

The domestic market was influenced by the international trend: major correction on the stock markets and a better performance in Fixed Income. Also, the political discussion dominated, after the return of parliamentary recess. Dispute over the imposing budget, caused difficulty in resuming the reform agendas (administrative and tax) and other parallel themes such as the independence of the Central Bank and the sewage system agenda. In the domestic environment, the economic activity (GDP) numbers remained weak in 2019. On the other hand, expectations for further interest rate cuts have increased.

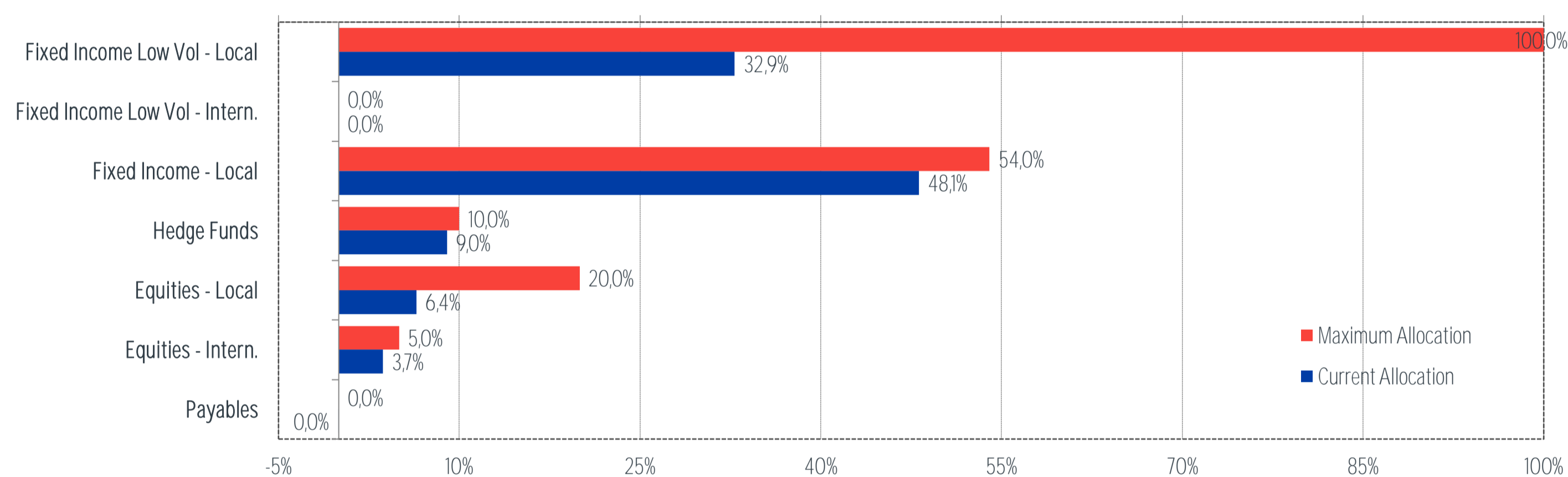
Fixed Income was the only class that had a positive result in February, after a strong risk aversion movement caused by the expected impact of the coronavirus on economic activity. The virus quick spread in countries like South Korea, Italy and Iran, caused a collapse in health services in those countries and brought even more problems in the markets. In face of this situation, there was an expected reaction from the Central Banks, injecting more liquidity into the system and cutting interest rates, such as the FED that cut the rate by 50 bps, in an extraordinary meeting this month.

The FT portfolio returned -0.4%, above its benchmark -0.6%. February was a negative month mainly due to the International Equities performance, -5.0%, and Brazilian Equities, that returned -5.5% above its benchmark IBX, -8.2%. Despite the negative return, the Local Equities class was able to protect the portfolio regarding its benchmark, IBX.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M	BENCHMARK	MTD	YTD	12M	24M	36M
Fixed Income Low Vol - Local	0,3%	0,7%	5,4%	5,9%	6,9%	CDI	0,3%	0,7%	5,6%	6,0%	7,0%
Fixed Income	0,5%	1,1%	11,9%	11,0%	11,4%	IRF Comp.	0,6%	1,1%	14,5%	13,0%	12,7%
Hedge Funds	-1,3%	-1,2%	7,8%	6,9%	9,2%	IHF Comp.	-1,6%	-1,0%	7,4%	6,5%	8,4%
Equities - Local	-5,5%	-0,7%	31,9%	21,2%	21,9%	IBX	-8,2%	-9,4%	11,1%	12,0%	17,2%
Equities - Intern.	-5,0%	0,9%	23,8%	19,2%	20,3%	MSCI World (BRL)	-3,8%	1,8%	25,7%	20,8%	21,4%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	Inflation IPCA	0,2%	0,4%	3,9%	3,9%	3,6%
Total	-0,4%	0,6%	11,2%	9,8%	10,6%	BENCHMARK	-0,5%	0,1%	11,3%	10,5%	11,3%

ASSET ALLOCATION



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol - Local	61.321.651
Fixed Income Low Vol - Intern.	-
Fixed Income	89.855.948
Hedge Funds	16.747.433
Equities - Local	11.999.910
Equities - Intern.	6.821.686
Payables	(83.484)
Total	186.663.164

GROWTH AND CURRENT ACCOUNT - LOCAL PORTFOLIO (In R\$ Thousands)

GROWTH	2015	2016	2017	2018	2019	2020	ACC.
NOMINAL	3,5%	7,8%	-8,6%	-17,6%	-17,6%	-4,6%	-37,9%
REAL	0,7%	1,4%	-11,2%	-21,0%	-21,0%	-5,0%	-49,1%
IPCA	2,8%	6,3%	2,9%	4,3%	4,3%	0,4%	22,2%

CURRENT ACCOUNT	2015	2016	2017	2018	2019	2020
INITIAL	0	122.126	145.839	134.468	141.707	152.231
Subscriptions	118.175	13.419	1.760	39.485	40.733	41.741
Withdrawals	0	-7.900	-29.700	-40.500	-48.500	-8.000
Account Costs	-342	-1.724	-1.189	-455	-556	-22
FINAL	122.126	145.839	134.468	141.707	152.231	186.665
ACCOUNT COSTS	0,0%	-1,2%	-0,8%	-0,4%	-0,4%	0,0%
SPENDING RATE	0,0%	-5,8%	-18,9%	-27,8%	-27,0%	-5,2%
Nominal Return	4,4%	16,0%	13,6%	7,8%	13,2%	0,6%
CPI	2,8%	6,3%	2,9%	3,7%	4,2%	0,4%
Real Return	1,6%	9,1%	10,4%	4,0%	8,6%	0,3%

The difference between the portfolio performance and the portfolio growth is that the latter considers the impacts of transactions and taxes.