

The local market reflected the strong results presented by the international market. A significant improvement in commodity prices helped the recovery of local markets. Without major news throughout the month, in Brazil there was no continuation of the emergency aid, there was no approval of this year's budget, and we now enter the race for the presidency in Congress and Senate. Without a sense of urgency to do what is necessary, we will have to wait for the result of the elections to see the progress in the parliamentary agenda. The 2nd wave of the virus started to hit the country and it can disrupt the political agenda.

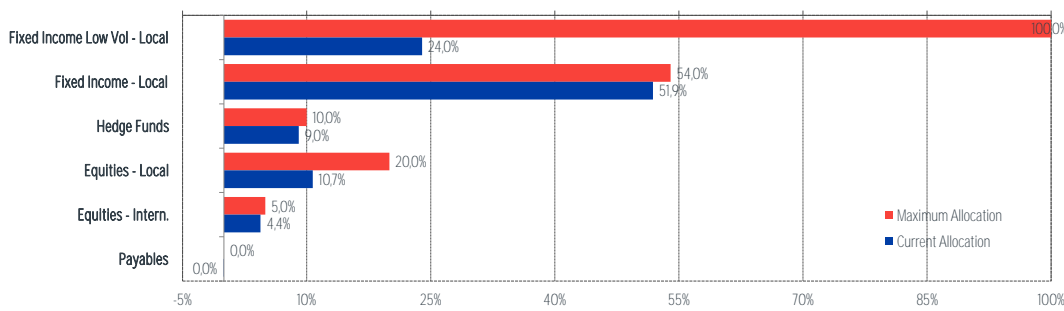
2021 ended with strong gains in almost all asset classes, except for Commodities and Real Estate. In December, news of a new variant of the virus in the UK led to a new restricted lockdown announcement in the country. Despite the effects of the 2nd wave of the virus reaching Europe and the USA, optimism with the approval and the beginning of the vaccination process prevailed, leading the market to new highs. Finally, at the very end of 2020, the US Congress approved a new consumer aid package (+ \$ 900 billion), which should guarantee greater stability in the US economic activity.

The local FT portfolio presented a return of + 2.4% in December, above its benchmark that gained + 2.0%. Also, the portfolio ended this year with a strong return of + 9.8%. All classes performed positively, but we highlight Brazilian Equities, up + 5.7% in the month and in 2020, + 20.8%, well above its benchmark, IBX, that accumulated + 3.5% in the same period.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M	BENCHMARK	MTD	YTD	12M	24M	36M
Fixed Income Low Vol - Local	0,2%	2,2%	2,2%	4,0%	4,8%	CDI	0,2%	2,8%	2,8%	4,4%	5,1%
Fixed Income	2,8%	7,1%	7,1%	10,0%	10,1%	IMA_EX_C	2,1%	4,6%	4,6%	10,3%	10,7%
Hedge Funds	2,6%	5,9%	5,9%	8,9%	8,4%	IHF Comp.	2,7%	5,5%	5,5%	8,3%	7,7%
Equities - Local	5,7%	20,8%	20,8%	32,0%	23,4%	IBX	9,2%	3,5%	3,5%	17,5%	16,8%
Equities - Intern.	1,1%	48,6%	48,6%	40,0%	27,5%	MSCI (BRL)	0,9%	49,3%	49,3%	40,7%	28,6%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	Inflation IPCA	1,3%	4,5%	4,5%	4,4%	4,2%
Total	2,4%	9,8%	9,8%	11,5%	10,3%	BENCHMARK	2,0%	6,3%	6,3%	10,2%	10,1%

ASSET ALLOCATION



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol - Local	40.548.944
Fixed Income	87.776.283
Hedge Funds	15.311.617
Equities - Local	18.169.153
Equities - Intern.	7.473.215
Payables	(73.994)
Total	169.205.217

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%	-16,1%	-45,3%
REAL	0,7%	1,4%	-11,2%	-21,0%	-21,0%	-19,7%	-57,0%
IPCA	2,8%	6,3%	2,9%	4,3%	4,3%	4,5%	27,2%

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	46.801
Withdrawals	0	-7.900	-29.700	-40.500	-48.500	-45.060
Account Costs	-342	-1.724	-1.189	-455	-556	-151
FINAL	122.126	145.839	134.468	141.707	152.231	169.205
ACCOUNT COSTS	0,0%	-1,2%	-0,8%	-0,4%	-0,4%	-0,1%
SPENDING RATE	0,0%	-5,8%	-18,9%	-27,8%	-27,0%	-23,5%
Nominal Return	4,4%	16,0%	13,6%	7,8%	13,2%	9,8%
Inflation IPCA	2,8%	6,3%	2,9%	3,7%	4,2%	4,5%
Real Return	1,6%	9,1%	10,4%	4,0%	8,6%	5,1%

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