

Offshore
0%

March brought an expressive performance in the Brazilian stock market, as occurred in the rest of the world. The winning theses, however, were linked to domestic dynamic. We are already seeing good signs of acceleration in the vaccination process, reaching 1 MM of doses applied daily. The purchase commitments made indicate that we will have the necessary vaccine supply for everyone. The interest market, on the other hand, ended the month with losses. Exchange rate and the inflation hike led the BCB to raise interest rates by 75 bps - above expectations - leading to believe that a more aggressive hike now would avoid higher rates in the future.

The first quarter of the year ended with a strong performance of the global stock markets, very influenced by the evidence of a strong economic recovery in the USA and even in Europe. The vaccination rate has accelerated and the announcement of fiscal packages (US\$ 1.9 tri), including investments in infrastructure (+US\$ 2.25 tri) in the USA, indicates a solid growth for the country this year. On the other hand, the negative part of this acceleration is the correction in the Fixed Income market, which adjusts to a scenario of rising inflation. The market began pressuring the FED to raise interest rates before when indicated by Central Bank, in its last meeting this month.

BA&ES local portfolio returned +0.6% mtd below its benchmark which gained 2.5%. During the month, most of the asset classes had positive performances, but we highlight the strong performance of International Equities, with +4.0% and also Hedge Funds class, with +0.8%. On the other hand, we highlight the Fixed Income class, with -1.0%. Finally, although Brazilian Equities gained +0.7%, the class performed below its benchmark, which rose +6.0%. The good performance of IBX was driven by the banks sector (approximately up 10%) and basic materials (mining, steel and chemicals, for example). Those exposures do not dominate the allocation of our managers.

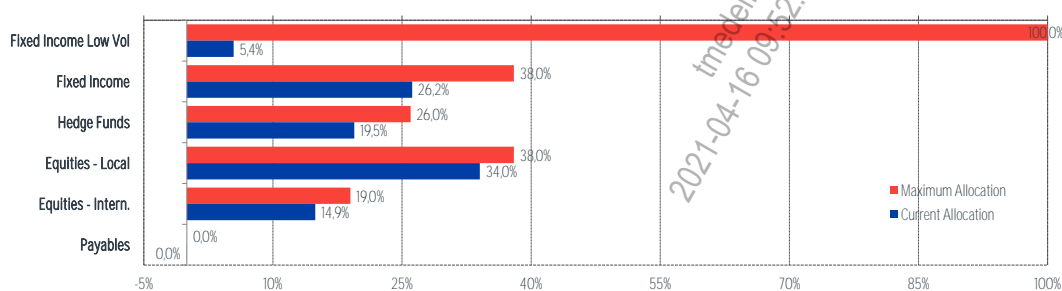
Local
100%

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

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,2%	0,4%	2,1%	3,7%	4,5%
Fixed Income	-1,0%	-3,9%	6,2%	7,1%	8,2%
Hedge Funds	0,8%	2,1%	18,0%	8,6%	7,6%
Equities - Local	0,7%	-0,6%	73,8%	26,4%	21,5%
Equities - Intern.	4,0%	14,6%	64,4%	40,8%	34,7%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%
Total	0,6%	1,1%	32,2%	16,9%	14,7%

BENCHMARK	MTD	YTD	12M	24M	36M
CDI	0,2%	0,5%	2,2%	3,8%	4,7%
IMA_EX_C	-0,4%	-1,6%	5,8%	7,5%	8,6%
IHF Comp.	0,5%	0,1%	13,8%	7,2%	6,3%
IBX	6,0%	-0,7%	62,2%	12,3%	12,5%
MSCI (BRL)	4,4%	14,3%	67,4%	41,2%	35,1%
Inflation IPCA	0,9%	2,1%	6,1%	4,7%	4,7%
BENCHMARK	2,5%	1,3%	24,8%	13,0%	12,3%

ASSET ALLOCATION - LOCAL



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol	243.795
Fixed Income	1.173.957
Hedge Funds	872.767
Equities - Local	1.526.800
Equities - Intern.	669.004
Payables	(1.233)
Total	4.485.091

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%	0,7%	31,4%
REAL	-0,1%	5,5%	3,2%	14,1%	-9,9%	-1,3%	10,3%
IPCA	0,2%	2,9%	3,7%	4,3%	4,5%	2,1%	19,0%

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	-15
FINAL	3.416	3.712	3.972	4.728	4.452	4.485
ACCOUNT COSTS	0,0%	-1,7%	-0,8%	-1,2%	-1,0%	-0,3%
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%	1,1%
Inflation IPCA	0,0%	2,9%	3,7%	4,3%	4,5%	2,1%
Real Return	0,1%	7,4%	4,1%	15,9%	12,3%	-1,0%

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