

MONTHLY BRAZILIAN MARKET BRIEF

Emerging Sectors Opportunities
Prepared by CP Consulting

EXECUTIVE SUMMARY

Brazil is emerging as a compelling investment destination across multiple high-growth sectors, presenting sophisticated American investors with diversified opportunities beyond traditional commodities and energy. With the country positioned as a "sweet spot for growth" by major investment firms, emerging sectors including neuroscience, education technology, family office services, and advanced digital solutions are attracting unprecedented international attention.

KEY INVESTMENT HIGHLIGHTS

- Brazil makes up only 5% of MSCI Emerging Markets index, creating valuation opportunities.
- EdTech market projected to grow from \$5.41 billion in 2024 to \$14.64 billion by 2033 (11.7% CAGR).
- Family office market expanding from \$807.39 million in 2024 to \$1.71 billion by 2034 (7.8% CAGR).
- Neuroscience sector benefiting from global \$885 billion market growth trajectory.
- Government supporting innovation with \$160M credit line for technology projects.

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1- MARKET OVERVIEW & INVESTMENT CLIMATE

Brazil's Emerging Market Position

Overlooked Investment Opportunity. Brazil has been overlooked by global investors in recent years, losing attention to higher-profile markets such as China and India. The MSCI Brazil Index trades at significantly lower multiples compared to the wider MSCI Emerging Markets index, creating pricing opportunities for skilled investors.

Economic Sweet Spot. Leading investment firms describe Brazil as being in a "sweet spot for growth" over the coming years, with GDP growth forecasted at 2.3% for 2025. The country's economy is holding up well despite global headwinds, supported by credit and fiscal expansion and strong private consumption.

Innovation Ecosystem Development. Brazil's Ministry of Education has launched a \$160M line of credit for innovation projects, signaling government commitment to supporting technology-driven growth across multiple sectors.

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2- EDUCATION TECHNOLOGY SECTOR

Market Size & Growth Path:

Rapid Market Expansion. The Brazil EdTech market reached \$5.41 billion in 2024 and is projected to reach \$14.64 billion by 2033, exhibiting a robust growth rate (CAGR) of 11.70% during 2025-2033.

Latin American Leadership. Brazil has been attracting the majority of education technology investment in Latin America over the past five years, including a high of 263 deals in 2021 alone. The country serves 47 million students in K-12 and 9 million students in higher education.

Technology Adoption Drivers. Around 70% of Brazil's population has internet access, with mobile internet usage showing sharp increases, especially among younger demographics. The government's 'Education Connected Program' focuses on enhancing internet connectivity in public schools nationwide.

Sector-Specific Opportunities:

High-Growth Segments. Six EdTech segments show particular attractiveness: Sistema/digital courseware, upskilling, online tutoring, learning management systems (LMS), online English language teaching, and higher education services.

Total Investment Opportunity. Brazil will need to invest over \$1.3 trillion in its low-carbon energy supply across 2024-2050, including \$0.5 trillion in renewables, representing significant opportunities for private-sector investment.

Infrastructure Investment Pipeline. Brazil is expected to invest US\$ 20 billion in the electricity transmission sector until 2029, of which US\$ 14 billion in transmission lines and US\$ 6 billion in substations.

Overall Sector Growth. Investments in the Brazilian electricity sector are expected to reach over \$100 billion by 2029, including utility-scale generation, distributed generation, transmission, and distribution projects.

Renewable Energy Capacity. The Brazil Renewable Energy Market size is expected to reach 235.62 gigawatt in 2025 and grow at a CAGR of 6.40% to reach 321.31 gigawatt by 2030.

International Investment Attraction. Brazil attracted nearly \$35 billion in renewable energy investment in 2023, the sixth-highest figure globally and the highest among emerging markets outside of China.

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3- FAMILY OFFICE SERVICES SECTOR

Market Growth & Demographics:

Expanding Wealth Management Demand. The Brazil family office market is experiencing robust growth, expanding from \$807.39 million in 2024 to a projected \$1.71 billion by 2034, representing a healthy CAGR of 7.80% between 2025 and 2034.

Rising UHNW Population. Growth is driven by Brazil's expanding population of wealthy individuals and families seeking sophisticated, customized solutions to manage complex wealth portfolios. Younger generations assuming control of family wealth prefer sustainable investing, technology integration, and global diversification.

Service Evolution. Virtual family offices are gaining ground, offering flexible, cost-effective solutions for families spread across regions. The market emphasizes governance frameworks, risk management, and professional advisory services to handle complex assets and family dynamics.

Investment Opportunities:

Regional Concentration. São Paulo, Minas Gerais, Rio de Janeiro, Bahia, and Rio Grande do Sul represent the primary regional markets, with São Paulo leading in market concentration and service sophistication.

Service Diversification. Growing demand for diversified investment strategies beyond conventional asset classes, including alternative investments, impact ventures, and global market access.

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4- NEUROSCIENCE & BRAIN HEALTH SECTOR

Global Market Integration:

Expanding Market Opportunity. The global neuroscience market is projected to reach \$885 billion by 2031, growing at a CAGR of 4.1%, driven by increasing prevalence of neurological disorders and growing preference for digital healthcare approaches.

Brazilian Research Participation. Brazil is participating in international neuroscience initiatives, including the 2025 Neuroscience Capacity Accelerator for Mental Health program, with projects led by Brazilian institutions like Universidade Federal de São Paulo.

Technology Convergence. The intersection of AI and neuroscience is creating new investment opportunities, with over \$12 billion in life sciences deals involving AI or machine learning announced in 2023.

Market Applications:

Digital Health Integration. Growing adoption of digital therapeutics, brain-computer interfaces, and personalized medicine approaches. The brain health supplements market alone is projected to reach \$23.4 billion globally by 2030.

Research Infrastructure. Brazil's participation in global brain research initiatives and expanding healthcare infrastructure creates opportunities for neurotechnology companies and research-focused investments.

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5- TECHNOLOGY & INNOVATION ECOSYSTEM

Digital Transformation Acceleration:

Fintech Innovation Leadership. Brazil's financial sector innovation includes the successful launch of PIX, a 24/7 instant payment system that has been overwhelmingly embraced by consumers, particularly for P2P transfers.

AI and Startup Development. Growing startup ecosystem includes companies like AI Robots (robotics and AI solutions), Jade (game-based EdTech platform), and Key2enable (assistive technology for neurodiverse children).

Government Support Framework. Government initiatives supporting technology integration across sectors, including digital literacy programs and infrastructure development investments.

Cross-Sector Opportunities:

Healthcare Technology Integration. Convergence of neuroscience, education technology, and digital health creating hybrid investment opportunities across traditional sector boundaries.

Sustainable Technology Focus. Growing emphasis on ESG-compliant technology solutions, aligning with global sustainability trends and Brazilian environmental leadership.

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6- FOREIGN INVESTMENT ADVANTAGES

Market Access Benefits:

Regional Hub Positioning. Brazil's position as Latin America's largest economy provides access to regional markets, with established infrastructure and business networks supporting expansion across South America.

Currency Positioning. The Brazilian Real appears undervalued at current levels, offering potential upside for USD-based investors. BRL is one of the cheapest major emerging market currencies relative to long-term equilibrium rates.

Regulatory Environment. Established legal frameworks and increasing government support for innovation create stable conditions for long-term investment strategies across emerging sectors.

Investment Climate Factors:

Low Correlation Benefits. Brazilian market correlation with S&P 500, U.S. Treasury yields, and the U.S. dollar remains very low, providing portfolio diversification benefits for American investors.

Sectoral Diversification. Opportunities span beyond traditional resource sectors, with technology, healthcare, education, and financial services offering growth potential independent of commodity cycles.

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7- RISK CONSIDERATIONS

Market Dynamics:

Regulatory Complexity. While opportunities exist across multiple sectors, regulatory frameworks can be complex and subject to change, requiring specialized local knowledge and ongoing compliance monitoring.

Economic Sensitivity. Currency fluctuations and domestic economic policies can impact investment returns, particularly for USD-denominated investors seeking to repatriate profits.

Operational Challenges:

Talent Acquisition. Growing competition for specialized talent in technology and innovation sectors, particularly in major urban centers like São Paulo and Rio de Janeiro.

Infrastructure Requirements. Varying levels of digital infrastructure development across regions may impact expansion strategies for technology-focused investments.

CONCLUSION

Brazil's emerging sectors represent a compelling convergence of demographic trends, technological advancement, and government support creating exceptional opportunities for diversified investment strategies. The combination of undervalued market positioning, robust growth trajectories across multiple sectors, and expanding innovation ecosystem creates favorable conditions for sophisticated investors.

The intersection of education technology, neuroscience, family office services, and digital innovation positions Brazil as a unique emerging market opportunity beyond traditional commodity exposure.

American investors who recognize Brazil's transformation from resource-dependent economy to innovation-driven market will be optimally positioned to capitalize on the country's emergence as a regional technology and services hub.

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For detailed investment strategy consultation and market entry planning, contact our specialized team.

This document is prepared for informational purposes only and does not constitute legal advice. Specific investment decisions should be made in consultation with qualified legal and financial advisors familiar with Brazilian law and regulations.

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