

# INVESTING IN ARGENTINA

2014

by **AWLD**

ALGODON WINES & LUXURY  
DEVELOPMENT GROUP

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INVEST IN ARGENTINA?

**YES!**

BECAUSE NO WEALTH HAS EVER BEEN CREATED BY GETTING IN LATE! THE PESO HAS PLUNGED TO HISTORIC LOWS, AND THE CURRENT MARKET VALUE OF ARGENTINA'S COMMERCIAL AND RESIDENTIAL REAL ESTATE IS A CONTRARIAN VALUE INVESTMENT PLAY.



ALGODON WINE ESTATES | San Rafael, Mendoza

# I N V E S T I N G   I N A R G E N T I N A

INVEST IN ARGENTINA? **YES!** Because no wealth has ever been created by getting in late! The current market value of Argentina’s commercial and residential real estate has some analysts declaring Argentina “on sale.” Despite political and economic uncertainties, Argentina’s real estate market presents enormous investment potential in which investors may be adequately compensated for their risk. Land assets in Argentina are currently valued extremely low in the comparative world market, and may be set



to appreciate substantially when the country’s political and economic situation changes. In the wake of Argentina’s midterm elections of 2013, the possibility of a new government taking power in 2015 appears very high. A “business-friendly” Argentina may well be on the horizon. Due to these factors, and many others, we believe Argentina’s investment opportunities could lead to significant capital gains for investors that get in early.





**TOP REASONS WHY WE BELIEVE  
ARGENTINA'S ECONOMY MAY BE  
APPROACHING RECOVERY, & WHY  
IT PRESENTS AN ATTRACTIVE  
PLACE TO INVEST NOW:**

1. New presidential elections will be held in less than 12 months, and we expect the next administration to strengthen the rule of law, honor contracts, reduce inflation, and establish normal, business friendly relations with the international financial community.
2. Argentina has set the stage for its financial future by a recent reversal of certain economic policies, including the relaxation of currency controls. This would allow the peso to float freely against the dollar and bring the exchange rate more in line with the unofficial blue rate.
3. A new inflation index, developed in conjunction with the IMF, was announced in February, 2014 and is a more credible and transparent snapshot of the country's inflation rates.
4. The IMF will continue to monitor the functioning of the new inflation index throughout the year, after which approval from the IMF could result in access to billions of dollars in future financing.
5. Argentina signed a landmark repayment deal with the Paris Club, clearing the way for the resumption of international financing.
6. Argentina has reached a settlement with 93% of past bondholders after restructuring its sovereign debt.

7. A compensation agreement of USD 5 billion was recently settled with Repsol following 2012's expropriation of the now state-run energy company YPF.
8. The second-largest reserves of shale gas and fourth-largest reserves of shale oil in the world were recently discovered in Argentina's Vaca Muerta, and will likely lure significant foreign investment.
9. The prospect of business friendly politics is enticing heavy-hitter investors such as Chevron, who announced it would be doubling down on its initial USD 1.2 billion investment with an additional USD 1.6 billion, as well as billionaire YPF investors Dan Loeb and Richard Perry, George Soros, Carlos Slim and many others.
10. We believe that Buenos Aires (known as the Paris of South America) and Mendoza (often called the Napa Valley of the South) offer some of the best comparable global asset values today because there is relatively little foreign investment, and as a result, asset prices are some of the cheapest in the world.
11. Prime vineyard real estate is available for a fraction of the value of analogous properties in top locations in the U.S. and Europe, and in many cases has displayed steady recorded growth of up to 25% annually. We believe there has never been a better time to invest in Argentina real estate.
12. We anticipate Argentina's real estate and stock markets will continue to move forward in the years ahead and that asset values may increase dramatically, but you've got to invest before the crowd. Latecomers always rush in when the politics turn, however no wealth has ever been created by getting in late.



**BASED IN NEW YORK CITY,  
ALGODON GROUP HAS BEEN  
INVESTING IN ARGENTINA  
SINCE 2006 IN THE WINE,  
REAL ESTATE DEVELOPMENT,  
AND HOSPITALITY SECTORS.  
WE BELIEVE THAT NOW,  
MORE THAN EVER, IS THE RIGHT  
TIME TO SEEK INVESTMENT  
OPPORTUNITIES IN  
ARGENTINA'S REAL ESTATE &  
PRIVATE VINEYARD MARKET.**



CONGRESO SQUARE | Buenos Aires



## THE CURRENT POLITICAL AND ECONOMIC STATE OF ARGENTINA

*Updated September 1, 2014*

Argentine President Cristina Fernández's administration has received strong criticism over the years for interventionist policies that have scared off foreign investment. However, the political party took a beating in October 2013's mid-term elections, shrinking party seats in Congress and by that, ending any chances of a constitutional change that would allow Fernández to run a third term. This has set the stage for a "business friendly" candidate to win the presidency in 2015, and has raised foreign investors' expectations that Argentina could finally become safer after a decade of nationalizations and currency controls. *"When the current policies change, the economy will soar thanks to promising sectors,"* reports the Buenos Aires Herald; *"Argentina's economic springtime could be right around the corner."*<sup>(1)</sup> Hayman Capital Management Founder, Kyle Bass, agrees that Argentina's economic problems can be solved in two years. He believes that with a new Argentine president in place in 2015 *"pro-business people will be running things...Now is the time to start investing."*<sup>(2)</sup>

In January, 2014, the Argentine Peso (ARS) fell against the US dollar (USD) by 12.4% in a single day. Despite Ms. Fernández





vowing last year that she wouldn't allow the peso's devaluation, the government now says they will not intervene with the peso's decline, allowing the market to adjust prices with the goal of converging official and blue-market peso rates. The Central Bank's nonintervention would also protect national reserves, which are the government's only source to pay foreign creditors. Restrictions on USD purchases for individual citizens were also lifted, ending a prohibition that began in 2011. The easing of these restrictions came at a time when the Central Bank's reserves fell below \$30 billion, suggesting the government's interventionist policies of supporting the peso had become unsustainable. Although there has not yet been a complete relaxation on currency controls, this reversal in policy is a significant sign of how Argentina's situation is indeed changing. *"A political transition is underway in Argentina, fueling expectations that economic policy may swing back towards orthodoxy in 2015 and beyond"* reports Morgan Stanley<sup>(3)</sup>, *"Argentina may be moving towards reintegration into the global economy."*

Fernández's policies were once seen by voters as the answer to recovery from the 2002 economic crisis. However, her strategy of market interventions and stimulus spending proved inflationary, which has undermined confidence in her administration's ability to turn the economy around. Last year, an estimated 1 million





Argentines marched the streets to express their anger over the deteriorating economy, and according to a poll in late 2013, three-quarters of the country felt the economy was headed in the wrong direction.<sup>(4)</sup> The Argentine people have become increasingly disgruntled over Fernández's policies, and she is now widely considered a controversial figure whose approval ratings have fallen to a dismal 34%.

Argentina's annual inflation is estimated by independent economists to be more than 25%, and according to some analysts could exceed 30% this year, which could prove to be an obstacle in attracting necessary foreign investment in the days ahead. However, party opposition leaders ardently present themselves as friendly to business and have pledged to establish radical changes to combat the growing inflation. Potential presidential candidates for 2015's election, such as Renewal Front party leader and Mayor of Tigre, Sergio Massa, and Buenos Aires City Mayor Mauricio Macri, promise a business friendly and pro-investment direction. Both potential candidates were elected to their current positions by a large constituency, and are considered frontrunners in the 2015 race. *"If the government fails to prevent inflation from accelerating it will probably hurt the chances of presidential aspirants who are aligned with the [Fernández] administration,"* Ignacio Labaqui, a Medley Global Advisors analyst, told Reuter's news, *"A deeper economic crisis could provide a window of opportunity for candidates who are more business friendly."*<sup>(5)</sup> Political experts anticipate the next administration's agenda in 2015 will reduce inflation, maintain the newly relaxed currency controls, strengthen democratic institutions and the rule of law, eliminate arbitrary government interventions in international trade and establish normal, business friendly relations with the international financial community. *"Argentina's outlook has significant upside after 2015. There is a substantial amount of pent-up investment that we think will flock to the country just by righting incentives and eliminating regulations,"* reports Merrill Lynch, *"...In 2015, we believe the Argentine government, provinces and corporations will be able to tap global markets. Argentines will likely bring some of the savings back to the country, and the domestic financial system will be able to expand substantially."*<sup>(6)</sup>









RETIRO | Buenos Aires

## GOVERNMENT INITIATIVES

Successfully regaining access to foreign financing is key to Argentina's recovery. Notwithstanding missteps and failed policies, Algodon Group believes the current administration is finally taking strides in the right direction to settle disputes and mend ties, with the clear goal of attracting international investors. A compensation agreement has been reached with Spain's Repsol following 2012's expropriation of the now state-run energy company YPF. Likewise, a restructuring settlement was reached on Argentina's sovereign debt with an overwhelming majority of 93% of its bondholders. However, a U.S. District Court ruling by Judge Thomas Griesa prevents the nation from making payments on any restructured debt unless "holdout" bondholders, led by Elliott Management Corp., are paid in full. Argentina was unable to reach a payment agreement with its holdout creditors before a July 30, 2014 deadline, and ultimately suffered its second default in twelve years. Argentina attempted to pay a \$539 million interest payment on its restructured bonds, however Judge Griesa issued an order prohibiting any payment in light of his ruling. Negotiations with holdouts have yet to result in any agreement. Additionally, Argentina may not freely sell bonds on global markets, which would shore up foreign reserves and ease reliance





on the central bank, because it has yet to fully settle the 2001 default. *“The nation hasn’t sold bonds abroad since the default,”* Bass said, *“and would benefit from settling with holdouts.”*<sup>(7)</sup> In May of 2014, Argentina signed a landmark repayment deal with the Paris Club, clearing the way for the resumption of international financing. <sup>(8)</sup> The government agreed to pay arrears of \$9.7 billion over a five-year period, which is a significant positive step in Argentina’s relationship with the international financial community.

Additionally, the head of the International Monetary Fund, Christine Lagarde, recently praised Argentina’s *“positive progress”* in reforming economic data quality. In early 2014, Argentina unveiled a new inflation index that was developed with help from the IMF, which reported a 3.7% surge in consumer prices compared to the month before. However, January’s sudden peso devaluation played a significant role in the surge by making imports more expensive and sending inflationary shocks throughout the entire supply chain. While analysts estimate Argentina’s inflation is running at about 30% annually, many see the new index as a positive change that will curtail criticism of underreporting and reestablish investor confidence in official economic data. The administration’s acknowledgment of inflation is a strong indication of its desire to rebuild conversations with international markets with the goal of foreign investment. Bloomberg Business Week calls the new index *“the most concrete sign [Argentina is] ready to move away from policies that have alienated investors for a decade.”*<sup>(9)</sup>

Although it remains to be seen if these initiatives will be enough to open credit markets, the prospect of a more business friendly administration is undoubtedly enticing many investors. Argentina has successfully courted billions of dollars in international investment in recent days, in sectors such as energy, industry, infrastructure and natural resources. *“Oftentimes, the mere chance of political change and market reforms can lead a bull market”*, says Forbes Asia columnist and frontier market specialist Carl Delfeld.<sup>(10)</sup> Recent large scale global investors across various sectors include Chevron Corp.<sup>(11)</sup> and SHELL<sup>(12)</sup> (who are now exploring Vaca Muerta’s second-largest reserves of shale gas and fourth-largest





reserves of shale oil in the world), Yamana Gold<sup>(13)</sup>, Toyota<sup>(14)</sup>, Starbucks<sup>(15)</sup>, General Motors<sup>(16)</sup>, Mercedes-Benz<sup>(17)</sup>, Accor Hotels<sup>(18)</sup>, Vtex<sup>(19)</sup>, Chinese Direct Investments<sup>(20-21)</sup>, Wintershall and Total SA<sup>(22)</sup>. In addition, notable billionaire investors such as Dan Loeb, Richard Perry, George Soros<sup>(23)</sup> and Carlos Slim<sup>(24)</sup> have also made significant investments in Argentina's energy sector in recent days. *"We believe the holdout creditors and the government are finally likely to arrive at an agreement by year-end," says Dan Loeb<sup>(25)</sup>. "Doing so would undoubtedly benefit the Argentinian economy. Beyond this, after a decade of virtually no foreign investment, an impending change in political leadership at the end of 2015 should lead to more market-friendly policies. This should increase foreign direct investment and boost the economy. We hope to uncover additional investment opportunities in Argentina as it emerges from its long malaise."* Michael Novogratz agrees and is bullish on Argentina after its default, telling CNBC that he thinks the situation is "so bad, they're good...we're long stocks, long bonds, long currency..."<sup>(26)</sup> These individuals and companies have carefully evaluated Argentina's economic and political climate, as well as its investment risk potential, and have resolved to commit significant long-term capital investments because of the strong potential for future growth and investment returns. *"Argentina presents incredible long-term growth opportunities, in my view the highest in Latin America..."* says David Martinez of Fintech Advisory Group, who recently bought controlling shares of Telecom Argentina for \$960 Million; *"the long-term potential is overwhelming."*<sup>(27)</sup>



Argentina also topped the list of best-performing global stock markets for 2013, with the country's Merval index rising by nearly 84%.<sup>(28)</sup> This comes after ending 2012 almost 40% below an all-time high that was set a year earlier. *"Speculators are already betting that a more business-friendly administration is only a matter of time,"* reports the Financial Times, *"which is why Argentine stocks and bonds have been rallying so hard."*<sup>(29)</sup> By September 2014, Argentina's stock market was up nearly 100% for the year, the highest of any stock market in the world. This is because wealthy investors are *"willing to look past the nation's economic problems if they think there's a great return to be made,"* reports CNN.<sup>(30)</sup> Portfolio manager at Acadian Asset Management,



PUERTO MADERO | Buenos Aires

Asha Mehta, tells CNN Money that is an example of “a classic contrarian play,”<sup>(31)</sup> because Argentina’s markets are depressed and contrarian bargain hunters who understand the value have begun to return. “An economic turnaround would mean phenomenal capital gains for investors who get in early”, says the Buenos Aires Herald.<sup>(32)</sup> Argentina’s stock market could indeed be poised to lead all others, according to the Wall Street Journal, and the time to look for bargains is now; “Some hedge funds are raising money to invest in Argentina, arguing that once the crisis ends the country’s stock market will be more attractive than almost any other.”<sup>(33)</sup>

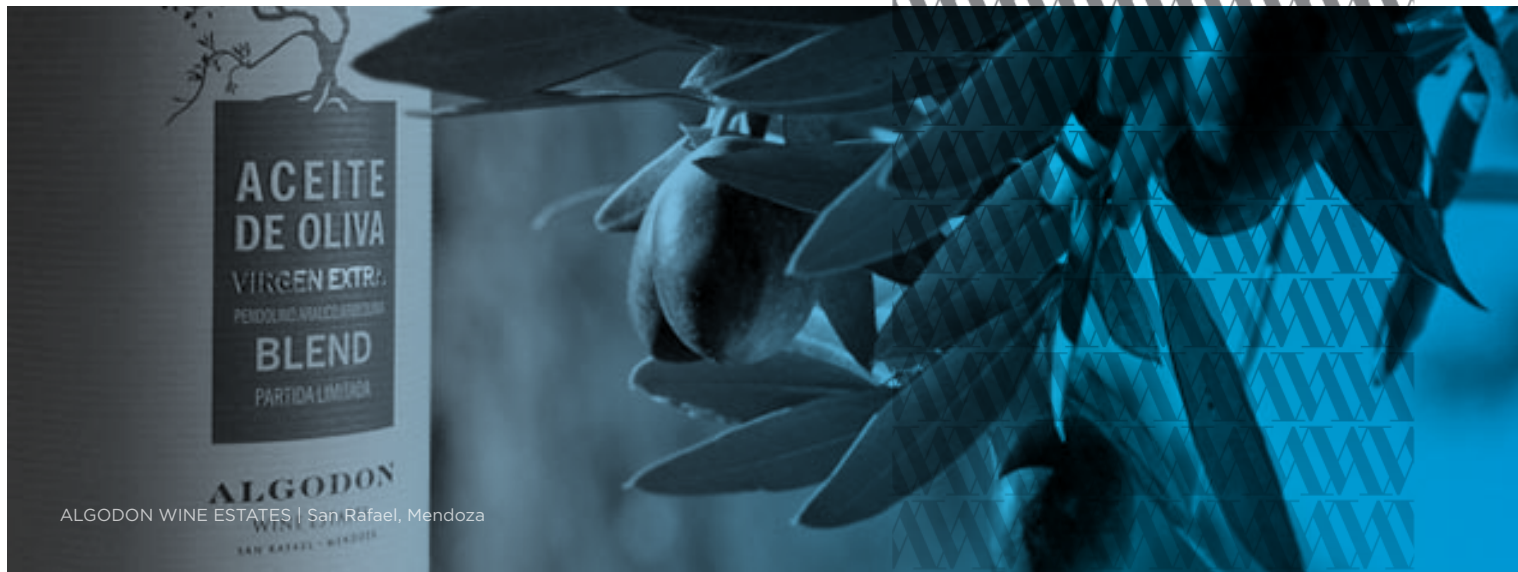
**Algodon Group believes that Argentina represents one of the best calculated risks in global investment today. Prime assets such as real estate are also currently available at a global low because there is virtually no leverage. Moreover, there has been very little new inflow of foreign capital investment, so luxury and high end properties can be found at some of the cheapest prices in the world. We believe there has never been a better time to invest in Argentina real estate.**





## BUYING ARGENTINA VINEYARDS & REAL ESTATE

Mendoza, Argentina, remains one of the most desirable and inexpensive locations to own a private vineyard estate in the world, and is currently experiencing a development boom tantamount to one seen in California's wine country in the 1980s. Land can be purchased at a fraction of the cost of comparable vineyard properties in Napa, Tuscany or Provence. According to Knight Frank's 2013 Global Vineyard Index<sup>(34)</sup>, the price of vineyards in the Mendoza region of Argentina has recorded growth of up to 25% annually, which ranks the highest increase in property valuation among its peers in other world wine centers. The price of vineyards in Mendoza proves to be a large attraction when weighed against the options. *"By US Standards, Argentina Is On Sale,"* reports Business Insider.<sup>(35)</sup> Knight Frank's report agrees; *"Investors in Napa Valley, where a vineyard can cost \$135,000-\$600,000 per hectare can acquire vines of a similar quality in Argentina for \$30,000 per hectare, providing many with a tempting opportunity to expand their horizons and their landholdings."* Knight Frank's 2013 Wealth Report also illustrates a strong demand for luxury properties among the world's wealthy in order to *"diversify their assets and to provide an insurance policy for themselves and their*



*family should economic or political problems escalate in their home country.” The report continues, “South America leads the upswing in web searches for luxury residential properties for sale by some margin, with an 82% uplift in searches...it seems likely that we are starting to see the impact of emerging market wealth creation and its transfer into prime property, especially considering the rate of growth in Brazil and Argentina.”*

The Mendoza Real Estate Association tells Diario Los Andes that there will likely be no deterioration of Mendoza property investment anytime soon due to the virtual lack of other investment options for Argentine nationals; the housing market will continue to be the most cost effective and safe investment option. Knight Frank’s research suggests that approximately 40% of Mendoza’s lifestyle vineyard buyers in 2013 were foreign. While property prices are still accessible to many domestic and international investors, investment professionals and real estate analysts predict a continued property appreciation curve over the next decade. *“Real estate is a great place to play a turnaround because it is usually the first sector to sharply recover,”* says Delfeld.<sup>(36)</sup>



**ARGENTINA'S WELL KNOWN  
RISKS ARE PRICED INTO THE  
CURRENT VALUE OF ITS  
INVESTMENTS, WHICH CAN  
IN MANY CASES PRESENT  
A REAL BUYING OPPORTUNITY  
FOR PRIME ASSETS.**





## OUR PHILOSOPHY

Algodon Wines & Luxury Development Group (Algodon Group) believes that in the years ahead, Argentina holds significant real estate investment opportunities that can potentially be the direct result of optimum exchange rate conditions, property appreciation, and a business-friendly government potentially on the horizon. In addition, Argentina is an aesthetically beautiful country that is synonymous with vast green landscapes, productive vineyards and fine wines, polo fields, soccer, tennis and golf, and the welcoming hospitality of a highly cultured society. The Argentine people cherish their country's virtues and European heritage with a traditional love of life that is evidenced everywhere. Argentina's currency devaluation has made real estate investment accessible to many investors worldwide, and we believe that these combined factors present a wealth of appeal for foreign investors looking to diversify their portfolios with an investment property for retirement, or simply looking for a second home.

These are challenging, yet exciting times, and diversifying your assets globally may well be as prudent as it is potentially profitable. Algodon Group believes that most individual investors won't take action until it's arguably too late; they arrive in investments once

## ALGODON

MANSSION

AWARDS





ALGODON WINE ESTATES | San Rafael, Mendoza

it is typically deemed “comfortable”, when all other news is good and favorable, and long after others have reaped the benefits. Argentina appears to be at the “point of maximum pessimism,” which John Templeton famously advocated increases the odds of investment success. Templeton was a contrarian pioneer who profited greatly by taking action when most other investors were heading for the hills. Take Brazil’s booming economy for example: those who invested early were rewarded generously when the Bovespa Index<sup>(37)</sup> shot up over 700% from 2002 to 2009. However, many chose not to invest early, justifying that it was a new world economy and not “safe”. Indeed, there may still be risk; however real estate markets are up 170% to 230% in many cases.<sup>(38)</sup> This has also occurred with property valuation in Switzerland<sup>(39)</sup>, France, India, Indonesia, Russia<sup>(40)</sup>, and China (where Beijing’s real estate market is up over 800%)<sup>(41)</sup> among many other countries. But how many individuals had the foresight to participate financially?

While we anticipate challenges in the years ahead for Argentina’s economy, there is already evidence of favorable economic policy turnaround, of which we anticipate even more so upon this administration’s departure. Fortunately, Argentina’s well known risks are priced into the current value of its investments, which can in many cases present a real buying opportunity for prime assets.

*Featured in **The New York Times:**  
**36 Hours in Buenos Aires.**  
September 2013*

*“Dear Algodon Mansion:  
We had a really nice stay!  
Thanks for making it special.”  
**Roger Federer***

***TripAdvisor 2014:**  
**Top 25 Luxury Hotels in South America &  
Top 25 Luxury Hotels in Argentina.**  
**TripAdvisor Traveler’s Choice Winner  
2014, 2013, and 2012.***

***Travel+Leisure Magazine: It List 2011,**  
**2011 World’s Greatest Hotels, Resorts & Spas**  
**50 Best Romantic Getaways**  
**Buenos Aires: Best New Venues***

***Condé Nast Traveler 2011 Hot List**  
**(UK & US Editions)***

*“The ten-room Algodon Mansion is serene  
and intimate but sacrifices nothing in the  
way of service. Rooms combine a historic  
feel with modern accents.”  
**Condé Nast Traveler***

*“Serving exceptional Argentine fare, the  
elegant dining room is intimate with only  
50 seats that open onto a glass-covered  
patio with a crackling fireplace.”  
**Delta Sky Magazine***

*“B.A.’s splashiest new hotel is also its most  
intimate...” “A well-heeled Argentine’s  
private residence.” “One of the 50 most  
romantic places of 2010.”  
**Travel+Leisure***



ALGODON WINE ESTATES | San Rafael, Mendoza

Algodon Group believes that there may be an approximate two year window to acquire Argentina land assets at great values, until the real estate investment market begins to move forward favorably. We also believe that, as can be seen with other types of investments, things begin to move in anticipation of tomorrow's market.

Algodon appeals to the entrepreneurial investor. As contrarian investors, we seek opportunities and tend to venture where others may not yet find comfortable. Our goal is to arrive before the herd and to exit once the masses catch on. Are there risks in investing in Argentina real estate and private vineyards? Yes, but we believe there is potential for higher reward, and less of a risk than staying in the E.U. & U.S. stocks, bonds, municipal bonds, or any other interest rate sensitive investment. Where will U.S. interest rates go from here? Eventually higher, and that will spell disaster for bonds and stocks, inflation, and the USD. Investing in Argentina Real Estate & Vineyards takes an entrepreneurial mindset, and Algodon Group would rather be too early than too late.

*"Those who want luxury accommodation and a great trip..."*  
**Travel and Leisure Magazine**  
**'World's Top Fifty Hotels'**

**Salvatore Ferragamo's Favorite Hotel**  
as quoted in *Australian Financial Review*  
*Luxury Magazine*: "One of my favourites is Falconiere in Tuscany, but I also really like the Algodon Mansion in Buenos Aires."

*"To the Best 'Cotton Mansion' ever! Great service, great food, fantastic accommodations!"*  
**Celebrity Chef Bobby Flay**

*"Best hotel I've ever stayed in."*  
**Mardy Fish, Tennis Star**

*"A six-story Belle Epoque gem built in 1912"*  
**The New York Times**

*"It's a delightful new contender in BA's competitive culinary scene."*  
**Forbes Life**

*"Recently I flew south to check into a new hotel that's the talk of the town. It's the Algodon Mansion, a boutique hotel created from the bones of a belle époque mansion in Recoleta, the city's most elegant neighborhood."*  
**Rudy Maxa, Sotheby's Artful Living**

*"A ten-room French Classical mansion in Buenos Aires' fashionable Recoleta district"*  
**Luxurylatinamerica.com**

*"This boutique hotel is an ideal pick for luxury travelers with an itch for a more intimate feel..."*  
**Nileguide.com 'Algodon Mansion'**









ALGODON WINE ESTATES | San Rafael, Mendoza

## VINEYARDS FOR SALE IN ARGENTINA: ABOUT ALGODON WINE ESTATES

Live the winemaker's dream and enjoy your own custom designed luxury vineyard estate with breathtaking vineyard and mountain views. Now wine lovers can buy Argentina vineyard real estate nestled in scenic wine country, featuring championship golf, tennis, world-class skiing and much more! Algodon Wine Estates is a 2,050 acre (825 hectare) wine hotel, golf resort and real estate development in San Rafael, Mendoza, Argentina, named by CNN/ Fortune Magazine one of the world's 4 best places to retire. Algodon Wine Estates was also named one of the world's top vineyard inns by Frommer's Travel Guide and one of the world's best wine resorts by Departures Magazine. Enjoy luxury vineyard living and world-class wine production, and leave the winemaking to us. Recent wine accolades include 90+ Parker ratings, as well as numerous gold medals from international tasting competitions. Design your dream home surrounded by acres of vineyards. Buy Mendoza vineyards, Argentina real estate at a mere fraction of the cost of comparable properties in Napa, Tuscany or Provence.

ALGODON  
WINE ESTATES

AWARDS



FROMMER'S TOP 10  
"BEST VINEYARD INNS & HOTELS  
AROUND THE WORLD"  
2012

DEPARTURES MAGAZINE:  
WORLD'S BEST  
WINE RESORTS  
2012





ALGODON MANSION | Buenos Aires

## THE ALGODON ADVANTAGE

Formed in 1999, our international headquarters are based in New York City, and in 2007 our company established offices in Buenos Aires and San Rafael, Mendoza, where we have built a strong brand presence, developed corporate infrastructure and cultivated strategic relationships in the real estate industry. Our Argentine partners share our goals and understand the local and regional markets, thereby granting us a competitive advantage within the Argentine real estate sector.

We have put maximum effort into the viniculture of our vineyards and wine production at Algodon Wine Estates, and have partnered with very talented winemakers including Marcelo Pelleriti, who is the only Argentine winemaker to ever receive a perfect score of 100 points from wine critic Robert Parker. From the beginning, our vision for Algodon Wine Estates was to create the highest quality, internationally recognized wines, and to be associated with winemakers of world-class caliber. Our thought has always been that if we could produce great wines, then that alone could have a positive overall effect on the value of our real estate holdings and lifestyle vineyards, as well as our brand, and everything Algodon. Algodon Wine is truly the Ambassador of our entire project.

**TRIPADVISOR: Ranked 2014 Top 25 Small Hotels in Argentina; 2014 Top 25 Hotels for Romance in Argentina; 2013 #3 Best Relaxation Spa/Hotel in South America,**

*Honored as **Fodor's Choice** by Fodor's, the world's largest publisher of travel guide books*

*Featured in **Condé Nast Traveler's 2012 Holiday Gift Guide***

**Bloomberg Television & Americas Commercial Property Awards: 2010 Best Mixed Use Development, Argentina**

**Great Wine Capitals "Best of Wine Tourism" 2010 International Winner for "Excellence in Accommodations" & "Best of Wine Tourism" 2008, 2009, & 2010 Silver Medal for "Innovative Wine Tourism Experiences"**

**Tablet Hotel's 2010 "Top 10 New Hotels" in North, South, & Central America**

*"The idyllic location, attractive real estate prices, and a competitive exchange rate have stirred foreign interest in the vineyards that sprawl across the Andean foothills."*  
**Alternative Latin Investor**

*"The community's championship tennis courts in set in a 70-year old olive orchard that produces Algodon's exclusive brand of olive oil, another prize winner."*  
**Robb Report**





ALGODON MANSION | Buenos Aires

Therefore, we continue on our quest to always produce the best. Algodon's handcrafted wines boast an impressive list of awards, accolades and press coverage from the world's foremost wine authorities and international tasting competitions. This is a list that gets increasingly more impressive every year. The potential impact of this on the valuation of our overall estate is far reaching. The more we're able to increase our wines' quality, the higher the potential value of any real estate associated with our name and brand.

*"Algodon Wine Estates is nestled near the base of the Sierra Pintada Mountains, on the outskirts of the city. Many of its vines date to the 1940s, when the estate was established. Some of the winery's specialties include reds such as malbec, a cabernet and syrah blend and bonarda. It also produces a malbec rose, malbec and bonarda blended rose, and whites such as chardonnay and semillon. The winery offers wine tastings and group wine classes. The estate also features a hotel, restaurant, tennis courts and an 18-hole golf course."*  
**USA TODAY TRAVEL**

*"...savvy buyers can own a piece of what those in the know are calling the next Napa Valley for an astoundingly good price."*  
**Unique Homes**

*"Algodon will be as luxurious as any American project... but a favorable exchange rate means it will be more affordable."*  
**Food & Wine Magazine**

*"...a high-end winery and resort with a residential component... enjoy lunch at the onsite restaurant where everything is cooked in wood-burning ovens and grills."*  
**Elite Traveler**



**ALGODON PROPERTIES ARE OWNED**

**AND OPERATED BY**

**ALGODON GROUP, FOUNDED**

**BY CHAIRMAN & CEO SCOTT MATHIS**

**AND PARTNERS.**

**BASED IN NYC WITH OFFICES IN**

**BUENOS AIRES AND MENDOZA,**

**ALGODON PROVIDES AN UNEQUIVOCAL**

**STRATEGIC ADVANTAGE**

**IN ARGENTINE REAL ESTATE**

**ACQUISITION AND DEVELOPMENT.**



- (1) <http://www.buenosairesherald.com/article/141175/argentina%27s-coming-economic-springtime>
- (2) <http://www.businessinsider.com/kyle-bass-on-argentina-inflation-highs-2013-9>
- (3) Morgan Stanley's Week Ahead in Latin America 10/31/13
- (4) <http://online.wsj.com/news/articles/SB10001424052702304007504579345172382757170>
- (5) <http://www.reuters.com/article/2014/01/27/argentina-currency-idUSL2NOL00BI20140127>
- (6) Merrill Lynch GEM Report 4/12/13
- (7) <http://www.bloomberg.com/news/2013-12-05/bass-s-argentina-bet-reaps-33-gain-on-emerging-market-favorite.html>
- (8) <http://www.reuters.com/article/2014/05/29/us-argentina-debt-parisclub-idUSKBN0E90JI20140529>
- (9) <http://www.businessweek.com/news/2014-02-13/argentina-says-prices-rose-3-dot-7-percent-in-debut-of-inflation-index>
- (10) <http://www.investmentu.com/2013/April/which-of-these-could-make-you-richer.html>
- (11) <http://www.bloomberg.com/news/2013-08-30/chevron-will-bring-real-dollars-to-argentina-to-invest-in-shale.html>
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