

The strong performance of the labor market (unemployment at 7.6% sustained service inflation at a high level, resulting in an IPCA of 4.5% over 12 months. Despite this, the market scenario remains unchanged – with the expectation of interest rate reduction by the Brazilian Central Bank while maintaining a vigilant stance. On the fixed income side, the interest rate curve showed no significant variation during the period, resulting in indices performing close to the CDI. Despite the strong performance of the US stock market, local equities showed no relevant variation. The "decoupling" occurred because in the Brazilian market, both AI and Tech sectors are not developed – precisely the two sectors that appreciated the most in the US. In the political scenario, the month was marked by negotiations with Congress – especially regarding the payroll taxes. On the other hand, January's tax collection was positive, postponing for now the likely revision of fiscal targets. The combination of the above factors highlights the complexity of Brazil's economic and political landscape – significant advancements in the labor market and tax revenue coexist with challenges in implementing fiscal policies and conducting monetary policy.

The month was marked by optimism in the AI and technology sectors, which ended up positively affecting the equity market in the US. On the other hand, strong economic activity data highlighted a more resilient inflation, leading the market to postpone expectations of a rate cut to the beginning of 2024. On the fixed income side, the rising of interest rates ended up negatively affecting its performance. Regarding economic indicators, we highlight: Consumer Spending Growth in 4Q23: +3.0% Annualized GDP for 4Q23: +3.2% Unemployment: 3.7% Average Wage Income YoY: +4.5% CPI YoY: 3.1% Core CPI YoY: 3.9% Core PCE YoY: 2.8% It is worth noting that the service sector has been the main driver of inflation over the past 12 months – especially rental prices. The strong demand for services has two sides: (i) it highlights the robustness of economic activity, but (ii) it hinders the inflation-fighting process.

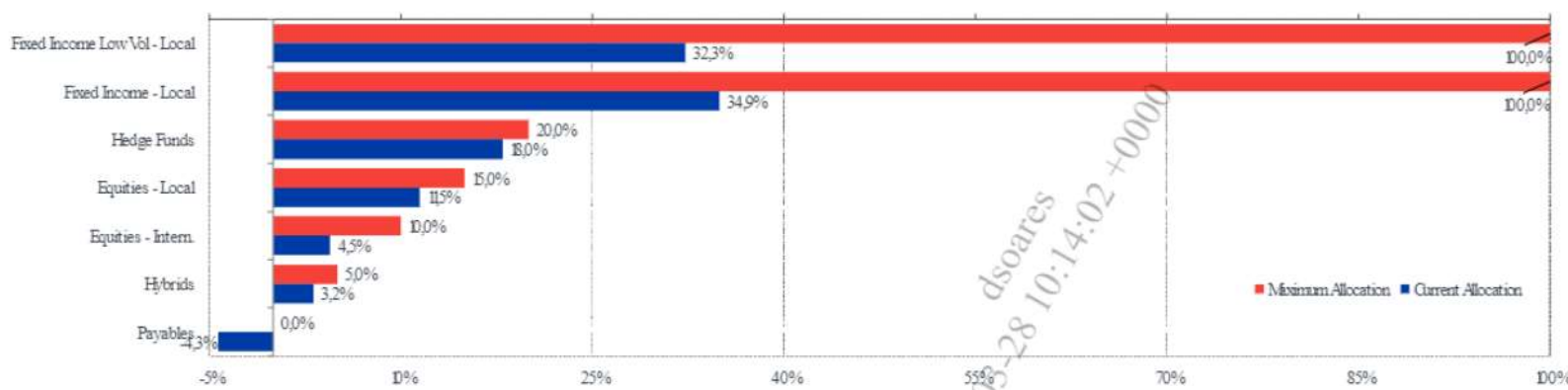
The FT portfolio posted a monthly return of 0.8% accumulating 0.5% year to date. The standout performer for the month was the International Equities asset class, which returned 4.3%. Following the trend, the Local Equities asset class rose by 1%. Other strategies also performed positively during the period.

PORFOLIO PERFORMANCE (in Brazilian Reals - R\$)

ASSET CLASS	MID	YTD	12M	24M	36M	60M
Fixed Income Low Vol - Local	0,9%	1,9%	13,9%	13,7%	11,2%	8,1%
Fixed Income	0,4%	0,3%	15,2%	12,2%	8,1%	8,1%
Hedge Funds	0,2%	-0,4%	6,8%	10,1%	8,6%	8,5%
Equities - Local	1,1%	-3,4%	17,9%	0,1%	-5,9%	5,8%
Equities - Intern.	4,3%	7,5%	17,0%	5,1%	4,3%	18,0%
Hybrids	0,3%	0,2%	1,4%	-7,1%	-7,1%	-7,1%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Total</b>	<b>0,8%</b>	<b>0,5%</b>	<b>13,1%</b>	<b>10,1%</b>	<b>7,1%</b>	<b>8,3%</b>

BENCHMARK	MID	YTD	12M	24M	36M	60M
CDI	0,8%	1,8%	12,7%	13,0%	10,4%	7,8%
IRF Comp.	0,5%	0,5%	15,7%	12,2%	7,9%	8,3%
IHF Comp.	0,1%	-0,2%	8,1%	9,7%	8,1%	7,6%
IBX	10%	-3,6%	22,2%	5,9%	4,9%	6,6%
MSCI(BRL)	4,8%	7,9%	18,9%	5,6%	4,1%	17,9%
Inflation IPCA	0,8%	1,3%	4,5%	5,1%	6,9%	6,0%
<b>BENCHMARK</b>	<b>0,9%</b>	<b>0,8%</b>	<b>14,5%</b>	<b>11,2%</b>	<b>8,4%</b>	<b>8,6%</b>

ASSET ALLOCATION



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol - Local	53.008.892
Fixed Income	57.411.131
Hedge Funds	29.506.648
Equities - Local	18.893.514
Equities - Intern.	7.349.507
Hybrids	5.202.865
Payables	(7.070.584)
<b>Total</b>	<b>164.301.974</b>

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

GROWTH	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	ACC.
NOMINAL	3,5%	7,8%	-8,6%	-22,5%	-17,6%	-16,1%	-19,6%	5,8%	7,6%	-5,3%	-52,6%
REAL	0,7%	1,4%	-11,2%	-25,3%	-21,0%	-19,7%	-27,0%	0,0%	2,8%	-6,5%	-69,8%
IPCA	2,8%	6,3%	2,9%	3,7%	4,3%	4,5%	10,1%	5,8%	4,6%	1,3%	57,0%

CURRENT ACCOUNT	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
INITIAL	0	122.126	145.839	134.468	141.707	152.231	169.205	135.981	143.877	154.749
Subscriptions	118.175	13.419	1.760	39.485	40.733	46.801	0	0	0	18.699
Withdrawals	0	-7.900	-29.700	-40.500	-48.500	-45.060	-31.000	-55	0	-10.000
Account Costs	-342	-1.724	-1.189	-455	-556	-151	-3.629	-669	-8.999	-30
Return	4.293	19.917	17.758	8.709	18.846	15.384	1.405	8.619	19.872	884
FINAL	122.126	145.839	134.468	141.707	152.231	169.205	135.981	143.877	154.749	164.302
ACCOUNT COSTS	0,0%	-1,2%	-0,8%	0,0%	-0,4%	-0,1%	-2,4%	-0,5%	-5,5%	0,0%
SPENDING RATE	0,0%	-5,8%	-18,9%	0,0%	-27,0%	-23,5%	-18,2%	0,0%	0,0%	-5,8%
Nominal Return	3,9%	16,0%	13,6%	7,8%	13,2%	9,8%	0,7%	6,3%	13,8%	0,5%
Inflation IPCA	2,8%	6,3%	2,9%	3,7%	4,3%	4,5%	10,1%	5,8%	4,6%	1,3%
Real Return	1,0%	9,1%	10,4%	4,0%	8,5%	5,1%	-8,5%	0,5%	8,8%	-0,7%

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

