



1- Macroeconomic Scenario

In the global scenario, the highlights are the severe winter which has been affecting negatively the United States economy. In spite of that, FED must maintain the current pace of the incentives' removal. In her first speech in the United States Congress, Janet Yellen highlighted that the progress of the inflation data and the work market are vital for the decision of FED in elevating the interest rates. With that, the perception of the market that the high in the interest should occur only in the second semester of 2015 was reinforced.

In Europe, the European Central Bank ("BCE") has maintained the interest rates unaltered and has not showed additional loosening signs, despite of the scenario of moderate retaken and low inflation.

With respect to China, the government has been intensifying efforts to the affect of balance the reduction of the economy leverage with preservation of the 7.5% growth goal. The purposes set forth by the Chinese authorities are challenging as a whole and in combination with the process of reduction of the monetary incentives in the USA, shall bring new tensions to the emerging countries along 2014.

In the domestic scenario, the freeze of BRL 44 billion of the federal budget and the primary surplus goal of 1.9% of the Gross Domestic Product (GDP) in 2014, were highlights of the month. However, this amount was reached through cuts of hard execution, what should maintain the questioning on the tax policy.

With respect to the domestic activity, the Gross Domestic Product (GDP) of the fourth quarter was positively surprising when recording a 0.7% growth closing the year of 2013 with a 2.3% growth. However, the continuity of the market confidence in drop, lack of labor and low investment prevents an improvement in the perspectives for the growth in 2014. Other risks are an additional deterioration of the trade relationship with Argentina and a possible energy rationing. A moderation of the current inflation, together with a stronger budget freeze, contributed to Central Bank decelerate the pace of the monetary tightening, to 25 bps.

Financial indicators

Index	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014	Last 12 m	Last 24 m	Last 36 m
CDI (interbank deposit)	0.84%	0.78%											1.63%	8.64%	17.12%	30.63%
IMA-Geral ex-C*	-0.79%	2.64%											1.82%	0.69%	15.73%	33.29%
Ibovespa	-7.51%	-1.14%											-8.56%	-18.00%	-28.45%	-30.13%
IBrX **	-8.15%	-0.32%											-8.44%	-8.89%	-11.74%	-10.96%
Saving Accounts	0.61%	0.55%											1.16%	6.54%	13.30%	21.68%
USD	3.57%	-3.83%											-0.40%	18.10%	36.51%	40.44%
CPI (IPCA)	0.55%	0.69%											1.24%	5.68%	12.35%	18.92%
IGP-DI (FGV)	0.40%	0.85%											1.25%	6.31%	15.09%	18.99%
Actuarial Target***	0.73%	1.18%											1.92%	10.56%	25.48%	36.22%

* Previ Novartis benchmark for fixed income

** Previ Novartis benchmark for equities

*** IGP-DI + 4% p.a.

Sources: Itaú, Bradesco, Brasil Plural, Focus Research (Banco Central)

2- Investments

Investments

Asset Manager	Fixed Income		Equities		Total	
	BRL mio	%	BRL mio	%	BRL mio	%
Bradesco	236.4	32.1%	52.6	7.2%	289.0	39.3%
Itaú Unibanco	151.5	20.6%	29.6	4.0%	181.1	24.6%
Western	221.7	30.2%	43.2	5.9%	264.9	36.1%
Total	609.6	82.9%	125.4	17.1%	735.0	100.0%

Allocation in Equities

	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Previ Novartis	22%	22%	19%	19%	19%	17%	17%	18%	17%	17%	17%	17%
Market*	19%	19%	18%	17%	18%	16%	18%	18%	18%	17%	16%	ND

* Source: Club of Investments Towers Watson (median)

3- Performance

Upon the flight to quality movement observed in January, the financial markets showed a technical relieve in February, with significant closing of the real and nominal interest curves. The local equity market, however, did not follow the movement, still feeling the absence of the funds' entry flow from foreign investors.

The apprehension regarding the emerging markets, on a generalized basis, was guided in the elapsing of the month towards Venezuela and Ukraine. New chapters will still unfold, with the clear unsustainable nature of the current conditions of such countries. Meanwhile, however, the lack of news shall be sufficient to maintain an environment with less volatility compared to January.

In Brazil, the Monetary Policy Committee ("COPOM") has chosen for reducing the pace of the monetary tightening cycle and increased the Selic rate at 0.25%, reaching 10.75% p.a. However, as informed in its last minutes, the monetary authorities left space for new increments in the interest basic rate.

The fixed income, on a general basis, presented expressive gains in February, with highlight to IMA-Geral and IMA-B 5+, which present appreciations of 2.74% and 5.59%, respectively. The IRF-M was not also left behind, presenting gain of 2.18%. With such result, the fixed income has passed to the positive territory in the year.

The variable income, however, there was no news or flow of investors justifying big movements. In such context, IBrX has closed the month with a marginal drop of 0.34%, while the Dividends Index ("IDIV") and the Small Caps Index (SMLL) presented drops of 2.19% and 1.00%, respectively. On the other hand, however, the Real Estate Fund Index traded at the São Paulo Stock Futures and Commodities Exchange ("BM&FBOVESPA"), IFIX, presented gain of 3.78%. In the accumulated of 2014, all main indexes of equities, as well as the IFIX, had presented losses, due to the strong drop observed in January.

Despite the "technical breath" observed in February, the conditions continue to be close to those observed in the start of this year. In that way, the possibility of a new movement of flight to quality occur should not be rejected.

Source: Towers Watson Investments

Previ Novartis Portfolio - performance by type of investment

Segment	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014	Last 12 m	Last 24 m	Last 36 m
Fixed Income	-0.90%	2.74%											1.82%	-0.04%	15.48%	33.50%
Equities	-8.19%	-0.46%											-8.61%	-9.12%	-10.38%	-10.25%
Total	-2.16%	2.20%											-0.01%	-1.58%	9.83%	23.51%

Previ Novartis Quota - net performance

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014	Last 12 m	Last 24 m	Last 36 m
Profitability %	-2.17%	2.20%											-0.02%	-1.66%	9.70%	23.30%

4- Fixed Income

Fixed income performance

Asset Manager	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014	Last 12 m	Last 24 m	Last 36 m
Bradesco	-0.76%	2.56%											1.78%	-0.53%	15.45%	33.31%
Itaú Unibanco	-0.80%	2.66%											1.84%	1.30%	15.84%	33.30%
Western	-1.12%	2.99%											1.84%	-0.31%	15.35%	33.94%
Bench. IMA-Geral ex-C	-0.79%	2.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.82%	0.69%	15.73%	33.29%

Bradesco was the only manager not beating February's benchmark. The best performance was of Western (2.99% vs. 2.64%), whose portfolio was favorable for the behavior of the curve of real interest during the month and also by the loading premium of the private credit instruments. In the accumulated of the year, Bradesco is also the only manager not to beat the benchmark.

Analyzing the last 36 months, all managers had presented good performance and have beaten the benchmark.

According to the Net Quant investment's club, of Towers Watson, the performance of Previ Novartis fixed income portfolio was placed in the 21st position among 35 funds with the same benchmark, in the period of 12 months (Fev 13 – Jan 14). Analyzing longer periods, the performance of Previ Novartis was excellent compared to other funds: in the last 3 years, in 4th position among 23 funds and, in the last 5 years, 3rd position among 22 funds.

5- Equities

Equities performance

Asset Manager	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014	Last 12 m	Last 24 m	Last 36 m
Bradesco	-8.15%	-0.50%											-8.61%	-8.98%	-8.65%	-7.33%
Itaú Unibanco	-8.26%	-0.29%											-8.53%	-8.82%	-9.45%	-8.97%
Western	-8.17%	-0.54%											-8.67%	-9.59%	-12.90%	-13.92%
Benchmark IBrX	-8.15%	-0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-8.44%	-8.89%	-11.74%	-10.96%

The Stock Exchange performance had large impact because of the drop of Petrobras (-6.5%) and companies of the metallurgy and electric industry. Petrobras has shown weak operational results in the 4th quarter of 2013, further to bringing no breath to the investors in the disclosure of its business plan. As per the metallurgies, a blandest domestic market and a Dollar weaker with the uncertainties with the Chinese economic performance contributed to the negative performance of the industry. It is worth to mention that in February we had a considerable increase of rationing risk because of the hydroelectric reservoir deterioration with the dry imposed in certain regions of the country, what has contributed to the drop of electric industry stocks. On the bright side, industries more associated with the domestic market, such as banks, consumption and transportation, have benefited from the slight humor improvement with respect to Brazil upon the announcement of the tax goal for 2014, as described previously.

Only Itaú has beaten February's benchmark. The positive performance was a consequence of the correct asset selection, mainly exposition above the benchmark at Ambev (beverages) and below benchmark at Natura (cosmetics).

The worst performance in February was Western, mainly due to the position below the benchmark in Education segment and increase of position above the benchmark at Vale (Mining), performing negatively by the worsening in the perception of the Chinese economy impacting the price of iron ore.

In the last 36 months, only Western also did not beat the benchmark.

According to Net Quant investment club, of Towers Watson, the performance of Previ Novartis equity portfolio was placed in 19th position among 50 funds with the same benchmark, in the period of 12 months (Fev 13 – Jan 14). In the last 3 years, in 25th position among 57 funds and, in the latest 5 years, in 24th position among 50 funds.

6- Global Performance per Asset Manager

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014	Last 12 m	Last 24 m	Last 36 m
Bradesco																
Profitability	-1.98%	2.00%											-0.02%	-2.07%	10.11%	24.25%
Equity allocation*	16.1%	18.2%											17.2%	16.0%	18.5%	18.6%
Itau Unibanco																
Profitability	-2.11%	2.17%											0.01%	-0.33%	10.46%	23.98%
Equity allocation*	16.7%	16.3%											16.5%	20.2%	21.1%	20.9%
Western																
Profitability	-2.38%	2.39%											-0.05%	-1.99%	8.96%	22.20%
Equity allocation*	16.8%	16.3%											16.6%	19.3%	20.6%	21.3%

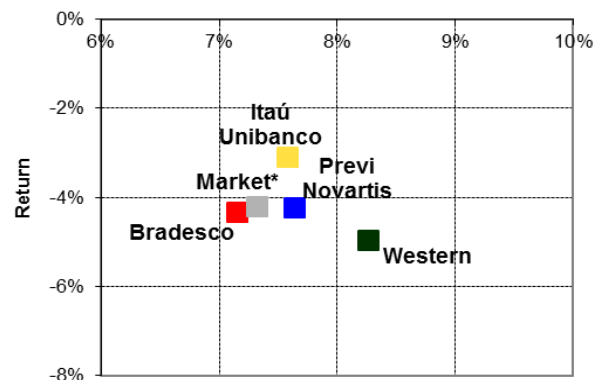
* The asset manager is free to decide the allocation in equities within the limits between 10-25%, according to the current investment policy

7- Risk Analysis

VaR (5%) - 12 months (Feb/13 to Jan/14)

Asset Manager	Fixed Income	Equities	Global
Bradesco	6.44%	24.79%	7.15%
Itaú Unibanco	6.25%	25.55%	7.58%
Western	7.01%	27.12%	8.26%
Previ Novartis	6.59%	25.88%	7.64%
Market*	6.27%	25.69%	7.32%

* Source: Club of Investments Towers Watson

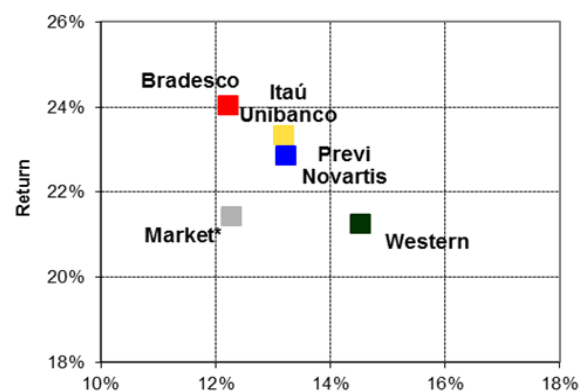


VaR (5%)

VaR (5%) - 36 months (Feb/11 to Jan/14)

Asset Manager	Fixed Income	Equities	Global
Bradesco	7.91%	25.46%	12.21%
Itaú Unibanco	7.96%	53.57%	13.18%
Western	8.48%	57.85%	14.52%
Previ Novartis	8.00%	54.79%	13.22%
Market*	7.53%	54.16%	12.26%

* Source: Club of Investments Towers Watson



VaR (5%)

8- Information on the participants

Sponsors and participants

Sponsors	Active Members	Vesting	Retired members	Total
Novartis Biociências	2,061	309	434	2,804
Sandoz	470	71	9	550
Saúde Animal	116	21	18	155
Gerber*	41	0	0	41
Previ Novartis	0	1	1	2
Total	2,688	402	462	3,552

* In process of withdraw sponsorship.

Active members distribution

Plan of benefits	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Plan A	16%	16%	16%	16%	15%	15%	15%	15%	15%	16%	16%	16%
Plan D	84%	84%	84%	84%	85%	85%	85%	85%	85%	84%	84%	84%

Retired members by type of benefits

Payment options	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Lifetime annuity	75%	74%	74%	75%	76%	74%	74%	74%	74%	75%	74%	75%
Financial income	25%	26%	26%	25%	24%	26%	26%	26%	26%	25%	26%	25%

** Base at the benefit value.

9- Main Projects in Progress

The Asset Liability Management (ALM) project is ready and still waiting for approval of the Brazilian National Complementary Pension Plan Superintendency ("PREVIC") to be implemented.

The project "Investments Profile" is at final managers' selecting phase for each class of asset. We are also waiting for the approval of the Brazilian National Complementary Pension Plan Superintendency ("PREVIC") for its implementation.