

Offshore
0%

Markets in Brazil diverged again from other economies, with losses in both Fixed Income and Equities asset classes. Throughout the month of February, President Jair Bolsonaro requested Petrobras' CEO to resign after he announced a gas price adjustment (acting according to the price policy consolidated by the company's Council, policy which was strongly impacted by the deterioration of the BRL). The government's intervention was seen as yet another loss for Paulo Guedes and his economic team. To deal with pressure on prices, the government removed taxes on diesel and LPG, and to offset the loss, it increased taxes on the banking sector.



The markets reacted to the strong economic data in the USA (industrial production + 0.9% and retail sales + 5.3% mtd), during February. Even in the eminence of stronger data, US Congress approved an aid package of US\$1.9 trillion (yet to be approved by the Senate). The good activity followed by the package raised concerns about the possibility of price rises, which led the interest curve to price higher yields. The vaccination process in the world has evolved at an accelerated rate, mostly in main economies with the approval of new vaccines, bringing the numbers of mobility to normal.

BA&ES local portfolio returned +0.1% mtd, while its benchmark returned -0.6%. The highlights were the International Equities that returned +4.7% and Hedge Funds, up +1.7% mtd. Although Brazilian Equities had a negative performance, -1.4% mtd, it was still well above its benchmark, IBX, that lost -3.5% mtd.

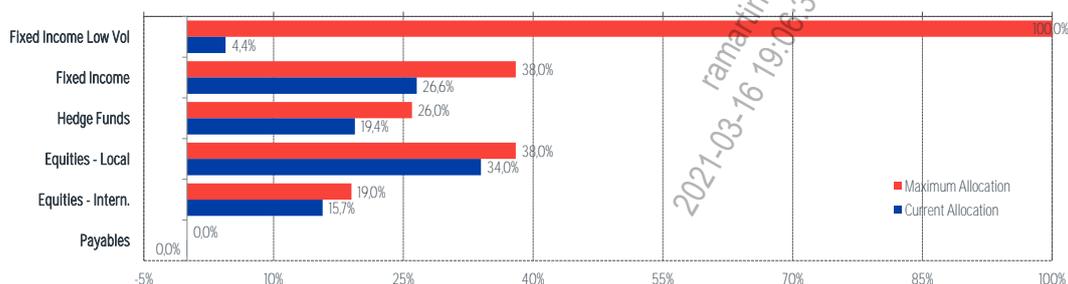
Local
100%

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

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,1%	0,3%	2,2%	3,8%	4,7%
Fixed Income	-1,8%	-2,9%	2,6%	8,0%	9,0%
Hedge Funds	1,7%	1,3%	8,6%	8,2%	7,5%
Equities - Local	-1,4%	-1,2%	20,1%	26,1%	20,9%
Equities - Intern.	4,7%	10,1%	62,1%	42,0%	31,9%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%
Total	0,1%	0,5%	17,9%	17,2%	14,6%

BENCHMARK	MTD	YTD	12M	24M	36M
CDI	0,1%	0,3%	2,4%	4,0%	4,8%
IMA_EX_C	-0,8%	-1,3%	2,1%	8,1%	9,2%
IHF Comp.	0,5%	-0,4%	6,2%	6,9%	6,4%
IBX	-3,5%	-6,4%	6,9%	9,1%	10,3%
MSCI (BRL)	4,5%	9,4%	60,5%	42,4%	33,0%
Inflation IPCA	0,7%	0,9%	5,0%	4,5%	4,3%
BENCHMARK	-0,6%	-1,3%	12,1%	12,2%	11,7%

ASSET ALLOCATION - LOCAL



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol	198.402
Fixed Income	1.185.228
Hedge Funds	866.177
Equities - Local	1.516.407
Equities - Intern.	699.502
Payables	(1.829)
Total	4.463.887

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%	0,3%	30,7%
REAL	-0,1%	5,5%	3,2%	14,1%	-9,9%	-0,6%	11,1%
IPCA	0,2%	2,9%	3,7%	4,3%	4,5%	0,9%	17,7%

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	-11
FINAL	3.416	3.712	3.972	4.728	4.452	4.464
ACCOUNT COSTS	0,0%	-1,7%	-0,8%	-1,2%	-1,0%	-0,2%
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%	0,5%
Inflation IPCA	0,0%	2,9%	3,7%	4,3%	4,5%	0,9%
Real Return	0,1%	7,4%	4,1%	15,9%	12,3%	-0,4%

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