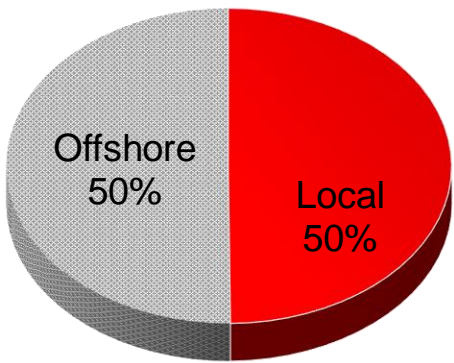


The Brazilian market did not follow the good mood of the international market, closing the month with weak performance, especially in the Stock Exchange. The weak performance of the economy (2018 GDP was +1.1% below expectations of analysts), as well as the still "clumsy" start of the government weighed on the mood of the investors. Among the "muddled" government, the resignation of Gustavo Bebianno (Secretary General of the Presidency) in a clear confrontation with Carlos Bolsonaro, the president's son. The conflict happened because of the charges related to "inexistent" candidates of the president's party (PSL), so that it did not lose access to the party's fund. The government also announced its plan for the Social Security Reform, an ambitious package that promises a bigger economy than PEC 287 (Temer government project) that had already been dehydrated in the Congressional CCJ. The government is expected to face some difficulty in forming a majority to approve the bill in Congress, however, already on the pace to pass the Reform, the president himself made a statement saying there was margin in the proposal submitted to be approved.



After a very strong January, February closed again with a good performance of the stock market and narrowed the credit spreads, benefiting the higher risk classes. Among the news, although the pace of economic activity continues to disappoint expectations, the speech adopted by the Central Banks seems to bring some relief. The Fed kept the speech of Quantitative Tightening and the ECB (Europe) anticipated concern about the pace of economic activity. In a decision on March 7th, the ECB announced that it would extend its forward guidance and announce a new TLTRO package that will remain until 2021. Geopolitical issues also presented evolution during that month. The negotiations between Teresa May and the British Parliament have also evolved: new votes will take place - one, on the agreement and, the other, if the agreement is not approved, there will be a no-deal vote and the possibility of postponing Article 50 (deadline 29 March).

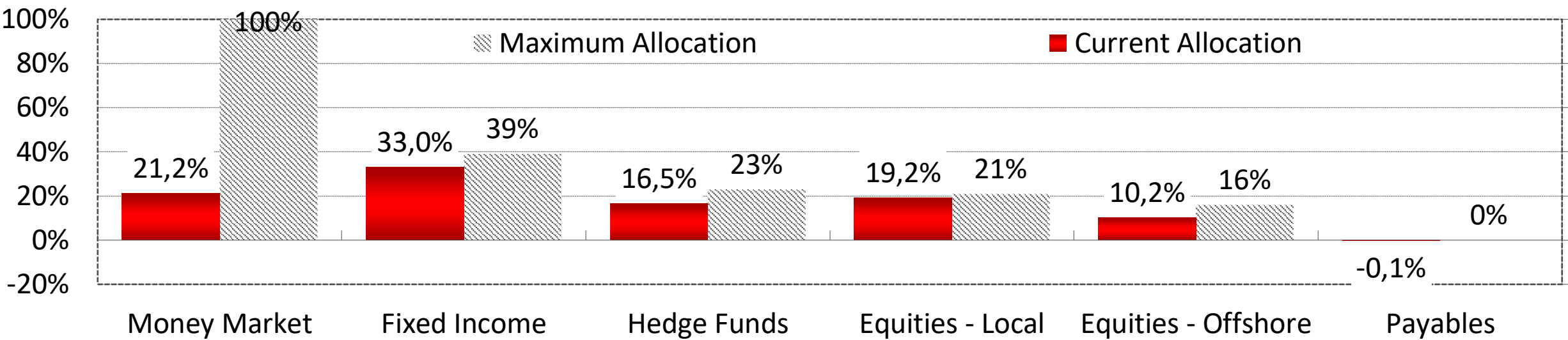
BA&ES's local portfolio showed a positive return of + 0.6%, and accumulated a gain of + 4.1% in 2019. The month was positive for most part of the asset classes of the portfolio, especially International Equities (up +6.1% in the month). As a negative highlight, Brazilian Equities returned -0.7%, but still better than IBX, its benchmark -1.8%. Finally, the Local Fixed Income class returned in line with its benchmark. The international portfolio also had a positive performance in February, with a high of +1.9%, again with good International Equities performance.

PORTFOLIO PERFORMANCE - LOCAL (in BRL)

ASSET CLASS	MTD	YTD	Allocation
Money Market - Local	0,5%	1,0%	873.914
Fixed Income - Local	0,4%	2,9%	1.363.508
Hedge Funds - Local	-0,1%	2,7%	682.716
Equities - Local	-0,7%	8,6%	792.938
Equities - Intern.	6,1%	7,7%	420.434
Payables	0,0%	0,0%	(2.699)
Total	0,6%	4,1%	4.130.810

BENCHMARK	MTD	YTD
CDI	0,5%	1,0%
IRF Composto	0,5%	3,0%
IHF Composto	-0,2%	2,4%
IBX	-1,8%	8,8%
MSCI World Unh. (BRL)	5,8%	7,5%
Benchmark	0,5%	4,0%
Inflation IPCA	0,3%	0,7%

ASSET ALLOCATION



PORTFOLIO PERFORMANCE - OFFSHORE (in USD)

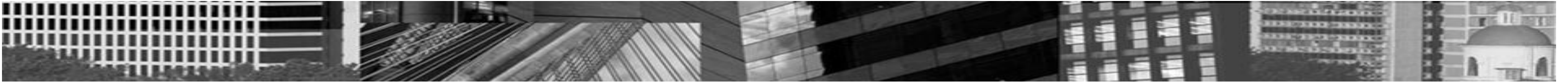
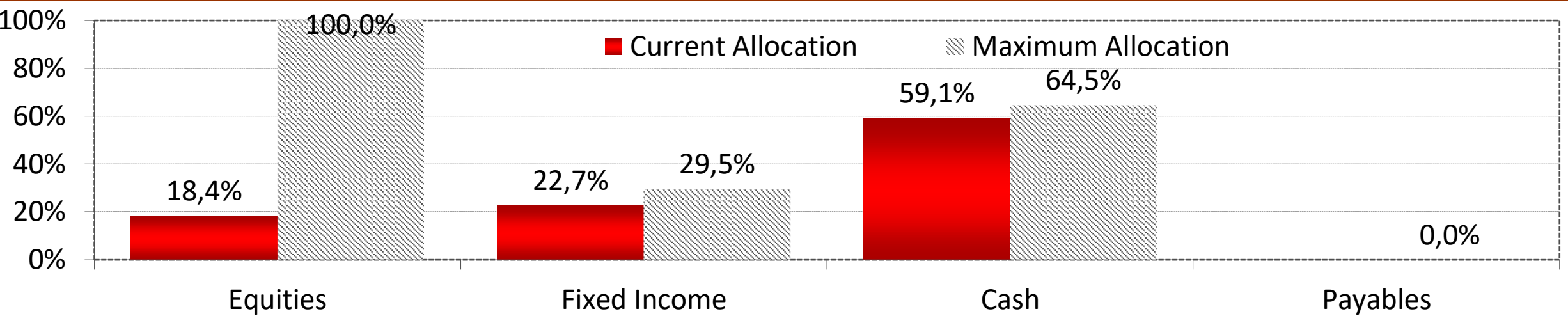
ASSET CLASS	MTD	YTD	Allocation
Fixed Inc. Low Vol	0,2%	0,4%	201.974
Fixed Income	-0,1%	1,1%	249.075
Equities	3,3%	11,0%	649.236
Payable	0,0%	0,0%	(2.524)
Total	1,9%	6,5%	1.097.761

BENCHMARK	MTD	YTD
RF LV COMP	0,2%	0,5%
Barclays Global	0,1%	1,2%
MSCI WORLD	3,0%	11,0%
BENCHMARK	1,8%	6,7%
CPI	0,0%	0,0%

The benchmark of the offshore portfolio is based on weighted average of international benchmarks for each asset class, considering the average allocation (between the minimum and maximum expected allocation) expressed on its investment policy. To calculate the benchmark, the MSCI World Unhedged was employed, since it is the only investable.

*Using mtd forecast

ASSET ALLOCATION



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

GROWTH	2016	2017	2018	2019	ACC
NOMINAL	0,1%	8,7%	7,0%	4,0%	21,0%
REAL	-0,1%	5,5%	3,2%	3,3%	12,3%
IPCA	0,2%	2,9%	3,7%	0,7%	7,7%

GROWTH	2016	2017	2018	2019
INITIAL	0	3.416	3.712	3.972
Subscriptions	4.099	0	0	0
Withdrawals	0	0	0	0
Account Costs	-29	-64	-32	-7
FINAL	4.285	3.712	3.972	4.131
ACCOUNT COSTS	-0,7%	-1,7%	-0,8%	-0,2%
SPENDING RATE	0,0%	0,0%	0,0%	0,0%

GROWTH AND CURRENT ACCOUNT - OFFSHORE PORTFOLIO (In US\$ Thousands)

GROWTH	2016	2017	2018	2019	ACC
NOMINAL	0,0%	1,5%	-3,4%	6,5%	4,5%
REAL	-0,1%	-0,6%	-5,2%	6,5%	0,2%
IPCA	0,2%	0,0%	1,9%	0,0%	4,3%

GROWTH	2016	2017	2018	2019
INITIAL	0	1050	1066	1031
Subscriptions	0	1.050	1	0
Withdrawals	0	0	0	0
Account Costs	0	0	0	0
FINAL	1.050	1.066	1.031	1.098
ACCOUNT COSTS	0,0%	0,0%	0,0%	0,0%
SPENDING RATE	0,0%	0,0%	0,0%	0,0%

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

