

Offshore
0%

The local market recorded losses mainly driven by two factors: (i) Chinese regulation, which should decelerate the economy and affect the demand of commodities; and (ii) the inflationary pressure due to the supply issues and energetic risk. The fixed income market has undergone major corrections, indicating that the Brazilian Central Bank may take interest rates to beyond 9%. The market remains in discord with the economic activity data, which presents improvement in the short-term. Additionally, little progress was made regarding the approval of the Reforms, adding pressure over the budget of 2022.



The global market presented negative result in September. Some of the risks started to materialize: (i) high inflation, (ii) deleveraging of the Real Estate market in China (impact of Evergrande on the confidence) and (iii) a more aggressive speech from FED, signaling the tapering. The sharp increase of energy commodities prices added pressure over the production chain, which is already dealing with challenges regarding the economic recovery. Finally, the month ended with no progress in Biden's economic plans, while the Congress deals the debt limit of USA.

BA&ES local portfolio returned -2.0% mtd, aligned with its benchmark. International Equities contributed with 1.0%. On the other hand, Brazilian Equities class had a negative performance (-6.5%), but still better than its benchmark IBX, -7.0% and, in 2021, the class still surpasses the IBX, -4.1% vs -6.0%, respectively.

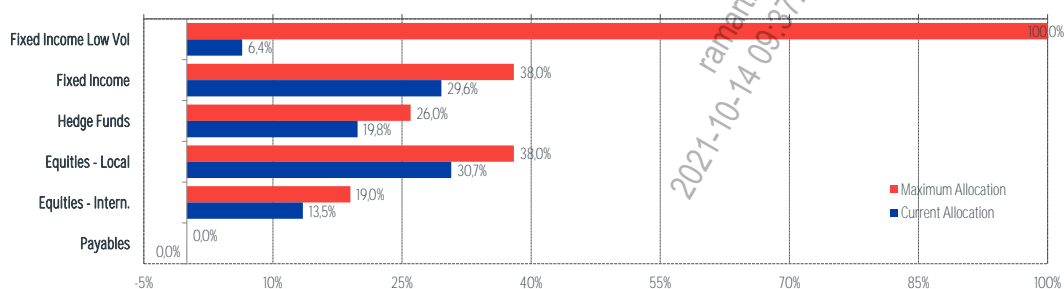
Local
100%

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

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,5%	2,7%	3,3%	3,3%	4,3%
Fixed Income	-0,5%	-4,5%	0,9%	2,1%	8,1%
Hedge Funds	0,7%	3,1%	8,5%	6,6%	7,4%
Equities - Local	-6,5%	-4,1%	12,4%	14,9%	23,0%
Equities - Intern.	1,0%	18,8%	23,9%	36,1%	24,8%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%
Total	-2,0%	0,7%	9,9%	11,7%	13,7%

BENCHMARK	MTD	YTD	12M	24M	36M
CDI	0,4%	2,5%	3,0%	3,3%	4,3%
IMA_EX_C	0,0%	-0,8%	2,0%	3,1%	9,0%
IHF Comp.	0,2%	2,0%	7,6%	5,7%	6,9%
IBX	-7,0%	-6,0%	17,8%	3,8%	13,3%
MSCI (BRL)	1,0%	18,9%	24,6%	36,7%	25,1%
Inflation IPCA	1,2%	6,9%	10,2%	6,6%	5,4%
BENCHMARK	-2,0%	1,0%	11,5%	8,6%	11,4%

ASSET ALLOCATION - LOCAL



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol	282.744
Fixed Income	1.302.876
Hedge Funds	873.458
Equities - Local	1.352.901
Equities - Intern.	593.651
Payables	(734)
Total	4.404.895

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%	-1,1%	29,0%
REAL	-0,1%	5,5%	3,2%	14,1%	-9,9%	-7,5%	3,4%
IPCA	0,2%	2,9%	3,7%	4,3%	4,5%	6,9%	24,7%

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	4.405
ACCOUNT COSTS	0,0%	-1,7%	-0,8%	-1,2%	-1,0%	-1,7%
SPENDING RATE	0,0%	0,0%	0,0%	0,0%	-18,5%	0,0%
Nominal Return	0,1%	10,5%	8,0%	20,9%	17,4%	0,7%
Inflation IPCA	0,0%	2,9%	3,7%	4,3%	4,5%	6,9%
Real Return	0,1%	7,4%	4,1%	15,9%	12,3%	-5,8%

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