



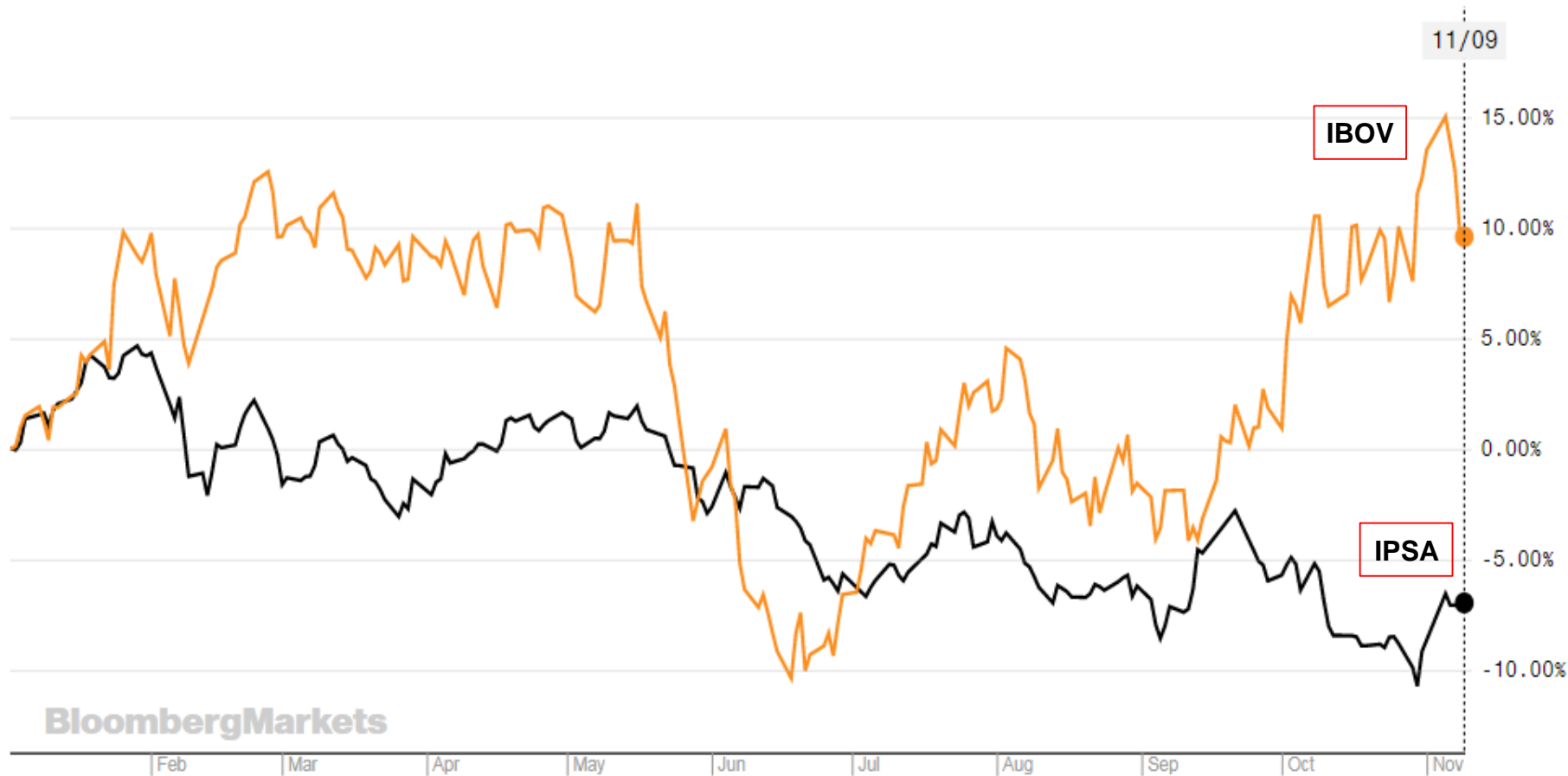
by  JLT

The text "by" is in a lowercase serif font. To its right is the JLT logo, which consists of a stylized, multi-pointed arrow or fan shape pointing upwards and to the right. To the right of the logo, the letters "JLT" are written in a large, bold, serif font.

1 THE MARKET

EQUITY CAPITAL MARKETS

AFTER OR BEFORE AN M&A TRANSACTION...



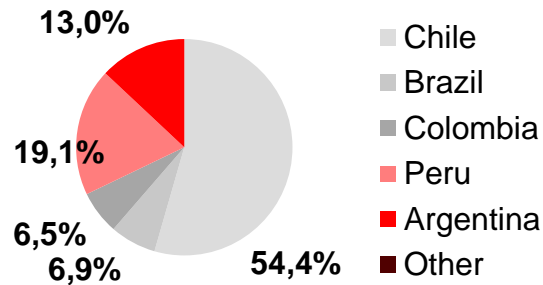
BloombergMarkets

CHILEAN COMPANIES REVENUES BY SECTOR

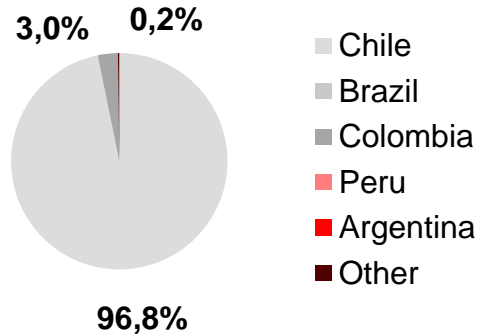


ROOM TO GROW LOCALLY, BUT THE GAME CHANGERS COULD BE OFFSHORE

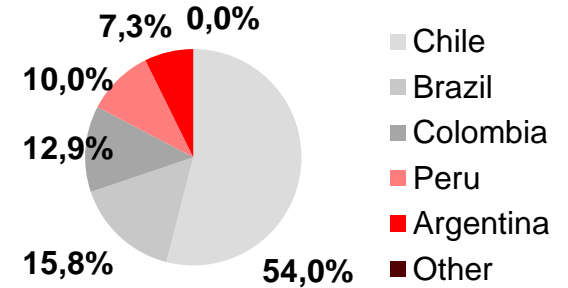
Retail



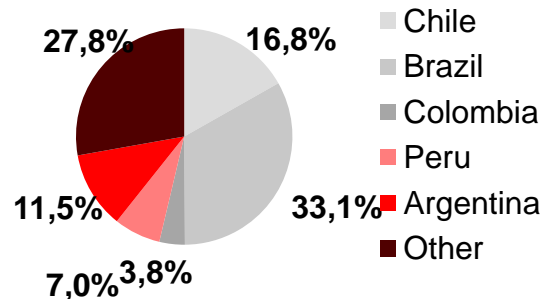
Banks



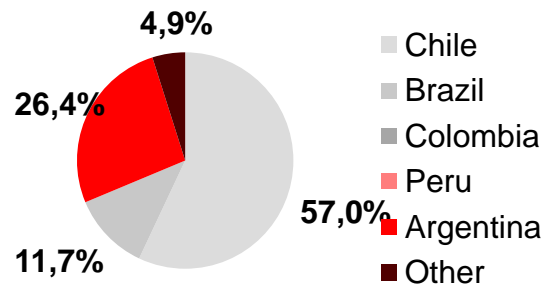
Utilities



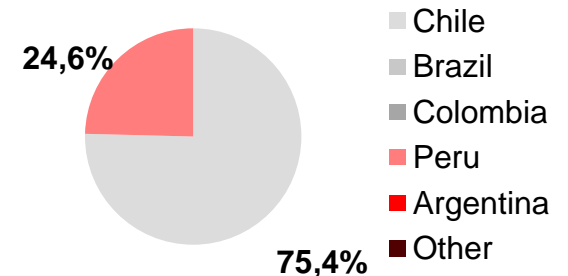
Airlines



Beverages



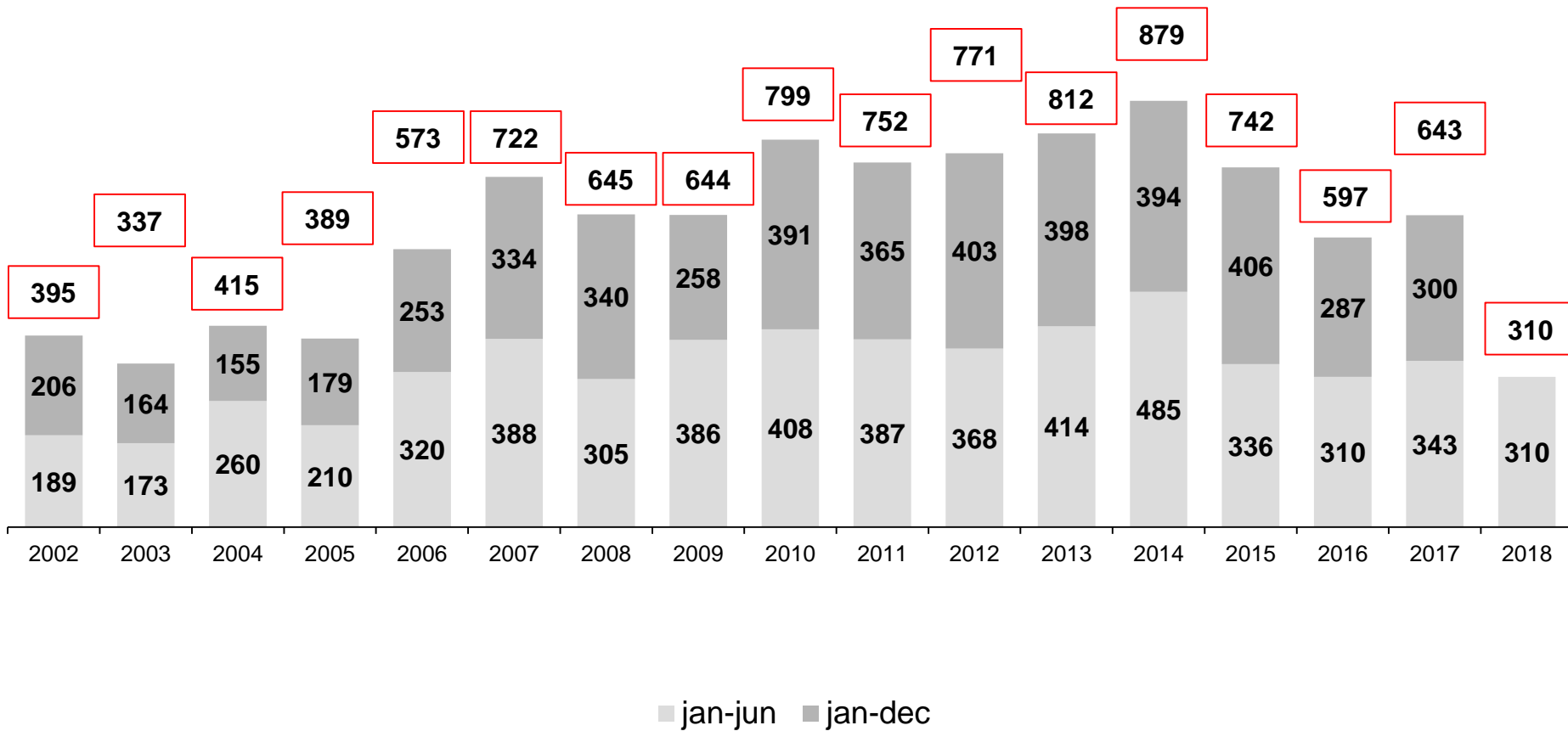
Telecom



2 THE M&A ACTIVITY

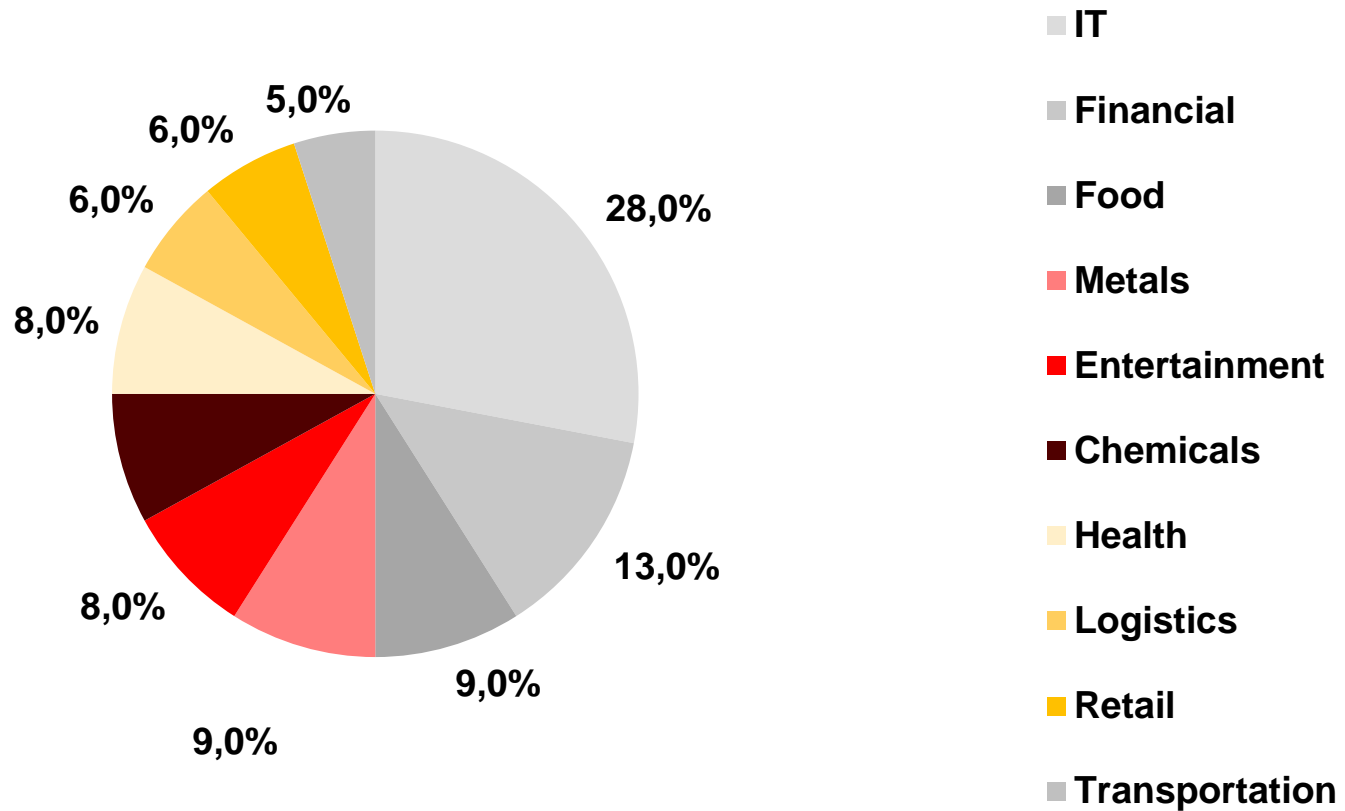
M&A ACTIVITY

1H18 WITH 310 TRANSACTIONS ANNOUNCED (# DEALS)



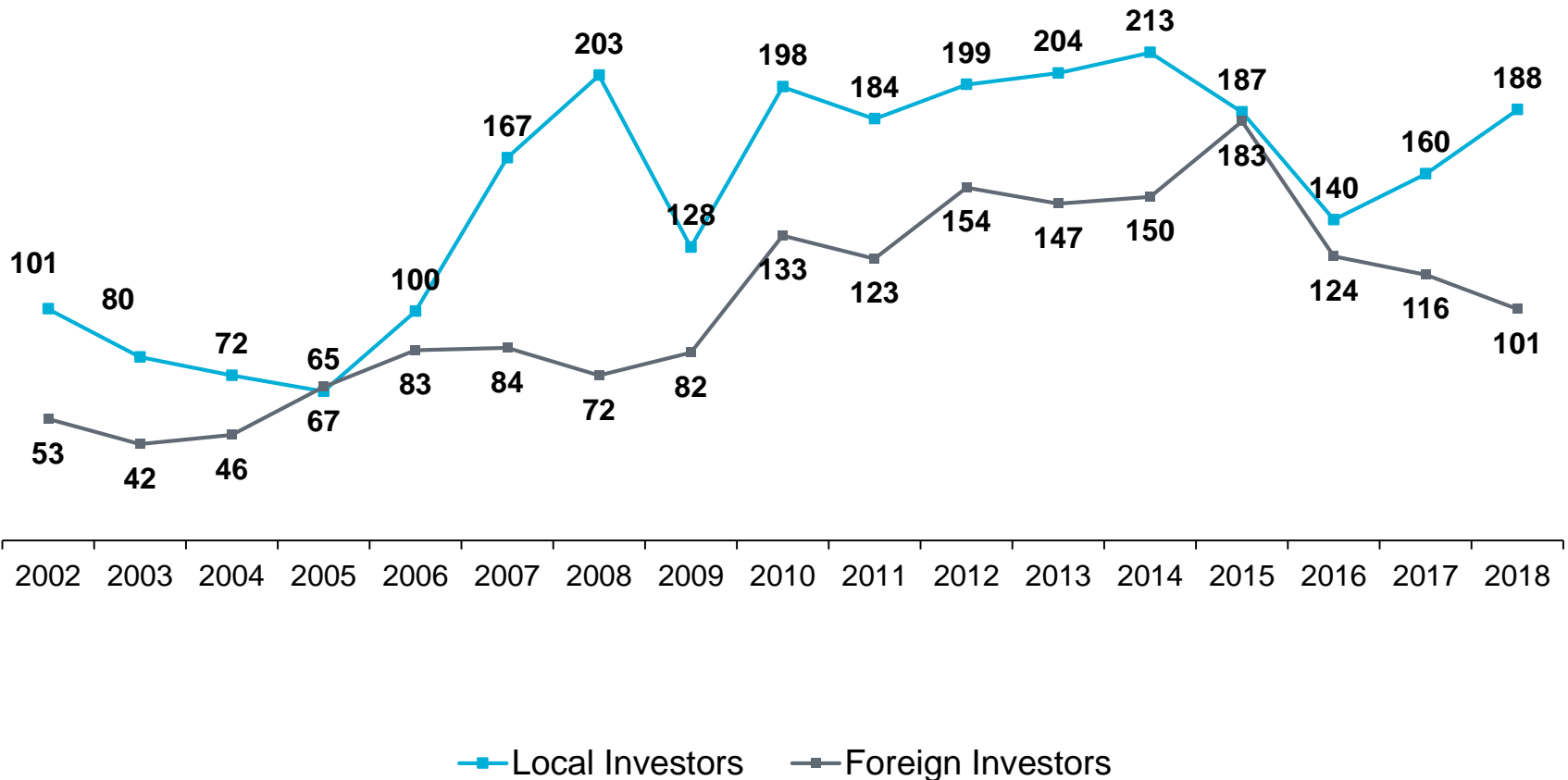
M&A ACTIVITY (CONT.)

BY JUNE/2018, I.T SECTOR CONSOLIDATE THE PREFERENCE IN INVESTMENT



M&A ACTIVITY (CONT.)

LOCAL INVESTORS, OVERCOME FOREIGN PLAYERS IN MINORITY STAKES (#DEALS)



3 IN TO THE SPECIFICS...

HOW TO GET THINGS DONE

TRANSACTIONAL INSURANCE

- Reasons behind growth:
 - The number of insurers providing the product has increased, as has capacity and risk appetite;
 - Underwriting is more streamlined and faster;
 - Cost of coverage has decreased;
 - Low interest rates make it difficult to earn meaningful return on escrowed funds;
 - The traditional mechanisms for addressing unknown or contingent liabilities can be inefficient when compared to insurance.
- Exception is that there are certain industries for which insurance coverage is less available (health care, banks and other financial institutions):
 - Though insurers are actively looking at ways to cover those risks as well.

WORKING WITH THE COVER COVERAGE

Insuring the Buyer from potential losses if the Seller, do not comply with the Representations & Warranties agreement, under the SPA, such as:

- 
- **Buyer Side Representation and Warranty Insurance**
 - **Seller Side Representation and Warranty Insurance**
 - **Deal Contingent Tax Insurance**
 - **Deal Contingent Specific (Non Tax) Risk Insurance**
 - **Cover begins @ Closing**

WORKING WITH THE COVER (CONT.)

UNLOCKING VALUE, ON A UNLOCKING VALUE TRANSACTION



Buyer

Seller

Broader reps and warranties (within reason)

Mitigate Liabilities, supporting a “clean exit” on the Deal

May distinguish bid in action or order competitive process

Eliminating Issues on a Transaction, and gaining efficiency in the Negotiation

Seller without conditions to support Infractions


Seller without conditions to support Infractions

Buyer requires extra protection to close the Deal

Avoid funds trapped in escrow at interest rate well below seller’s hurdle rate

WORKING WITH THE COVER (CONT.)

COVERED RISKS

- 
- **Bespoke Structure (according to the Characteristics of the Transaction)**
 - **On average, the Policy Limit goes to 30% of the Transaction Value (it could be increased to 100% or even 200%)**
 - **Cover aligned with the SPA (Covering for part or the total amount of Collateral)**
 - **Insurance covers only unknown issues; things that the buyer actually knows about are specifically excluded**
 - **Fraud – even for pure non-recourse deals, it is still common for the buyer to maintain a potential avenue of recourse against the seller for fraud**
 - **Coverage Maturity as established on Transaction documentation**