

# RELATÓRIO DE INVESTIMENTOS PREVI NOVARTIS

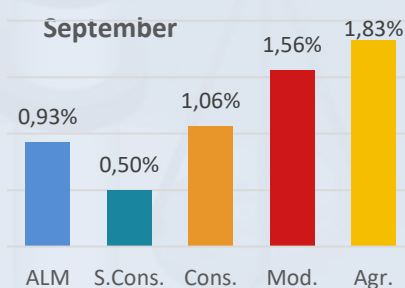
October 14th 2019



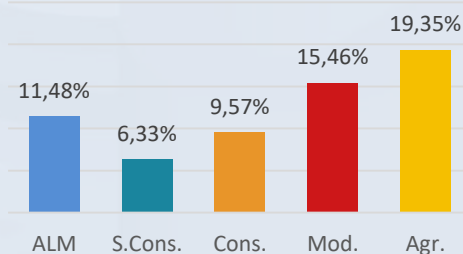
## INVESTMENT CHOICES PERFORMANCE

Profile	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	YTD	Last 12m	Last 24m	Last 36M
ALM	1,90%	0,50%	0,57%	1,25%	0,64%	0,78%	1,05%	1,24%	0,96%	0,67%	0,43%	0,93%	8,24%	11,48%	20,12%	32,25%
Super Conservative	0,52%	0,46%	0,50%	0,55%	0,47%	0,46%	0,54%	0,57%	0,52%	0,58%	0,47%	0,50%	4,77%	6,33%	13,18%	26,28%
Conservative	0,98%	0,36%	0,70%	1,01%	0,45%	0,47%	0,69%	1,15%	1,28%	0,84%	0,19%	1,06%	7,37%	9,57%	15,15%	30,46%
Moderate	1,40%	0,86%	0,22%	2,38%	0,34%	0,68%	0,88%	1,40%	2,41%	1,72%	0,63%	1,56%	12,64%	15,46%	23,20%	41,25%
Aggressive	2,20%	1,08%	0,06%	3,39%	-0,05%	0,66%	0,78%	1,56%	3,10%	2,49%	0,79%	1,83%	15,47%	19,35%	28,05%	47,21%

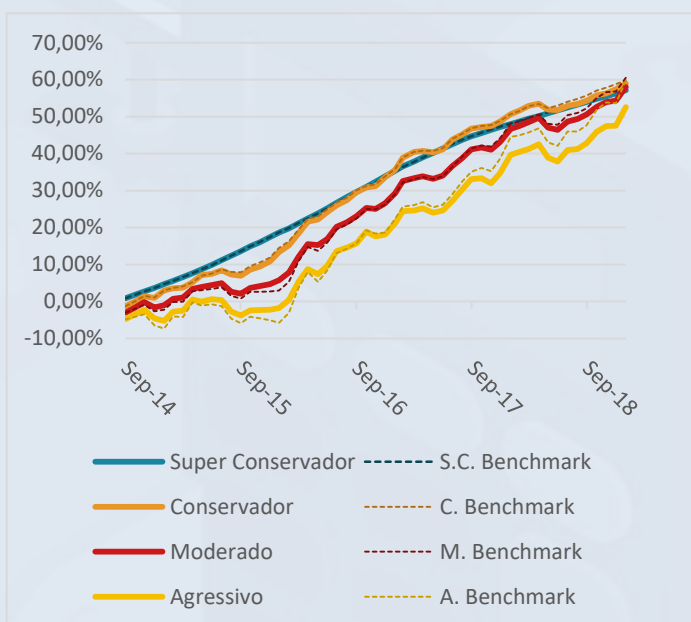
### September



### Last 12 Months



### Acumulated Performance



## MACROECONOMIC OVERVIEW

### INTERNACIONAL

Industry price indicators, as well as the perception indexes have shown a scenario of great concerns about the strong slowdown in the global economy. In fact, every month these indicators get worse. In September the markets responded to the expectation of a possible truce in the trade war between the United States and China: will it be a truce, agreement or clash? It seems to us that it is a partial pre-agreement, that will not address all points of the subject. Argentina awaits presidential elections for October and in September the market gave respite to asset prices there. And, about the United States, we have seen a more obvious slowdown.

### BRAZIL

Last month we saw more positive GDP data for the second quarter of the year, driven by Domestic Demand and Investment, in favor of the External Sector and Government Expenditures. We see this qualitative scenario as positive. July Retail Sales rose above expectations, confirming an improvement in "momentum" for domestic demand and consumption. We already see some positive signs from companies in these sectors, as well as in real estate in some regions of the country, especially in São Paulo. The Government maintains its economic reform agenda once the Social Security Reform is advanced. We had the confirmation of the Onerous Assignment Agreement and a gigantic auction of oil exploration areas in November.

This must bring resources and investments. There is also a growing agenda of privatization and Federal asset sales. Much of this agenda ends up not being published in the mainstream media, even though it is positive, which prefers to focus on government's social-political agenda, which does not matter to our investments range.



## PERFORMANCE BY FUND AND SEGMENT

	Sep-19	3M	YTD	12M	24M	36M	6M
<b>Renda Fixa - ALM</b>							
Bradesco ALM	0,93%	2,05%	8,24%	11,48%	20,12%	32,25%	5,40%
Benchmark: Meta Atuarial	0,83%	0,96%	7,49%	7,11%	22,90%	26,49%	3,94%
<b>Renda Fixa - IMA-S</b>							
BNP Paribas FIRF CP Basel	0,52%	1,59%	4,84%	6,41%	13,43%	26,68%	3,29%
Itaú Amazonita IMA-S RF FI	0,50%	1,59%	4,90%	6,51%	13,43%	26,68%	3,29%
Benchmark: IMA-S	0,47%	1,55%	4,68%	6,30%	13,39%	26,67%	3,12%
<b>Renda Fixa - IMA-Composite</b>							
Bradesco FIRF Lab	2,06%	3,07%	12,63%	15,74%	21,67%	38,29%	9,82%
Itaú Calcedônia RF FI	2,33%	3,82%	13,34%	16,31%	22,16%	38,10%	11,24%
Benchmark IMA Composite	1,66%	2,66%	7,03%	12,53%	18,95%	34,38%	8,11%
<b>Renda Fixa - Crédito Privado</b>							
Augme Institucional FI RF CP	0,75%	1,81%	-	-	-	-	-
Benchmark: CDI	0,46%	1,54%	4,66%	6,27%	13,34%	26,41%	3,10%
<b>Estruturados - Hedge Funds</b>							
Absolute EP Alpha Global	0,07%	-	-	-	-	-	-
Bahia AM Marau Estrut FIC FIM	0,64%	1,89%	-	-	-	-	-
Bahia AM Marau FIC FIM	0,64%	1,89%	8,04%	9,56%	20,55%	53,38%	4,37%
Canvas Enduro II FIC FIM	0,39%	0,74%	-	-	-	-	-
Canvas Vector FIC FIM	-	-	-	-	-	-	-
Exploritas Alpha LATAM FIC FIM	3,08%	-13,60%	-	-	-	-	-
Mauá Macro FIC FIM	2,04%	1,55%	-	-	-	-	-
SPX Nimitz Estrut FIC MM	-0,39%	1,72%	6,85%	0,17%	13,01%	37,83%	4,75%
Benchmark: CDI	0,46%	1,54%	4,66%	6,27%	13,34%	26,41%	3,10%
<b>Estruturados - Long &amp; Short</b>							
Apex Equity Hedge FIM	-0,44%	4,33%	8,80%	13,94%	29,71%	52,38%	6,64%
Claritas L&S FIM	0,28%	2,19%	-	-	-	-	-
Benchmark: CDI	0,46%	1,54%	4,66%	6,27%	13,34%	26,41%	3,10%
<b>Estruturados - Outros</b>							
Kadima High Vol FIM	-	-	-	-	-	-	-
NW3 Event Driven FIC FIM	-	-	-	-	-	-	-
Benchmark: CDI	0,46%	1,54%	4,66%	6,27%	13,34%	26,41%	3,10%
<b>Equities - IBrX</b>							
Bradesco Instit. IBrX Alpha	2,79%	4,91%	20,54%	35,71%	48,80%	90,42%	12,58%
Oceana Valor FIA	3,41%	1,58%	20,52%	39,02%	47,01%	96,81%	10,00%
Benchmark: IBrX	3,21%	4,25%	20,50%	34,84%	42,73%	81,86%	10,92%
<b>Equities - Value &amp; Growth</b>							
Miles Virtus Institucional FIC FIA	0,86%	6,04%	-	-	-	-	-
Moat Capital FIA	3,18%	8,95%	-	-	-	-	-
Occam FIC FIA	0,79%	11,64%	26,40%	41,39%	59,18%	99,09%	17,76%
Benchmark: IBrX	3,21%	4,25%	20,50%	34,84%	42,73%	137,66%	10,92%
<b>Equities - Small Caps</b>							
Quest Small Caps FIA	0,76%	12,43%	-	-	-	-	-
Equitas Selection Inst FIC FIA	0,66%	14,31%	-	-	-	-	-
Benchmark: IBrX	3,21%	4,25%	20,50%	34,84%	42,73%	137,66%	10,92%
<b>Offshore</b>							
Itaú Fof Multi Global EQ MM IE	0,90%	7,06%	25,89%	3,27%	43,51%	60,05%	10,72%
BlackRock iShare SP500 IE	2,51%	10,54%	28,84%	6,62%	58,56%	82,08%	11,99%
Benchmark: MSCI World	2,58%	8,75%	24,37%	3,82%	43,24%	62,06%	10,53%
Pimco Income IE	0,93%	0,83%	8,70%	9,91%	14,95%	35,31%	4,31%
Benchmark: CDI	0,46%	1,54%	4,66%	6,27%	13,34%	26,41%	3,10%



## COMMENTS BY SEGMENT

## FIXED INCOME

The Brazilian Central Bank (BCB) cut the Selic Rate by 50bps - to 5.5% - and signaled a short-term interest rate cuts. We believe interest rates will be lower for a long time, but we find the yield curve risk/return unattractive. We see some value in carrying the NTN-B long curve as a portfolio composition in a low or negative interest rates world, in a scenario of economic reform in Brazil.

Regarding fixed income financial indicators, the CDI yielded 0.46% in September, accumulating a gain of 6.27% in 12 months. Selic yielded 0.46% in the month, 6.30% in 12 months. As for inflation rates, the September IGP-M changed by -0.01%, leading to a cumulative 12-month increase of +3.46%. The IPCA had a -0.04% change in the month, a 2.92% change in 12 months, significantly below the inflation target of 4.25% for 2019.

## EQUITIES

We maintain significant and above-average equity allocation. The initial phase of the economic cycle, the strength and growth capacity of local companies, the interest rates lower for longer, the change in the way that Brazilians invests, the healthy technical position, are some of the reasons that should continue supporting the local stock market.

## ALTERNATIVES

We continue to migrate the Macro fund portfolio to more uncorrelated funds. We believe in a more challenging scenario for local Macro funds, as we see distortions in other markets and specific strategies that can bring "alpha" and uncorrelation to the portfolio.

## OFFSHORE

We continue to see a challenging international scenario. Therefore, we prefer fixed income to equities, and active managers over passive managers. We keep looking for "alpha" products over "beta" products.



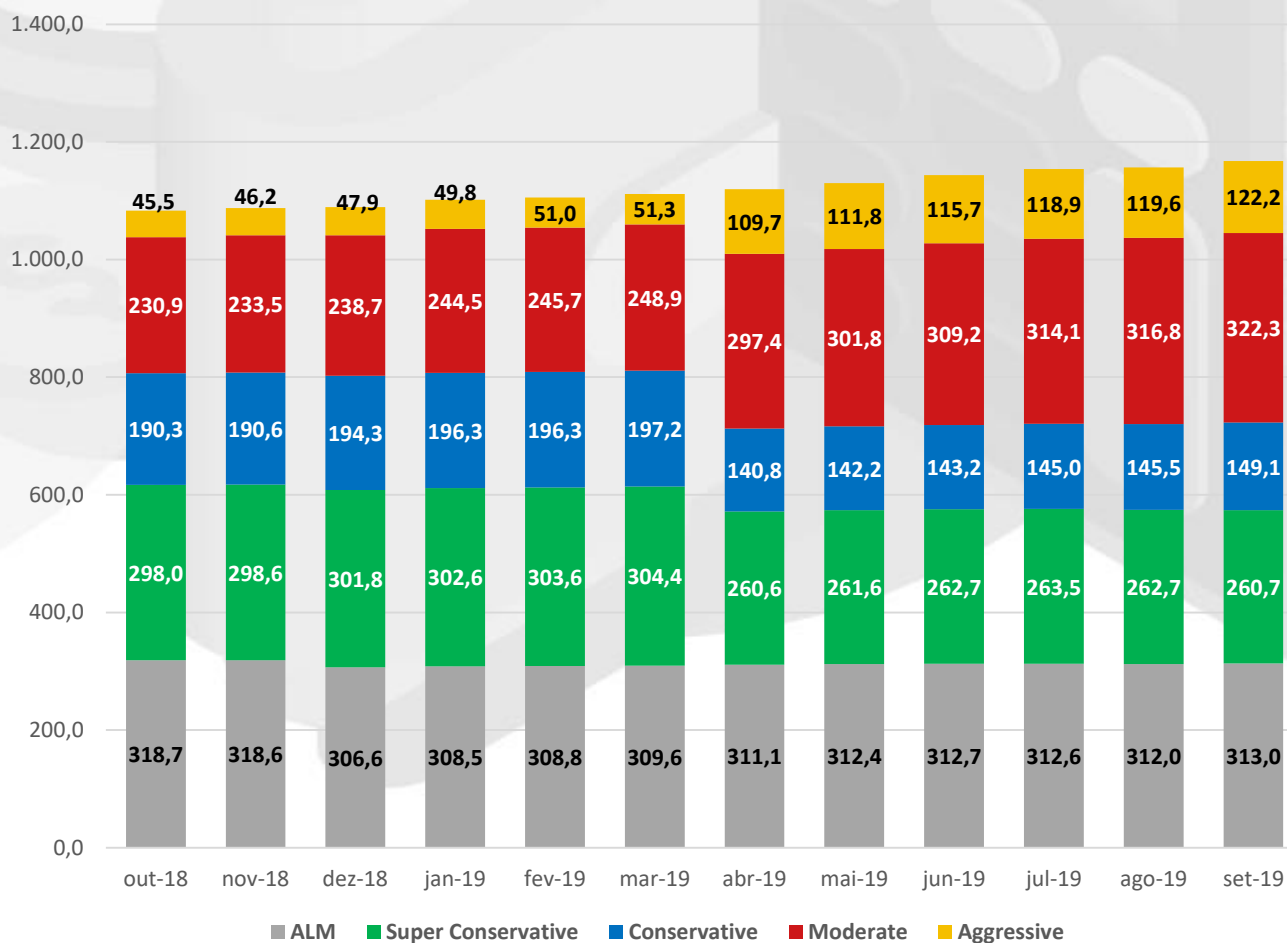
## INVESTMENT PORTFOLIO– BY ASSET MANAGER AND ASSET CLASS

(BRL mio)

Asset Manager & Funds	Fixed Income				Structured			Equities				Total	
	ALM	IMA-S	Ima - Composed	Offshore	Hedge Funds	Long & Short	Others	IbRX	Small Caps	Value / Growth	Offshore	\$	%
Absolute	-	-	-	-	6,3	-	-	-	-	-	-	6,3	0,54%
Apex	-	-	-	-	-	4,1	-	-	-	-	-	4,1	0,35%
Augme	-	-	13,6	-	-	-	-	-	-	-	-	13,6	1,16%
ARX	-	-	-	-	-	-	-	-	-	-	-	-	0,00%
AZ QUEST	-	-	-	-	-	-	-	-	13,5	-	-	13,5	1,16%
Bahia	-	-	-	-	7,6	-	-	-	-	-	-	7,6	0,65%
BlackRock	-	-	-	-	-	-	-	16,6	10,7	-	5,5	32,8	2,81%
BNP Paribas	-	165,1	-	-	-	-	-	-	-	-	-	165,1	14,14%
BR Plural	-	-	-	-	-	-	-	-	-	18,3	-	18,3	1,57%
Bradesco	313,0	-	124,9	-	-	-	-	15,0	-	-	-	452,9	38,80%
Canvas	-	-	-	-	5,0	-	-	-	-	-	-	5,0	0,43%
Claritas	-	-	-	-	-	2,9	-	-	-	-	-	2,9	0,25%
Equitas	-	-	-	-	-	-	-	-	16,4	-	-	16,4	1,40%
Exploritas	-	-	-	-	6,1	-	-	-	-	-	-	6,1	0,52%
Itaú	-	219,6	128,8	-	-	-	-	-	-	-	5,1	353,5	30,28%
Kadima	-	-	-	-	-	-	2,1	-	-	-	-	2,1	0,18%
Mauá	-	-	-	-	2,9	-	-	-	-	-	-	2,9	0,25%
Miles Capital	-	-	-	-	-	-	-	16,3	-	-	-	16,3	1,40%
Moat Capital	-	-	-	-	-	-	-	-	-	23,2	-	23,2	1,99%
NW3	-	-	-	-	-	-	2,1	-	-	-	-	2,1	0,18%
Oceana	-	-	-	-	-	-	-	10,0	-	-	-	10,0	0,85%
Pimco	-	-	-	5,5	-	-	-	-	-	-	-	5,5	0,47%
SPX	-	-	-	-	7,4	-	-	-	-	-	-	7,4	0,63%
<b>Total</b>	<b>312,98</b>	<b>384,69</b>	<b>267,25</b>	<b>5,47</b>	<b>35,17</b>	<b>7,02</b>	<b>4,17</b>	<b>57,98</b>	<b>40,58</b>	<b>41,48</b>	<b>10,57</b>	<b>1.167</b>	<b>100,00%</b>



## INVESTMENT PORTFOLIO– ALLOCATION BY INVESTMENT CHOICE





## EXTERNAL AND INTERNAL INDICATORS

Segment	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	3m	6m	Last 12m	Last 24m	Last 36m
ALM	1,90%	0,50%	0,57%	1,25%	0,64%	0,78%	1,05%	1,24%	0,96%	0,67%	0,43%	0,93%	2,05%	5,40%	11,48%	20,12%	32,25%
<b>Fixed Income</b>																	
- IMA-S	0,53%	0,47%	0,51%	0,57%	0,48%	0,47%	0,55%	0,58%	0,53%	0,59%	0,48%	0,50%	1,58%	3,27%	6,31%	11,08%	19,42%
- IMA- Composed *	1,37%	0,41%	0,89%	1,25%	0,48%	0,48%	1,14%	2,60%	2,88%	1,33%	-0,11%	2,12%	3,36%	10,36%	15,84%	21,72%	37,98%
- Offshore	0,54%	0,49%	0,49%	0,54%	0,49%	0,47%	0,52%	0,54%	0,47%	0,57%	0,50%	0,46%	1,54%	3,10%	6,27%	13,34%	26,41%
<b>Structured</b>																	
- Hedge Funds	0,16%	-1,48%	-0,71%	2,11%	0,11%	0,35%	0,16%	1,21%	2,14%	0,75%	-1,81%	0,81%	-0,26%	3,27%	3,80%	14,03%	32,70%
- Others	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	-0,09%	-0,09%	-0,09%	-0,09%	-0,09%	-0,09%
- Long & Short	0,96%	0,98%	0,86%	1,05%	0,32%	0,07%	0,32%	0,13%	1,46%	2,19%	1,38%	-0,14%	3,45%	5,10%	9,97%	15,00%	28,84%
<b>Equities</b>																	
- IBrX	10,51%	2,93%	-0,12%	8,11%	-1,23%	0,14%	1,46%	1,60%	3,99%	2,38%	-0,01%	2,18%	4,59%	12,12%	36,22%	47,04%	94,92%
- Value / Growth	9,51%	2,01%	0,20%	8,66%	-1,55%	0,26%	0,50%	1,73%	4,46%	6,08%	1,71%	2,14%	10,21%	17,70%	41,30%	44,41%	74,51%
- Small Caps	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	6,00%	8,68%	2,78%	0,83%	12,62%	19,38%	19,38%	19,38%	19,38%
- Offshore	-15,54%	5,07%	-7,24%	1,41%	6,05%	6,15%	4,92%	-6,16%	3,95%	-0,07%	7,08%	1,74%	8,86%	11,41%	4,70%	48,50%	67,11%
<b>Offshore</b>																	
- 50% CDI + 50% MSCI	-6,75%	2,70%	-3,47%	1,01%	2,88%	2,90%	2,59%	-2,82%	2,00%	-0,39%	3,98%	1,52%	5,15%	6,92%	5,05%	28,29%	44,23%
<b>Indicator</b>	<b>Oct-18</b>	<b>Nov-18</b>	<b>Dec-18</b>	<b>Jan-19</b>	<b>Feb-19</b>	<b>Mar-19</b>	<b>Apr-19</b>	<b>May-19</b>	<b>Jun-19</b>	<b>Jul-19</b>	<b>Aug-19</b>	<b>Sep-19</b>	<b>3m</b>	<b>6m</b>	<b>Last 12m</b>	<b>Last 24m</b>	<b>Last 36m</b>
CDI (interbank deposit)	0,54%	0,49%	0,49%	0,54%	0,49%	0,47%	0,52%	0,54%	0,47%	0,57%	0,50%	0,46%	1,54%	3,10%	6,27%	13,34%	26,41%
IMA-S	0,55%	0,49%	0,49%	0,54%	0,49%	0,47%	0,52%	0,54%	0,47%	0,57%	0,51%	0,47%	1,55%	3,12%	6,30%	13,39%	26,67%
IMA-Geral ex-C	3,43%	0,78%	1,18%	1,91%	0,44%	0,54%	0,84%	1,83%	1,95%	0,95%	0,17%	1,46%	2,59%	7,40%	16,57%	22,60%	41,10%
IMA-Bench composed**	1,11%	0,51%	0,69%	0,73%	0,48%	0,53%	1,01%	2,10%	2,10%	0,93%	0,05%	1,66%	2,66%	8,11%	12,54%	19,19%	34,65%
Ibovespa	10,19%	2,38%	-1,81%	10,82%	-1,86%	-0,18%	0,98%	0,70%	4,06%	0,84%	-0,67%	3,57%	3,74%	9,78%	32,02%	40,99%	79,46%
IBrX	10,42%	2,66%	-1,29%	10,71%	-1,76%	-0,11%	1,06%	1,14%	4,10%	1,17%	-0,16%	3,21%	4,25%	10,92%	34,84%	42,73%	81,88%
IDIV	11,44%	7,28%	0,65%	12,48%	-2,03%	-1,79%	3,09%	3,14%	3,11%	2,76%	2,23%	1,89%	7,04%	17,36%	52,83%	44,68%	105,41%
Saving Accounts	0,52%	0,48%	0,48%	0,52%	0,48%	0,45%	0,50%	0,52%	0,45%	0,55%	0,36%	0,33%	1,24%	2,74%	5,79%	12,23%	20,40%
USD	-7,15%	3,92%	0,30%	-5,75%	2,37%	4,23%	1,25%	-0,12%	-2,75%	-1,76%	9,92%	0,63%	8,67%	6,87%	4,01%	31,45%	28,29%
CPI (IPCA)	0,45%	-0,21%	0,15%	0,32%	0,43%	0,75%	0,57%	0,13%	0,01%	0,19%	0,11%	-0,04%	0,26%	0,97%	2,89%	7,55%	10,28%
IGP-DI (FGV)	0,26%	-1,14%	-0,45%	0,07%	1,25%	1,07%	0,90%	0,40%	0,63%	-0,01%	-0,51%	0,50%	-0,02%	1,92%	2,99%	13,63%	12,45%
MSCI World (BRL)	-14,04%	4,91%	-7,44%	1,48%	5,27%	5,33%	4,65%	-6,19%	3,52%	-1,34%	7,46%	2,58%	8,75%	10,53%	3,82%	43,24%	62,06%
Actuarial Target <sup>1</sup>	0,59%	-0,82%	-0,12%	0,40%	1,58%	1,40%	1,23%	0,73%	0,96%	0,32%	-0,18%	0,83%	0,96%	3,94%	7,11%	22,90%	26,49%

<sup>1</sup> IGP-DI + 4% p.y.

\*\* 20% IMA-S + 14,4% IRF-M1 + 25,6% IRF-M1+ + 30% IMA-B5 + 10% IMA-B5+

<sup>3</sup> Since September 2014



## ADDITIONAL COMMENTS

Brazil experienced two years of strong recession in 2015 and 2016, with GDP declines of around 3.5% each year. These falls are considered extremely large in any context. This recession was followed by only a modest recovery of growth in 2017, 2018, and probably in 2019, with GDP growing below 1% each year. Undoubtedly, a recovery far short of socially and economically desired.

In a mountain climbing, there is always a starting point, and there will always be obstacles and challenges along the way to reach the ridge. There is also always the risk of setbacks, where climbing will not reach its ultimate goal.

Bringing this analogy to Brazilian economy, we believe that we are at the beginning of a long climb, on the right track, and that the results should appear in a few months. However, this does not eliminate the challenges and barriers that we will have to overcome, not even the risks of this agenda simply failing.