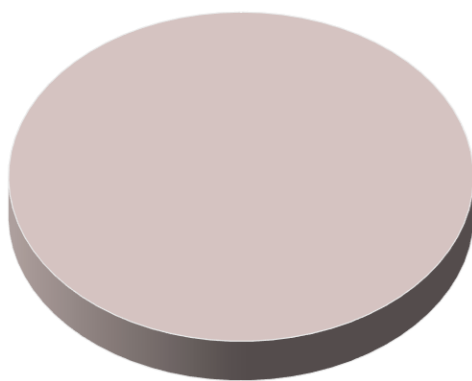


Offshore
0%

The local market diverged from the international, due to the fact that once again the government started its own crisis. The crisis was triggered by the negotiation of the 2022 budget and the trade-off between the increase the volume of social benefits, the growth of the volume of court-order debt, and the spending cap. The proposal of the government to divide the court-order debt, led to a tough market reaction, increasing risk premiums. The recent inflation data shows a high volatility of the index, that added up with the raise of the energy tariffs, indicating that the Central Bank is right to anchor the expectations.



Once again, the international market presented good results. Towards the good economy performance, the FED have been signaling that the tapering should **began at the end of this year. Even though, we face a higher inflation, the speeches continue to show temperance regarding the risks in the economy - as the deceleration of China and the Delta variant.** The expectation of the end of the stimulus did not scared the investors, with good results in the asset classes with higher risks. Even with the tapering, the increase of the interest rates seems a distance scenario.

Local
100%

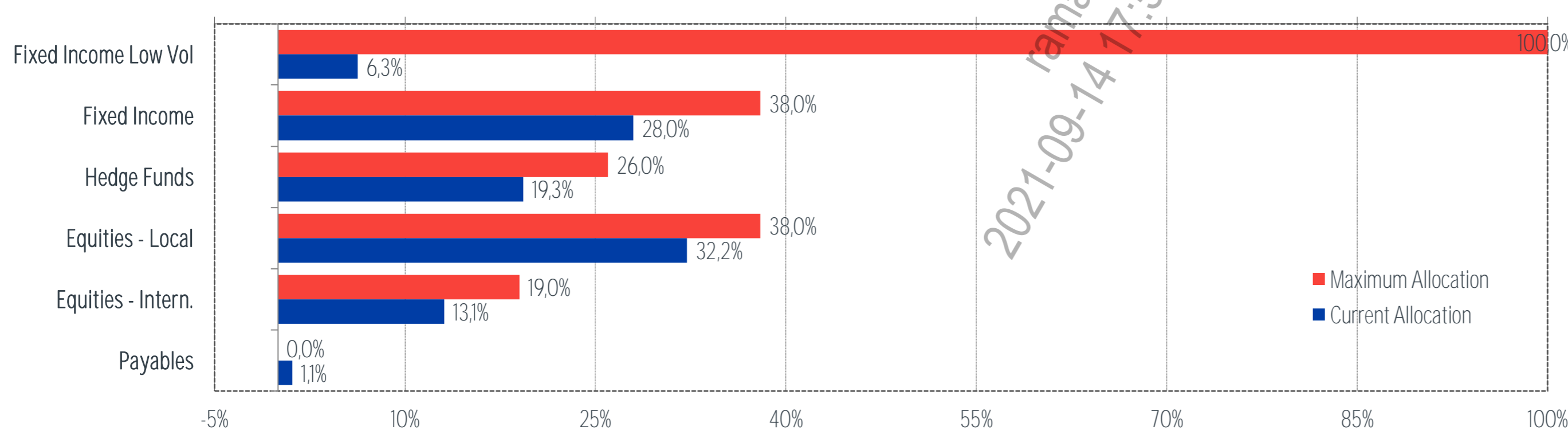
BA&ES local portfolio returned -0.7% mtd, aligned with its benchmark. Once again, International Equities showed a strong return (+2.3%) and protected the portfolio, while again most asset classes presented negative performances. Despite the negative return (-2.6%), the Brazilian Equities class performed way better than its benchmark IBX, -3.3% and, in 2021, the class already surpasses the IBX, +2.6% vs. +1.1%, respectively.

PORTFOLIO PERFORMANCE - LOCAL (in Brazilian Reals - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,5%	2,2%	2,8%	3,3%	4,3%
Fixed Income	-1,2%	-3,9%	0,2%	3,4%	8,6%
Hedge Funds	0,5%	2,4%	6,5%	6,5%	7,3%
Equities - Local	-2,6%	2,6%	16,3%	19,8%	26,7%
Equities - Intern.	2,3%	17,6%	22,5%	37,3%	24,3%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%
Total	-0,7%	2,7%	10,2%	13,6%	14,7%

BENCHMARK	MTD	YTD	12M	24M	36M
CDI	0,4%	2,1%	2,7%	3,3%	4,3%
IMA_EX_C	-0,3%	-0,8%	1,3%	4,1%	9,3%
IHF Comp.	0,1%	1,9%	5,4%	5,8%	7,1%
IBX	-3,3%	1,1%	20,9%	9,3%	17,3%
MSCI (BRL)	2,1%	17,7%	22,7%	37,9%	24,7%
Inflation IPCA	0,9%	5,7%	9,7%	6,0%	5,2%
BENCHMARK	-0,8%	3,1%	11,5%	10,7%	12,6%

ASSET ALLOCATION - LOCAL



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol	281.388
Fixed Income	1.258.076
Hedge Funds	867.410
Equities - Local	1.447.463
Equities - Intern.	587.700
Payables	50.928
Total	4.492.964

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

GROWTH	2016	2017	2018	2019	2020	2021	ACC.
NOMINAL	0,1%	8,7%	7,0%	19,0%	-5,8%	0,9%	31,6%
REAL	-0,1%	5,5%	3,2%	14,1%	-9,9%	-4,5%	6,7%
IPCA	0,2%	2,9%	3,7%	4,3%	4,5%	5,7%	23,3%

CURRENT ACCOUNT	2016	2017	2018	2019	2020	2021
INITIAL	0	3.416	3.712	3.972	4.728	4.452
Subscriptions	3.415	0	0	0	0	0
Withdrawals	0	0	0	0	-952	0
Account Costs	0	-64	-32	-53	-48	-79
FINAL	3.416	3.712	3.972	4.728	4.452	4.493
<i>ACCOUNT COSTS</i>	<i>0,0%</i>	<i>-1,7%</i>	<i>-0,8%</i>	<i>-1,2%</i>	<i>-1,0%</i>	<i>-1,7%</i>
<i>SPENDING RATE</i>	<i>0,0%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>-18,5%</i>	<i>0,0%</i>
Nominal Return	0,1%	10,5%	8,0%	20,9%	17,4%	2,7%
Inflation IPCA	0,0%	2,9%	3,7%	4,3%	4,5%	5,7%
Real Return	0,1%	7,4%	4,1%	15,9%	12,3%	-2,8%

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