

The local market performance followed the international market, but, as always, with a greater volatility. The highlight of January was the change in the Central Bank's approach, admitting that it will react to the increase of inflation with hikes in the interest rate. The adjustment in the interest market was significant, and higher rates are expected from May - beginning a cycle of an estimated 350 bps higher rate at the end. The market movement was sharper than projected by analysts in Focus survey, which expects a much more moderate upward movement throughout 2021. For the beginning of February, the focus is on the Parliamentary elections and the expected victory of the moderates.

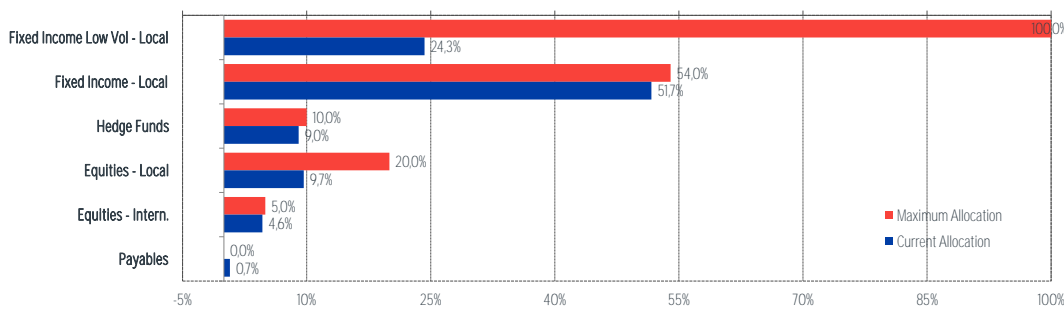
The year started with a slight correction in market prices. We highlight two important movements that took place in January: the first in Fixed Income with an increase in the slope of the interest curve and gains in assets that offer protection against inflation. The optimism of the market with economy, repressed demand and more fiscal spending by the Biden government, justify the expectation of an increase in inflation. The second, on the other hand, mainly affected Long Short Equities funds, due to the short squeeze in the stock market with Game Stop. Regulators acted quickly to guarantee the liquidity and solvency of major players.

The local FT portfolio presented a return of + 0.0%, above its benchmark that lost -0.2%. Part of classes performed positively, but we highlight International Equities that returned +5.1% and Brazilian Equities, up +0.2% in the month, well above its benchmark, IBX, that lost -3.0% mtd.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M	BENCHMARK	MTD	YTD	12M	24M	36M
Fixed Income Low Vol - Local	0,1%	0,1%	2,0%	3,8%	4,7%	CDI	0,1%	0,1%	2,5%	4,2%	4,9%
Fixed Income	-0,5%	-0,5%	5,9%	8,9%	9,4%	IMA_EX_C	-0,4%	-0,4%	3,6%	8,8%	9,8%
Hedge Funds	-0,4%	-0,4%	5,3%	7,2%	7,1%	IHF Comp.	-0,9%	-0,9%	4,0%	6,5%	6,5%
Equities - Local	0,2%	0,2%	15,1%	26,5%	21,3%	IBX	-3,0%	-3,0%	1,6%	10,0%	11,8%
Equities - Intern.	5,1%	5,1%	47,1%	42,8%	29,2%	MSCI (BRL)	4,7%	4,7%	47,6%	43,1%	30,0%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	Inflation IPCA	0,3%	0,3%	4,6%	4,4%	4,2%
Total	0,0%	0,0%	8,6%	10,5%	9,7%	BENCHMARK	-0,2%	-0,2%	5,4%	8,8%	9,2%

ASSET ALLOCATION



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol - Local	40.995.378
Fixed Income	87.333.685
Hedge Funds	15.257.064
Equities - Local	16.314.484
Equities - Intern.	7.857.970
Payables	1.231.014
Total	168.989.595

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

GROWTH	2015	2016	2017	2018	2019	2020	2021	ACC.
NOMINAL	3,5%	7,8%	-8,6%	-22,5%	-17,6%	-16,1%	-0,1%	-45,4%
REAL	0,7%	1,4%	-11,2%	-25,3%	-21,0%	-19,7%	-0,4%	-57,2%
IPCA	2,8%	6,3%	2,9%	3,7%	4,3%	4,5%	0,3%	27,6%

CURRENT ACCOUNT	2015	2016	2017	2018	2019	2020	2021
INITIAL	0	122.126	145.839	134.468	141.707	152.231	169.205
Subscriptions	118.175	13.419	1.760	39.485	40.733	46.801	0
Withdrawals	0	-7.900	-29.700	-40.500	-48.500	-45.060	0
Account Costs	-342	-1.724	-1.189	-455	-556	-151	-173
FINAL	122.126	145.839	134.468	141.707	152.231	169.205	168.990
ACCOUNT COSTS	0,0%	-1,2%	-0,8%	-0,4%	-0,4%	-0,1%	-0,1%
SPENDING RATE	0,0%	-5,8%	-18,9%	-27,8%	-27,0%	-23,5%	0,0%
Nominal Return	4,4%	16,0%	13,6%	7,8%	13,2%	9,8%	0,0%
Inflation IPCA	2,8%	6,3%	2,9%	3,7%	4,3%	4,5%	0,3%
Real Return	1,6%	9,1%	10,4%	4,0%	8,5%	5,1%	-0,3%

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