panama Canal, which established a robust telecom infrastructure on which the country has built effectively in recent years. Broadband and wi-fi access extend to most of the populated regions of the country, and the government has announced plans to create a nationwide wi-fi network. Internet usage is rising fast, with currently about 1.5 million users out of a total population of 3.4 million. There are already more mobile phones in the country than people.

Panama remains a favorite location for multinationals (Google is opening an office there this year), and it has become a magnet for entrepreneurs. An example is Mackenze McAleer, a U.S. native and Marine Corps veteran with several years´ experience in the U.S. telecom and internet industries, who moved to Panama City five years ago. One of his current ventures, the Panama Network, comprises web sites and web-based tools and services covering various aspects of the country, including business, real estate, and tourism. He is also an executive at Veritas Digital Studios, the Latin American subsidiary of Creative Asylum, a Hollywood-based digital production company.

McAlee considers Panama an ideal location for doing web-based business in Latin America. “It has a unique orientation to the internet and all things digital,” he says. “It´s had an opportunity to be exposed to new technology faster and to become more familiar with it, and as a result, it´s really leading the charge in terms of technology in the region.”

He points to Creative Asylum as an example of a foreign company that has thrived in Panama and utilized it as a gateway to the Latin American market. When they contacted him a few years ago, he says, “they were intrigued with what was happening with the internet and digital space in Latin America, and with a little bit of due diligence, they quickly discovered that it´s truly a blue ocean environment.” With McAlee they opened Veritas Digital Studios in Panama City in 2009, to provide digital and web production services to Latin American clients. Its success, McAlee says, has been due to its combination of excellent native technical talent and solid North American-style management and experience. “The technical talent here is absolutely as good as what we have in the US. What they lack by and large is experience and management. We´ve taken that really amazing raw talent and turned them into a world-class shop.”

McAlee has utilized that same combination with the Panama Network, which filled a void he discovered when he first relocated. “The

first thing I noticed when I moved to Panama was that no one had bought the best domain names. So I immediately bought 400 or 500 domains, based on important keywords that people were searching." He and his partners built the Panama Network on those domains over the next five years. Currently it includes 165 full-fledged websites, in both English and Spanish, covering the business, investment, real estate, tourism, and medical tourism industries; another 90 sites are in the pipeline.

McAlee says that, according to Google, a monthly average of 16 million people search for information on Panama, and many of those searches fall within the Panama Network´s current scope. "Our aim is to help people and businesses visit, explore, move to, live in, do business in, and invest in Panama. We provide virtually any kind of information, for almost any purpose, regarding any industry or topic. So we tap into just about any reason one of those 16 million people might be researching Panama."

As examples of the consulting services the Panama Network provides to businesses, McAleen mentions lead generation, online reputation management, online advertising and marketing, search engine optimization, and social media optimization.

McAlee is amazed at what the Panama Network has accomplished in so little time and with so few resources. "We are undercapitalized at the moment, operating on a shoestring budget, but we´ve stumbled on a business model that works better than anything we could have possibly imagined. We have more clients than we know what to do with. We get 350,000 unique hits a month across the Network. 95 per cent of our traffic comes from search engines; the other five per cent is from type-ins. We do absolutely no proactive marketing at all at this point. We´re incredibly impressed with the effectiveness of it."

McAlee says the Panama Network is currently in the process of re-launching all 165 live sites and adding the 90 new sites in the next few months. They are also looking to add a translation plug-in that would render their content into 24 different languages. Currently most of the sites are in English, with 10 sites in Spanish.

"The next step is to finish The Panama Network the way that it should be. We want to tie into the mobile and tablet platforms, provide real-time mobile access to things like real estate and professional listings. By putting these sites up, providing this information, and creating this community, we´re effectively replacing so many kinds of media."

But McAlee wants to enter other markets, too, and has plans to apply a similar model to Panama´s much larger neighbor, Colombia. Colombia´s population, at 47 million, dwarfs Panama´s, and it garners hundreds of millions of internet searches a month.

"There are so many other markets where this model could work incredibly well. We just need to take it to the next level, capitalize the business, and get serious with some new partners who can help us turn this into an empire."

McAlee is optimistic about applying the Panama Network´s model to other markets. "Latin America is the fastest-growing internet market on the planet, and Latin Americans are the heaviest searchers in the world. I don´t think [entering markets outside Panama] will be difficult at all. I think we´re expanding into a market that´s exploding. This is the front side of the tech boom in Latin America.

"You have an entire generation of North Americans and Europeans becoming expats and coming to Latin America, and an entire generation of Latin Americans who are adopting the internet not only as the means by which they get their news and weather and sports, but by which they communicate, make their purchases, and create and form the communities and audiences that make the internet the powerful, world-changing thing that it is."

McAlee observes that internet trends in Latin America are about five years behind North America and Europe, but he is confident that similar trends will prevail across the region. "People are people, products are products, and if it found a niche somewhere else in the world, chances are it´s going to do the same here." However, success is not a question merely of transplanting and translating, he says. He prefers the term "transcreation," instead: fully redeveloping and customizing products and strategies to the peculiarities of different markets, cultures, and user habits.

"Latin Americans are creating their own special brand and flavor of the internet," McAlee says, "and I´m looking forward to being a part of it."

Named one of "America's Best Leaders" by US News & World Report and one of 100 "Innovators for the 21st century" by TIME, Linda Rottenberg is one of the world's most dynamic and respected experts on entrepreneurship, business opportunities in emerging markets, and innovative leadership for the new economy.

> "I never perfected an invention that I did not think about in terms of the service it might give others... I find out what the world needs, then I proceed to invent.
> - Thomas Edison"

High-Impact Entrepreneurship of

An interview with Linda Rottenberg, Co-founder & CEO of Endeavor

Imagine knowing you have the ambition and innovation to do something truly monumental. You are confident that your dream could bring wealth and abundance to not only your family but to the entire community in which you live. For such visionaries born into an emerging country, the obstacles they face may make their vision seem truly unattainable. In an emerging market not only is there limited access to capital, the cost of failure is extremely high. Furthermore, very few in the community have attempted to rise above the standard of living and the lack of trustworthy mentorship may mean that potentially golden ideas go unexplored.

In this issue, Alternative Latin Investor speaks with Linda Rottenberg, the Founder and CEO of an organization called Endeavor. This organization helps "High-Impact Entrepreneurs" fulfill their dreams by connecting them with an impressive network of leaders in various fields and providing them with the tools necessary to watch their dreams unfold into reality.

"Before Endeavor the word entrepreneurship was not in the dictionary in Portuguese, Spanish or Arabic. Endeavor Entrepreneurs did not know they were entrepreneurs until they entered the Endeavor Search & Selection process. We've come far in thirteen years since the Argentine taxi cab driver with a PHD in physics inquired "How can I possibly start my own company when I don't even have a garage?"

Explain Endeavor's definition of "High Impact Entrepreneurship"

We believe that High-Impact Entrepreneurs are ones whose businesses have potential to scale significantly, both in terms of job creation and revenue growth. Historically in most economies it is only a small number of high-impact, high-growth entrepreneurs that create the vast majority of new jobs. This has been supported by the World Economic Forum in their recent report on worldwide entrepreneurship, authored by Stanford Professor George Foster. The report found that the top 1% of companies from among 380,000 companies reviewed across 10 countries contribute 44% of total revenue and 40% of total jobs, while the top 5% contribute 72% of total revenue and 67% of total jobs. In each market where we operate, Endeavor looks to find that small group of companies that will make a true impact on their countries.

What Projects does Endeavor Currently Have Underway in Latin America?

We are very excited about a number of initiatives under way in Latin America, including:

- Expanding the model, pioneered by Endeavor Mexico, of providing full advisory boards to all of our Latin American Endeavor Entrepreneurs. This is in addition to our regular mentoring programs.
- We will host our 41st International Selection Panel for new Endeavor Entrepreneurs in Uruguay in December. We expect to have close to 24 regional candidate companies come to this panel.
- We have just launched an Endeavor Investor Network, a membership organization linking global Venture Capital players to the companies in our network through formal introductions and events. The initial kick-off was a tour for selected key investors to Brazil earlier this week.Ç
- We are piloting a financial management education program with Ernst & Young in Chile this year that we hope to roll out throughout the region within the next 12 – 18 months.

What is your experience of entrepreneurs in Latin America? How are they different than those in other parts of the world?

When we started Endeavor in Latin America in 1998 we believed that Latin America was filled with potential entrepreneurs but that – in addition to finance – they lacked three key things:

- Access to mentors
- Access to networks
- Access to role models

We have tried to address these areas through our work in six countries in the region and I'm pleased to say that we are making progress. Latin American entrepreneurs tend to start with smaller networks than their Asian counterparts so we recruited boards and volunteer mentors from the local business communities. After 13 years, we have screened and provided feedback to thousands of entrepreneurs. In Latin America, we have chosen 643 entrepreneurs from 291 companies to be Endeavor Entrepreneurs. All have received extensive mentoring support and actively serve as role models, inspiring others to believe they too can achieve their dreams.

Perhaps our best known entrepreneur success story in Latin America is MercadoLibre, which was selected in our first class of Argentine entrepreneurs in 1998 and has grown

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into a Nasdaq-listed company with close to $3 billion in 2010 revenues!

What does it take for an entrepreneur to get accepted/chosen by your program?

Entrepreneurs pass through a rigorous 12 – 18-month screening process at the local level, including a series of interviews with network members, working with local staff, second opinion reviews from network members and staff in neighboring countries, and a local selection panel. At each stage of the process, companies receive concrete feedback that helps them build their businesses.

Once nominated at the country level, candidates present at one of our International Panels, held in different locations 4-5 times each year. Judges at the International Panels include members of our global network, executives at leading global companies, investment and professional service firms and top academics from MIT, Stanford, etc. Candidate companies must receive a 6 – 0 vote from the Judges to be named an Endeavor Entrepreneur.

Throughout the entire process we are looking at a number of things: The commitment of the entrepreneur to accept feedback and adapt change in their business; the willingness of the entrepreneur to consider giving back to their community; the potential for the company to scale; and the fit with Endeavor, specifically what can Endeavor do to help the entrepreneur develop their business.

Real life examples of Entrepreneurs who have benefitted from our coaching:

Please find a few entrepreneur snapshots from our website below. At the bottom of each snapshot is a specific discussion of how each of these entrepreneurs benefitted from Endeavor support, including mentoring, eMBAs, tours, etc.

- Martin Migoya, Globant (Argentina): http://endeavor.org/entrepreneurs/martin-migoya/89
- Mario Chady, Spoleto (Brazil): http://endeavor.org/entrepreneurs/mario-chady/125
- Karina von Baer, Oleotop (Chile): http://endeavor.org/entrepreneurs/karina-von-baer/339

Overview of our Programs in Latin America:

Advisory Boards—Pioneered in Mexico, this program is being rolled out throughout the region. We build a board for each Endeavor Entrepreneur. We conduct a proprietary needs assessment and then match the entrepreneur with a group of advisors, generally recruited from top local businesspeople as well as executives at professional service firms. Boards meet four times each year and advise entrepreneurs on their strategy, focus in-depth on specific areas and monitor performance.

Global Connections – We maintain a database of hundreds of business professionals, investors and experts in the US who can be called upon to assist entrepreneurs for specific questions, often related to international expansion or capital raising.

eMBA Program – Endeavor recruits between 20 and 30 MBA students from leading schools (Harvard, Stanford, MIT, Wharton, Columbia, etc.) between their first and second year studies to spend the summer working for our Latin American entrepreneurs on projects ranging from strategic planning to marketing and business expansion ideas. Students receive a small stipend to cover travel and living expenses; entrepreneurs receive access to talent they would never be able to get on their own. Longer term MBA support for entrepreneurs is available through our association with MIT's Global Entrepreneurship Lab, a semester long course program that puts students inside Endeavor companies.

How do you track the record and progress of the entrepreneurs you support?

Metrics are extremely important to us at Endeavor. We do an annual survey of all of our entrepreneur companies, asking for key metrics such as jobs and revenue growth. We include these metrics in our annual Impact Report and post them on our website, www.endeavor.org/metrics. We also have a research unit, the Center for High Impact Entrepreneurship, which does more extensive research and case studies on our entrepreneurs with focuses on everything from sector analysis to employee lifestyle surveys.

For more information, visit: www.endeavor.org

New Law

Anti Money Laundering to be Passed in Argentina

After a dramatic report issued by the Financial Action Task Force "FATF" on October 2010 analyzing compliance of Argentina with the 40+9 recommendation of such FATF, Argentina has been trying to avoid being categorized by the FATF as a non-collaborative jurisdiction.

For these purposes, Argentina's Anti Money Laundering "AML" authority, the Financial Information Unit "FIU" – lately seen as a political tool for the Argentine government to receive information of political adversaries — has issued more than fifteen new regulations on the prevention of money laundering since January 2011 to date. The goal set by these new rules is to put into force a system of measures to prevent money laundering and implement greater control over commercial and financial operations. This is an effort by Argentina to avoid further sanctions from the FATF.

Clearly, the more controversial regulation, from these set of new rules, is the one that imposes all the AML set of rules on exporters and importers. Under this rule, importers and exporters will have to have a manual on AML procedures, will have to apply to rule of "know your client" "KYC" to all their relevant clients, being thus obliged to request to all their clients, evidence of the origin of the funds, and eventually report suspicious (i.e., extraordinary) transactions. This regulation was strongly contested by many commercial and trade chambers of Argentina, as such rule would render foreign trade even more cumbersome, bearing in mind that – in connection with foreign trade transactions — banks and customs agents are already obliged to have manuals and report suspicious transactions.

These efforts of the Argentine Government, of course, have again created a lot of noise and complaints from exporters and importers and in fact, did not prevent further sanctions from the FATF, bearing in mind the amount and cumbersomeness of the regulations.

For these purposes, the Argentine Government has now decided to pass a whole new AML law. The new draft bill has already been approved by the House of Representatives and is expected to be approved by the Senate on June 1st, 2011.

The bill considers the laundering of assets as a separate crime, and not as ancillary to other crimes (such as corruption, drug trafficking, terrorism, arms dealings, etc.) as provided for in the current legislation, and the threshold for a money laundering transaction has been established in AR$ 300,000 (approximately US$ 73,000). In addition, the proposed new regulation provides for the immediate seizure of assets subject to money laundering transactions, and such assets can be definitively seized even in the case of the material author of the money laundering transaction is not judicially sanctioned (for example because the action is terminated because of the death of the author), provided that the illegal origin of the assets is in fact proved.

Additionally, the bill provides for a new mechanism for the appointment of the FIU's chairman and directors aimed at providing more transparency and less political maneuvering over the FIU.

Argentina must pass this law soon or be considered as "non-cooperative" by the FCATF in the fight against money laundering and, therefore, unreliable for foreign investment.

Javier Canosa is the managing partner of Canosa Abogados (www.canosa.com.ar) who help foreign entities and funds setting up and developing their business in Latin America.

He has vast experience in mergers and acquisition and the negotiation of commercial agreements. Javier has represented and advised several companies, including financial institutions, in corporate M&A, business development and real estate undertakings.

Javier can be reached at jc@canosa.com.ar

Alternative Latin Investor: Profile

Gonzalo Ferre Molto, General Manager of the South America Tollroads Division of Abertis and one of the main speakers at the 2nd Southern Cone Infrastructure Summit hosted by BNAmericas, gave us some insights on all the business divisions of Abertis in LatAm

Abertis Infraestructuras SA is a Spanish company active in the management of infrastructures. Its business is structured in five areas: (i) Tollroads, managing concessionaires active in the highway operation mainly in Europe and Latin America; (ii) Telecommunications, operating through Abertis Telecom SA, which owns the main site network for the broadcast and delivery of radio and television signals in Spain, and stakes in the main satellite operators in Europe and South America; (iii) Airports, represented by Abertis Airports SA, an airport operator which has interests in 30 airports in nine European and Latin American countries; (iv) Car Parking, including the operations of Saba Aparcamientos SA in Spain, France, Italy, Chile, Portugal and Andorra; and (v) Logistic Parks, comprising the activities of Abertis Logistica SA, which manages warehousing facilities in Madrid, Barcelona, Alava, Seville, Lisbon and Santiago. Additionally, Abertis comprises a number of entities operating in North, Central and South America; the Caribbean; Europe; North and South Africa.

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What does a Latin American country have to offer in order to attract the interest of your firm Abertis?

Our requirements for investing in Latin America are identical to those of the rest of the world: transparency of procedures, legal certainty and the possibility to appropriately allocate risks according to each stakeholder's capacity to manage them. Then, the economic projections for each country and project will determine whether they can provide the yields required to invest.

Arguably Abertis' main business in LatAm is in the operation of tollroads, in

your experience what would be the main takeaways from operating in countries so different politically and economically as Chile and Argentina?

As I said, the key is the legal predictability in which we must navigate through the entire life cycle of a concession, which by its very nature is long. In this sense, the Argentine crisis of 2002 extremely conditioned our investments in the country. We are confident that the positive developments of the recent years will allow the short term recovery of the lost value. Chile has maintained a steady growth path which, along with the perfect reaction to last year's earthquake, makes us optimistic about the evolution of our investments.

Abertis has a stake in a toll road operator in Colombia, what is your opinion about the future of this market as Colombia continues to grow economically and the government continues to encourage private sector participation in public infrastructure development? (Note to readers: this question was answered by Roger Botto, Business Development for South America of Abertis Infraestructuras S.A.)

We believe that it will require further investment in the sector to support the growth of the country. The current institutional and macroeconomic conditions in Colombia placed that country within the radar of international investors that can contribute to this development. To do this, first there must be specific and well defined projects, which in turn, should be properly implemented in order to reconcile the public and private short, medium, and long term interests. In some projects, the conditions will allow them to be undertaken 100% by private investors while in other cases it shall be the government funding the projects.

Changing the subject now and referring to airports, Abertis has an indirect interest in Grupo Aeroportuario del Pacifico (GAP). Is this a passive investment or does GAP turn to Abertis for advise in Abertis' various fields of expertise?

Abertis, along with Aena and Mexican company CMA, form the core shareholding stake of the company Aeropuertos Mexicanos del Pacífico, which, as the strategic partner at GAP has, since the privatization in 1998, been responsible for managing the network of airports in GAP. This means that Abertis is an investor with an active role in managing the operation, consistent with our industry profile infrastructure managers.

Important economic groups in Australia, Mexico, Brazil and Spain have shown interest in the eventual privatization of assets under control of Infraero. What is the position of Abertis?

The privatization of Infraero has been on the table for quite some time now, it now appears to be closer, but still with a large number of questions to clear. After these questions are clarified we will be in a better position to make a decision. At this point it is not possible to anticipate the interest that Abertis might have in the process. It should be remembered that there are major airport privatization and concession projects in Spain. These are projects in which Abertis has somehow focused its interest and is waiting for the government of Spain to disclose the conditions expected.

It is said that Abertis is looking for a buyer for its business unit of parking lots and logistics, SABA. How is the performance of that business unit in Chile and how do you see the future of these markets (parking and logistics) in the rest of LatAm?

Abertis has begun a process of reorganization of its five businesses resulting in the creation of a new privately held company, Saba Infraestructuras, that shall bring together business parks and logistics parks. We expect, and the operation has been designed for this purpose, the shareholders of this new company to be some of the current Abertis' shareholders and some institutional investors interested in growing together with the company.

As for the future of both sectors, we believe that both the parking and logistics parks will increase their level of demand and quality as they continue to develop in countries where we operate. In Chile, about 4 million vehicles use Saba parking lots annually. The company currently operates a network of 15 lots in Santiago, Valparaiso and Concepcion.

Within Abertis Logística – Chile, we are building in the Pudahuel area an integrated logistics park on 63.3 hectares of land, where we have been operating for the past 6 months with the first 20 thousand square meters of distribution centers for lease with 100% occupancy. Now we are raising the second structure of 20 thousand square meters.

Gonzalo Ferre Molto, General Manager of the South America Tollroads Division of Abertis and one of the main speakers at the 2nd Southern Cone Infrastructure Summit hosted by BNAmericas, gave us some insights on all the business divisions of Abertis in LatAm.

Mr Ferre Molto, a lawyer with a vast curriculum in different areas of business activity, has been the General Director of South American Highways - Abertis Infraestructuras SA since 2008.

Since 1989 he has held the positions of General Director of Empresa Nacional de Autopistas de España, Delegate Advisor of Itínere, and General Director of the Sacyr Vallehermoso group.

Government appointed administrator, Mr. Ferre has also served in the public sector as Assistant General Director of Treasury and during the launch of the Euro, was President and General Director of the Fábrica Nacional de Moneda y Timbre.

He has also served on the finance committee of IBTTA, and as the vice president and general secretary of the Mint Director's Conference.


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