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Pension Funds

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06 **Paradigm shift**

New civil servants will be automatically enrolled into workplace pension plans managed by Funpresp, with the possibility of opting out after 90 days

09 **Charter of the 36th Brazilian Congress of Pension Funds**

Board of directors - Abrapp

11 **The new features of professional qualification**

Number of certified professionals in each fund will be considered by the pension watchdog when carrying out individual risk assessments

15 **Visit from the old lady**

At risk of collapse, the public pension system needs benefit cap reductions and minimum retirement ages

19 **Essential for economic development**

According to the Brazilian Institute of Economics, the pension industry needs a new institutional arrangement that ensures access to new markets

22 **Diversification in turbulent times**

Investing heavily in Brazilian treasury bonds may prove inadequate in a more stable economic environment

27 **Dealing with longevity risk**

Regulators and insurance companies take initial steps to hedge longevity risk. For pension funds, costs appear to be the main impediment so far

31 **Statistical Database**

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There is wide consensus that the Brazilian pension fund industry needs stronger government support in order to grow and generate more savings, thus contributing to the development of the country through productive investments in key areas such as infrastructure. In this regard, the introduction of automatic enrolment in federal civil servants' pension schemes, in early November, was a major achievement.

But the industry seeks to realize its full potential through other measures, such as changes in the taxation regime, redesign of pension products and differentiated supervisory treatment. The proposals are listed in the "Charter of the 36th Brazilian Congress of Pension Funds", a document collectively elaborated during the largest private pensions event in Latin America organized by Abrapp in the capital city of Brasilia about two months ago.

The pressing need to further develop the private pension industry is also highlighted in a study carried out by the Brazilian Institute of Economics (IBRE) as well as in the narrative of Paulo Tafner, one of the country's most respected economists, who speaks of the grim prospects for the PAYG public pension regime.

When talking about the future, one must consider ways to diversify in turbulent times like these. Sooner or later, Brazilian funds will have to seek returns outside the fixed income segment - which still makes up a considerable portion of most entities' portfolios - with foreign investments consequently gaining ground.

Looking ahead, it is similarly important to promote professional qualification for those responsible for the financial future of millions of plan members. With this in mind, the industry's certification authority has been working to improve its internal processes and exams in line with international best practices.

The time has come to demand more concrete actions so that pension funds can play their role in a context of increased life expectancy and economic downturn. Despite the difficulties, we look forward to 2016 and the opportunities that lie ahead.

Happy holidays!

Flávia Silva
Editor in Chief

Paradigm shift

New civil servants will be automatically enrolled into workplace pension plans managed by Funpresp, with the possibility of opting out after 90 days

The introduction of automatic enrolment in civil servants' benefit plans came as an important paradigm shift for the Brazilian pension industry. For the time being, the mechanism may only be adopted by pension funds covering federal civil servants in the Executive and Legislative branches (namely Funpresp-Exe and Funpresp-Leg). With the enactment of the new law, new civil servants will be automatically enrolled in the pension plan with the possibility of opting out after 90 days. In such cases, the employee is entitled to receive a refund of his/her contributions plus inflation or other monetary adjustments.

The introduction of auto enrolment is likely to increase participation levels in federal civil servants' pension funds. The change also sets an important precedent, paving the way for other pension funds to adopt the mechanism after regulatory and legal constraints are adequately dealt with. Within the scope of civil service, each state or municipality is yet to define the legal path to be followed in order to implement the mechanism.

New landmark

In the Funpresp-Exe pension fund, participation rate is currently 36%, totaling 16,400 members, whereas Funpresp-Jud has 3,200 members and a membership rate of approximately 54%. With automatic enrolment, the expectation is that more employees will choose to stay in the plan. "I believe the results will be similar to those achieved in other countries, so we are very optimistic. However, we must take into consideration that most of our sponsors are in the Executive branch and the government has already signaled that there will be no recruitment processes in the near future", highlights Ricardo Pena, Funpresp-Exe's CEO.

Nonetheless, Pena points out that one needs to think in the long term. In his view, the adoption of the auto-enrolment mechanism represents a shift in paradigm as important as the establishment of pension funds for public servants.

Source of inspiration

According to attorney-at-law and former head of the private pension watchdog, Adacir Reis, the introduction of auto-enrolment in public servants' pension funds comes as very good news for the private pension industry as a whole.

The mechanism brings important changes to pension plan dynamics in the sense that instead of choosing to sign in, the civil servant will now be required to opt out of the pension scheme. "This is something to be celebrated. The initiative may serve as inspiration for local and state pension plans as well as private schemes."

Reis underlines that the legal path towards the implementation of automatic enrolment in state, local and private pension funds must be different from that of federal public servants' funds (Provisional Measure and alteration to Ordinary Law). In his opinion, Complementary Laws would have to be changed or new regulation issued by the National Board of Complementary Pensions, the regulatory body.

One of the arguments against the introduction of auto-enrolment was that it would hurt the voluntary nature of membership. However, says attorney and pension specialist Roberto Messina, this issue has already been settled. "The auto-enrolment mechanism does not add a compulsory element to pension schemes. It only allows more time for a decision to be made. Instead of deciding when joining the company, the new employee has a longer timeframe to make up his/her mind about staying in the pension scheme."

To Flávio Martins Rodrigues, attorney and pension specialist, the decision brings tangible benefits to the private pension industry amid many proposals but few concrete actions. "It will put the issue on the top of the agenda, leading to more detailed discussions, now with a legal precedent."

"As far as privately sponsored plans are concerned, automatic enrolment does not contradict the regulatory milestone in any way given that all stakeholders are free to choose whatever suits them best", says Messina. He advocates that all the regulator needs to do is formalize the issue. New regulation would not even be required because the mechanism does not contradict the regulatory

> The introduction of auto-enrolment represents a shift in paradigm comparable to the establishment of civil servants' pension funds

framework and all interested parties have already agreed that it is beneficial to plan members.

Trend reversal

In order to reduce opt-out rates after the 90-day timeframe, it is paramount to provide adequate information and raise civil servants' awareness about the importance of staying in the pension plan so as to ensure a good standard of living at retirement, says Funpresp-Exe's CEO, Ricardo Pena.

Automatic enrollment addresses two Behavioral Economic biases: the status quo bias, which is a tendency not to change behavior unless the incentive to do so is strong (inertia is one form of people's propensity to remain at the status quo) and the loss aversion bias, according to which people resist risking what they have at present due to their perception of potential losses in the future.

"This is particularly important in a period of demographic transition. The capitalization regime is aligned with the increase in life expectancy of the Brazilian population. Pension funds help people get richer before they get older", claims Ricardo Pena.

Retaining membership

In the case of Funpresp-Exe, the change in default adds value to a product already designed to offer indisputable benefits to civil servants. "We offer an excellent pension plan with matching sponsor's contributions and differentiated tax deductions that can be as high as 20.5%", highlights Pena.

"The auto enrolment mechanism does not add a compulsory element to pension schemes. It only allows more time for a decision to be made"

Public servants are also eligible for risk benefits such as disability insurance and survivor's pension, among others. These benefits, which are not frequently offered by pure DC plans, are only available to Funpresp-Exe's members thanks to a collective fund known as "Fundo de Cobertura de Benefícios Extraordinários". "We offer the best of two worlds. Once the employee becomes familiar with all the advantages of the plan, he/she rarely opts out."

Funpresp-Exe welcomes new members within an approach that includes the provision of detailed information about the plan, its asset allocation and corporate governance. In the initial 90-day opt-out timeframe, the work will focus on member retention. Funpresp is mobilizing its internal teams and sponsors so as to make the most of this pioneering experience in Brazil, says the fund's CEO.

Opting out

Some pension specialists argue that the opting-out period should be longer. In Messina's opinion, the timeframe should be extended so that eligible workers could be better informed about the benefits of joining and staying in the pension plan.

He points out that in the so-called "planos instituídos" - self-sponsored schemes for professional categories - members may withdraw their funds from six months to two years after joining the scheme, which allows them plenty of time to make better informed decision on their retirement planning. ■

Charter of the 36th Brazilian Congress of Pension Funds

Board of directors - ABRAPP

The Brazilian private pension system is going through one of the most decisive periods of its successful history. Faced with several challenges associated with fund maturity, the industry must reinvent itself in order to deal with this new reality, seeking, at the same time, to improve pension coverage.

We have come to a point in which benefit payments exceed contributions. Hence, there is a pressing need to reverse this trend, otherwise we will not be able to prevent pension funds from shrinking and decapitalizing. If the trend, continues, growth will not be possible.

The Brazilian private pension system has to position itself as part of the solution for the nation's economic problems either by promoting long term savings, which are crucial to address the country's long standing need for infrastructure investments, or by playing the relevant social role of providing Brazilian workers with a decent income at retirement.

Pension funds must meet employers and employees expectations through the de-bureaucratization of processes, provision of clear and concise information to all stakeholders, competitive costs and closer proximity to companies' Human Resource policies.

In order to attract more sponsoring companies and plan members to the private pension system, we ought to seek government support in formulating public policies that foster the growth of the industry. It is time to move from discussion to concrete actions.

We propose adjustments in the tax treatment of sponsoring companies as well as fiscal incentives for those who build up retirement savings in pension funds, including the ones who use the Income Tax simplified declaration form. We also favor the adoption of the regressive tax regime - in which plan members are subject to decreasing rates throughout the accumulation period - until a 0% rate is achieved. In our view, members should be able to choose the taxation regime at retirement as opposed to when joining the plan.

We support the adoption of automatic enrolment in pension plans, a mechanism that has proven successful in other countries. We shall fight for the relaxation of rules applicable to the so-called "planos instituidos", which are self-sponsored schemes devoted to different professional categories. We believe that allowing members of such plans to withdraw all or part of their funds under certain circumstances would help the industry grow.

Measures like these do not result in tax revenue decreases; instead, they tend to favor the capitalization process and long-term savings, thus benefitting the country as a whole. Creating incentives have nothing to do with foregoing tax revenues. It is about having an eye on the future, acknowledging the enormous economic potential of pension funds and how they may contribute to the development of the country.

As the moment calls for concrete actions, the Brazilian pension fund industry supports the following:

- ❖ Review of pension funds' solvency rules;
- ❖ Ensure that the supervisory agency, Previc, has all the necessary resources to exercise its functions in an independent manner;
- ❖ Update CMN Resolution 3.792/09, which sets forth investment limits;
- ❖ Simplification of pension plans;
- ❖ Supervisory treatment focused on pension plans, not funds, with due respect to asset segregation;
- ❖ Establishment of corporate self-sponsored plans;
- ❖ Possibility to transfer FGTS[1] funds to pension funds;
- ❖ Establishment of pension plans for beneficiaries;
- ❖ Establishment of industry-wide pension funds;
- ❖ Adequate treatment of administrative funds;
- ❖ Pension fund exemption from PIS/Cofins[2] levies;
- ❖ Regulatory framework that takes into account the specificities of DB, DC and hybrid pension plans.

We hope that the Parliamentary Commission of Inquiry at work in the House of Representatives carries out its duties in a rigorous yet impartial manner, severely penalizing those involved in cases of misconduct. It is also important that the members of parliament submit proposals that lead to growth and further development of the pension industry.

The moment has come to focus our attention on what is necessary to boost the Brazilian private pension industry. Pension funds play a fundamental role in promoting social values and quality of life, as well as increasing stable, long-term savings in Brazil. ■

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1 The FGTS is a deposit of 8% of a worker's salary made by the employer and collected by the federal government. The funds may be withdrawn under certain circumstances such as the purchase of the family home, illness and termination of employment.

2 **Social Integration Programme / Social Security Financing levies.

The new features of professional qualification

Number of certified professionals in each fund will be considered by the pension watchdog when carrying out individual risk assessments

New certification types and partnerships, technological improvements and an internal process review are some of the innovations being brought by the Certification Institute of Social Security Professionals (ICSS).

Key developments include the "certification by training", a new facultative modality deemed as a step forward in the qualification process. The purpose is to attest, via technical cooperation agreements, the knowledge acquired in courses offered by schools accredited by the Institute. This way, professionals who successfully complete such courses may later apply for ICSS certification.

ICSS and UniAbrapp have just signed the first of these technical cooperation agreements. UniAbrapp already offers courses that add credits to the Continued Education Program (PEC) dedicated to those willing to renew their first certification - or be "re-certified". From now on, the education institution will also provide training programs that are valid for the new certification model.

Citizenship

Since the certification process was introduced in 2009, 3,900 professionals have been certified and nearly 1,000 "re-certified". ICSS aims to consolidate the certification mechanism not as an imposition, but as the result of continuing education efforts on the part of pension professionals in different hierarchical levels.

With basis on international methodology, the exam verifies the professional's skillset and experience in pension fund management. "Pension fund management demands a different set of skills in comparison with traditional asset management since it involves not only the management of third party funds, but also the careful management of expectations and trust in the long term", says Vitor Paulo Gonçalves, CEO of ICSS. He adds that engaging in professional development could be considered an "act of citizenship" from those who strive to perform his/her duties in the best way possible.

Internal process review

The Certification Institute of Social Security Professionals is completing a thorough review of its internal processes, an effort that seeks, among other aspects, to capture nuances that lead to a better understanding of the managerial hierarchy in pension funds' sponsoring companies.

The timeframe for renewing the certification is also under scrutiny. After all, the rules that guide the process need to be updated so as to take account of all the relevant aspects of one's professional life.

Since the certification process was introduced in 2009, 3,900 professionals have been certified and nearly 1,000 "re-certified"

The exam's question bank update is among the most important changes for 2016, a work carried out by a team of pension fund professionals and professors

Question bank and technology

The update of the certification exam's question bank is one of the most important changes for 2016. All the 520 questions were fully revised and other 110 added following the work carried out by a team of pension fund professionals and professors hired specifically for that purpose.

The question bank review enabled ICSS to broaden the scope of topics covered, thus addressing themes associated with current legislation and management tools including concepts such as risk-based management and risk-based supervision.

Concomitantly, the Institute is launching its new website, which has become more user friendly, aside from supporting new technologies compatible with the transfer of larger files.

Management processes

According to ICSS's CEO, the next step is the certification of management processes with the purpose of improving risk management systems and contributing to cost effectiveness in pension funds.

In practice, it would be a good way to attest corporate governance practices in place as well as those responsible for the design and implementation of such practices. "Our goal is to verify compliance, the work carried out by different pension committees and the segregation between planning and executive functions as well as other requisites that lead to safer and more effective management models", Gonçalves points out.

These are all pressing topics as cost effectiveness becomes an increasingly relevant issue for the Brazilian pension industry. Moreover, greater investment diversification calls for new, modern technologies and higher professional qualification standards. ICSS expects management process certification to be implemented within the next two years.

New regulatory framework

CNPC Resolution n. 21, of June 2015, was well received by the industry. The norm reinforced professional qualification requirements deemed essential to improve corporate governance practices. It also allowed for more flexibility when it comes to the certification of pension board members. From now on, in pension funds sponsored by private companies and collective pension entities (that manage self-sponsored schemes for certain professional categories) only the majority of board members - as

"It is important to have rules issued by a specialized regulator instead of taking solely the investment perspective, such was the case of the previous norm"

opposed to all - are required to seek accreditation.

In Gonçalves' point of view, the changes are welcome because they pave the way to higher board turnover. Furthermore, he praises the fact that the regulation was issued by CNPC (National Board of Complementary Pensions), which is the industry's regulatory body. "It is important to have rules issued by a dedicated, specialized regulator instead of taking solely the investment perspective, such was the case of the previous norm", says Gonçalves.

The norm in question is CMN Resolution n. 3792/2009, issue by the National Monetary Council, which set forth investment limits as well as certification criteria for those directly involved in pension fund asset allocation.

Risk profiles

"Imposing mandatory certification for the majority - instead of all - board members is a welcome change", says Mercer consultant Ana Maria Martins, referring to CNPC Resolution n. 19, which was later altered by Resolution n. 21.

Is it worth highlighting, however, that the criteria for calculating board majority have also changed: full and alternate members are now considered as distinct groups. Therefore, the majority concept applies to each of these groups as opposed to the board as a whole.

The new rule imposes mandatory certification for Executive, Supervisory and Governing board members, as well as for investment committee members and other pension fund employees directly responsible for investing benefit plans' guaranteeing resources. Certification must be obtained within one year after they take office except for those directly responsible for asset allocation, who must be certified before they start exercising their post.

Pension funds' supervisory boards were also made responsible for monitoring compliance with certification requirements. In order to do so, the boards must include relevant information in their biannual reports.

Some of the expenses related to professional certification will be covered by the pension entity and the number of certified professionals in each fund will be considered by the pension watchdog (Previc) when carrying out individual risk assessments, in line with the risk-based supervision approach.

Meeting a long-standing demand on the part of the industry, the new Resolution also introduced the concepts of certification, licensing and qualification. ■

Visit from the old lady

At risk of collapse, the public pension system needs benefit cap reductions and minimum retirement ages

When playwright Friedrich Dürrenmatt wrote "The Visit" in 1956, the world became familiar with the story of a lady who returns to her hometown, where she had been humiliated, to seek revenge. Sixty years later, renowned economist Paulo Tafner borrows the title of the play as a metaphor for the reform of the Brazilian public pension system, an issue that is back at the country's political and economic agenda. The reform must be regarded as urgent and inevitable or else the system will collapse, he says.

In Tafner's view, public authorities did not give due importance to some of the figures published by the Brazilian Institute of Geography and Statistics (IBGE) in 2008, which indicated a sharp decline in population growth rates and resulting changes in the country's age pyramid. "The fact is that Brazil has gone from a young country to an ageing one. This has serious implications for the pension system", notes the economist. Below are some of Tafner's opinions on the present scenario as well as his suggestions for what he likes to call "the third pension reform".

Past reforms

In 1998, Constitutional Amendment n. 20 brought important - yet partial - changes in the Brazilian pension system. In 2003, the approval of Constitutional Amendment n. 41 was also important, although the new rules were restricted to public employees. If pension funds meant for civil servants had been created faster, thousands of workers would have entered the new regime by now. However, public pension funds took a decade to be established. In addition, no changes were implemented in the general regime (dedicated to private sector workers). We are presently undergoing an ageing process. It is time to bring the pension reform back to the agenda. But the reform will have to be tougher and more comprehensive than originally intended given that a long time has passed. The latest attempt to make any changes to the system was unsuccessful and Provisional Measure n. 664 was totally misconfigured by the Parliament. Things seem to have improved as far as survivor's pensions are concerned, but we took a step back in the retirement benefits arena. The problem is that such benefits account for 70% of the system's expenditures. The old lady is coming to town and if the system is not properly reformed, it will become unsustainable. We will then be forced to reduce benefits as it was the case in Greece.

Political role

I have repeatedly emphasized that the Parliament does not want to deal with the pension reform because it is a delicate matter that involves different interests, people and generations. It is the president's attribution to guide the process and indicate what needs to be done in order to avert a pension crisis as we have seen in Greece.

Cultural issue

The generations born in the 60's or 70's, when the pension system was created, come from a time when people died early, thus contributing for longer periods and colleting benefits for a short period of time. Since then, there have been significant social and medical improvements. As a consequence, people have to work longer. It makes no sense for one generation to work 30 years and collect benefits for 30 years while another generation works for 50 years and receives retirement benefits for only three. We must increase retirement ages gradually.

> "It is time to bring the pension reform back to the agenda. But the reform will have to be tougher and more comprehensive than originally intended given that a long time has passed"

> "The pension regime for government workers (federal, state and municipalities) will account for 15% of GDP in the near future - against 11.5% today - due to demographic changes"

Nowadays, people are entering the labor market at the age of 17 as opposed to 15 not so long ago.

Economic growth

The Brazilian public pension system is presently a major barrier to economic growth since it drains resources that should be allocated to investments. Economic growth is the result of good public policies and favorable incentives. I hear people say that if we grow 4% all our problems will be solved. But the question is how to promote growth. Despite the troubled international context, Brazil has achieved lower growth rates than any other nation, including neighboring countries. At the same time, unemployment rates are skyrocketing. According to many market participants, in 2018 we will be poorer than we were in 2014.

Compromised future

Projections show that the pension regime for government workers (federal, state and municipalities) will account for 15% of GDP in the near future - against 11.5% today - due to demographic changes. With more lenient eligibility criteria for collecting retirement benefits, this figure may be as high as 17%. No other country spends that much. Picture a young worker in 2015. He wakes up early and spends 8 hours a day at work. 17% of his paycheck goes to the pension system and 5% to education and social programs, not to mention the factors of production in the economic activity in which he is inserted. At the end of the day, he will have worked a lot but the money left for his own support is very little. Who would want to work in such conditions? This situation has led many of our young talents to move to other countries. Brazilian policymakers must understand that the young and most talented are the ones to promote growth.

Reform guidelines

We still have time to reform the system gradually. All we have to do is choose a route and stick to it. For instance, we must equalize the retirement ages for men and women. After all, women are gaining greater market share. At present, they have a maximum of two kids and this does not prevent them from working. Changes in retirement ages may be gradual: we can reduce the five-year difference between men (60) and women (55) by increasing the female retirement age by 12 months every four years. We must also set a minimum retirement age, which still does not exist! Let us increase both retirement ages until they reach 65/65. This is crucial. We must also impose minimum contribution rates.

In addition, we have to stop people from collecting two benefits. Currently it is possible to collect survivor's pension and retirement benefits, two retirement benefits or two pensions, for example. Those who are potentially due more than one benefit should be subject to a reduction in the second benefit. Those who retire should be obliged

> "Brazil has created a tangled web in which workers are badly remunerated and yet they cost a lot for the employer"

to choose between the survivor's pension and the contributory benefit.

End of indexation

Another urgent matter is the need to stop linking social security benefits to the minimum wage. This causes serious distortions because the federal minimum wage has experienced real gains in the recent past. As a consequence, those who retired with a benefit equivalent to two (monthly) minimum wages some years ago today receive only one, which make them feel like they are being treated unfairly. A country's minimum wage must reflect the economy, bearing no correlation with the value of pension benefits.

Finally, we must differentiate social security's and social welfare programs' floor benefits. Why can the benefits paid under the latter be lower than the minimum wage? Because they have the sole purpose of taking people out of extreme poverty. Welfare programs cannot entail social injustice against those who have contributed to the system and yet receive the same value of benefit as those who have not. It is a disincentive to contribute.

Benefit cap reduction

The new reform should also seek to reduce the benefit cap for new entrants according to different age groups. Such move would contribute to the development of the private pension system, in which returns are commensurate with pension saving efforts. The Brazilian social security system involves large interpersonal cash transfers. Let's take a hypothetical example: Carlos is married to Lilian and Thomas is married to Solange. Both couples have financial difficulties. The first couple has never contributed to the public regime. The second one has. The husband of the first couple applies for means-tested benefits. Three years later, his wife does the same. The husband in the second couple receives a contributory pension. For this reason, his wife is not eligible to social benefits. It is outrageous that the ones who do not contribute might end up with a higher income than those who have. The greater the difference between minimum and maximum benefits, the larger are cash transfers among individuals. These changes do not have to be made right away, but gradually. We can begin today. In 2026, the transition period would be at its peak and so would demographic changes.

System growth

The Brazilian private pension system does not have much space to grow since it only covers people who earn more than BRL 4,600 a month (USD 1,100), which is the public system's cap. But who earns more than that? We need to reduce maximum state benefits so that pension funds can manage and invest these contributions. We must remove the barriers for economic activity by letting employers negotiate contractual terms directly with employees. Brazil has created a tangled web in which workers are badly remunerated and yet they cost a lot for the employer. We need to deal with this situation. ■

Essential for economic development

According to the Brazilian Institute of Economics, the pension industry needs a new institutional arrangement that ensures access to new markets

The growth of the private pension industry and the increase of long-term savings are likely to contribute to the design of economic and social policies that lead to productive investments and economic development. In order to make it possible, comprehensive reforms are required so that pension funds may resume growth in a context of radical demographic and labor market changes. These are some of the findings of a study carried out by the Brazilian Institute of Economics (IBRE) on solutions to make Brazil save more and better.

According to the aforementioned study, the period marked by accelerated growth and important social achievements has been succeeded by one of many challenges and difficulties. As a result of austerity measures, the scarcity of public funds to finance social safety nets, especially the social security system, has been aggravated.

"It is clear that the economy will not come out of recession via state financed consumption, subsidies and tax exemptions, a set of measures that spiraled public debt out of control", warns IBRE's economist and researcher José Roberto Afonso. A new social pact that generates growth through productive investments in infrastructure, for instance, is an urgent need. But how to achieve Brazil's economic and social objectives is a question yet to be answered.

Brazil is considered to be among the countries with the lowest saving rates. In Latin America, it only ranks higher than Guiana in this respect. In the second quarter of 2015, Brazilian savings rate represented just 14.4% of GDP against 16% in the previous year, a downward trend that has persisted for quite some time now.

With the end of the demographic dividend, estimates show that the percentage of Brazilian people aged 65 and over will increase from current 7.9% to 13.4% until 2030. At the same time, the recorded deficit of the Social Security General Regime (dedicated to private sector workers) might reach 9% of GDP if no measures are taken.

"To make things worse, the labor market is going through radical changes, such as the rapid increase in the number of informal workers, with negative effects on contributory rates", highlights Afonso. In 2015, 49% of total Brazilian population was economically active (employed), but only 18% of all private sector workers had a formal job.

Change of profile

The study also indicates some major changes in the profile of insured workers under the Social Security General Regime. Data analysis by income brackets between 1988 and 2013 clearly shows a steadily increase in participation rates among lower earners and a sharp fall in participation among higher income workers.

The percentage of contributors earning up to three minimum wages[1] has gone up from 21% in 1988 to 81.8% in 2013. In the same period, the percentage of insured population earning between three and ten minimum wages fell from 47.5% to 15.6% whereas in the income bracket above ten minimum wages participation levels plummeted to 2.6% from 31.5%.

Maturity challenges

The prospects are unsettling for the private pension system. In the absence of government policies to attract new members and considering a 5% annual interest rate, pension funds will only be able to meet present obligations until 2034, when assets will be exhausted. "Pension funds are rapidly maturing; as a result, approximately one third of their assets (BRL 200 billion) tend to move from long to short term investments", says Afonso.

Integration

IBRE's study indicates the urgent need to consider the development of the pension fund industry in a broader context of economic growth and promotion of long-term savings.

Coordinating efforts is paramount, argues economist Eduardo Giannetti da Fonseca, pointing out that public and private

Brazil is considered to be among the countries with the lowest saving rates. In Latin America, it only ranks higher than Guiana in this respect

Taking a 5% annual interest rate as reference, pension funds will only be able to meet present obligations until 2034, when assets will be exhausted

pension institutions have become outdated because of the changes undergone by the labor market. "Due to such transformations, medium and high earners were left without any pension provision", says Giannetti.

"The old-age dependency ratio will increase dramatically in the coming years, having changed completely by 2025, 2030", he adds. As a result, it will be necessary to boost the level of productivity per hour worked and allow capital accumulation through investments and savings.

In Gianetti's view, Brazil should abandon the pay-as-you-go state pension regime in favor of capitalization schemes in order to raise capital formation and deal with fiscal matters in a more appropriate way. As far as pension funds are concerned, solutions include the design of new products and the adoption of automatic enrolment and early withdrawals.

Balance

According to José Roberto Afonso, pension funds have 3.7 million potential members among medium and high-income private sector workers, including those who have become self-employed professionals, micro-entrepreneurs or business owners. "The private pension system has a lot of space to grow", he argues.

If only half of potential members joined a pension fund immediately and contributed with 4% to 6% of their average monthly income - in addition to sponsors' contributions - there would be a BRL 350 billion influx of new funds into the system until 2025 considering an annual 3% income growth.

Rearrangement

Despite its growth potential, the pension fund industry still lacks the dynamic elements necessary for its development, highlights Afonso.

The growth of the industry is dependent upon an integrated approach to social, financial, economic and pension issues, as well as the cooperation between public authorities, markets and entities, the study points out. In order to save more and better, Brazil needs to lengthen investment durations, since long-term horizons are a prerequisite for boosting savings rates.

The study carried out by the Brazilian Institute of Economics also indicates that pension funds need a level playing field with banking institutions that offer individual retirement plans. This would require regulatory policy review, product redesign and a new institutional arrangement.

From the pension funds' perspective, the study recommends the re-examination of procedures and corporate governance practices with a focus on continuous improvement. After all, in the absence of a thorough process review, there is a risk that the new incoming funds be solely allocated in government bonds - as opposed to productive investments in infrastructure. ■

1. The monthly Brazilian minimum wage corresponds to BRL 788.00. (1 BRL = 0.25 USD)

Diversification in turbulent times

Investing heavily in Brazilian treasury bonds may prove inadequate in a more stable economic environment

At this year-end, amid political instability and its effects - which tend to have greater influence on asset pricing than macroeconomic fundamentals - the difficulties associated with scenario analysis pose a complex dilemma for Brazilian pension fund managers. The challenge consists of seizing the returns (above 7% p.a.) provided by government bonds without abandoning a more sophisticated view in relation to the future. Specialists argue that such return levels will not last long, so having a well-diversified portfolio is important for those who wish to profit from investments outside the fixed income segment in the medium term.

Widespread reluctance

As long as interest rates remain in current levels, Brazilian government bonds will continue to have a significant piece of pension funds' portfolios. After all, among institutional investors there is widespread reluctance to invest in domestic shares and private equity, for instance. Conversely, foreign investments are attracting a lot of attention at the moment due to good performance.

"There are few options available for those willing to diversify in the long term. Investing abroad is one of these options, but the most important driver of diversification is indeed the interest rate", says Mauricio Wanderley, Investment Director at Valia, Brazil's sixth largest pension fund with BRL 18.9 billion in AuM (1 BRL = 4 USD).

Any changes in Valia's private equity portfolio, which still has capital set aside for additional allocations, will depend on investment opportunities available in the market. Wanderley points out that the grim economic outlook is not necessarily bad for new acquisitions.

Low expectations

It appears that the first semester of 2016 will be a difficult one for the Brazilian economy and the six months that follow are still blurry. The latest reviews on the country's GDP performance - as indicated by the Focus Bulletin - foresee a 5% decline in 2015/2016 whereas earlier assessments had suggested that the GDP would grow by 2.5% in the period.

Funcesp (Brazil's fourth largest pension fund) has approximately BRL 23 billion in assets under management. Of this total, 2% are already invested abroad.

The investment regulation limits such investments to 10% of a pension fund's total assets. It also determines that pension entities can only invest overseas through a local Brazilian investment fund. However, they are not allowed to own more than 25% of the local fund and such cap gets in the way of portfolio composition, argues Jorge Simino, Funcesp's Investment Director.

Despite the limitation, the returns accumulated so far have made the pension fund eager to increase its investments in other countries. Funcesp has obtained 45% returns through ten foreign funds that are predominantly linked to the MSCI World Index. "The 25% limit in local funds was the only impediment that kept us from achieving even higher yields", explains Simino.

Conservative approach

According to the 14th investment survey carried out by Mercer Brazil, most pension funds intend to reduce their domestic variable income portfolios; some plan to keep the allocations as they are and a very limited number considers increasing the amount of assets devoted to the segment. A decrease in investments in private equity, real estate and multimarket funds, among others, is also expected.

As far as DC plans are concerned, 53% claim they will keep their fixed income portfolios unchanged; 27% plan to increase their allocations and only 6% have the intention to reduce bond exposure.

Pension entities can only invest overseas through local funds. However, they are not permitted to own more than 25% of such funds, a cap that gets in the way of portfolio composition

Among DB plans, 43% aim to boost fixed income investments whereas the remaining of funds say they will keep the present allocations untouched.

"For obvious reasons, there is a clear trend in favor of fixed income in detriment of other asset classes such as private equity, which is bad for the country. The truth is that the economic outlook is not very good for the next two to three years", says Ricardo Ventrilho, Mercer's head of Investments in Latin America.

Right timing

Although Brazilian treasuries - known as NTN-B (National Treasury Notes - B series, which are linked to the variation of the Consumer Price Index) - are expected to prevail due to the high interest rate environment, it is not advisable to reduce portfolio diversification, advocates Everaldo França, consultant at the firm PPS Portfolio. "Given the lack of long-term investment culture, Brazilians tend to buy what is on the rise, but it is about time we learned not to put a good crisis to waste."

"To begin with, Interbank Deposit Certificates (CDI) did not even match inflation in the first semester of 2015, a clear sign for those who still bet solely on treasuries to meet targeted actuarial rates of return in the long run", says França. Since the benchmark interest rate (Selic) operates in cycles, real returns should be high as inflation goes down in the upcoming months. However, the following short-term cycle might prove very unpleasant for the investor, França explains.

Primary focus

Mercer's survey gathered data from 116 pension funds (38% of Brazil's private pension industry in number of entities), which manage 356 benefit plans and BRL 176 billion in assets (big pension funds with public sponsorship were excluded).

Among DB plans, 72% intend to keep the present allocations in foreign assets; 11% plan to increase such exposure; 15% has not yet decided on the matter and only 2% claim that foreign investments will be reduced.

In the DC environment, 67% of plans will maintain the allocations as they are, 17% intend to increase them and 17% still haven't decided how foreign investments will be handled from now on.

Considering all types of plans, in response to what is their priority when it comes to diversification, 38% said the main focus is foreign assets; 19% indicated multimarket funds (deemed to be the Brazilian hedge funds); 13% referred to real estate, 11% others; 9% said they would invest in private equity and 6% in variable income. "Results showed that investing overseas is a consensus in terms of diversification", explains Ventrilho.

Currency Hedge

Views differ as to whether resort to currency hedging in such cases. In Ventrilho's opinion, the hedge is not very

> "Interbank Deposit Certificates (CDI) did not even match inflation in the first semester, a clear sign for those who still bet solely on treasuries to meet targeted actuarial rates of return"

Resorting or not to currency hedge is the most delicate question pension managers have to address when investing overseas

interesting from the currency diversification perspective because it makes the portfolio way too correlated with instruments denominated in local currency.

Concerns about the efficient frontier have led to a more integrated managerial approach to investments in local and foreign variable income since it allows for more efficient portfolios. "In Brazil, pension funds are beginning to adopt a more integrated approach as far as management is concerned, although, in regulatory terms, such investments have to be segregated", Ventrilho points out.

According to Marcelo Rabbat, partner at Vinci Partners, the question as to whether or not have currency hedge is the most delicate one when investing overseas. "Currency hedging is adequate for investments that require cash flow pinpoint precision or for those whose gains may not be awarded only in the event of default, such is the case of fixed income instruments." For hedge funds or private equity, for instance, hedging ceases to be interesting because the returns are high and volatile, making calibration more difficult.

Spicy mix

In the Previ-Ericsson pension fund, due to the immunization strategy of the entity's DC plan, 82% of the portfolio is concentrated in the fixed income segment. However, the fund favors diversification and is likely to increase its allocation in foreign, diversified investment funds. The pension fund is familiar with the behavior of the global economy thanks to its sponsor, the multinational Ericsson.

Diversification is the rationale behind the fund's investment policies, which include eucalypts, shopping centers and real estate funds dedicated to office buildings, as well as infrastructure and foreign investment funds with different profiles. "The secret is to diversify with caution and look for top-notch partners because our purpose is to maintain financial liquidity and plan solvency", says Rogério Tatulli, Previ-Ericsson's CEO.

In September, foreign investments accounted for 4.96% of total assets, way above the industry's average. 4.09% of the fund's portfolio is concentrated in domestic shares.

Previ-Ericsson also invests in funds denominated in US dollars and euros, which make up a "spicy mix", Tatulli explains. Such mix comprises not only shares, but also debt, multimarket funds and other instruments that have helped the fund achieve a 72% accumulated return since the end of 2013. Previ-Ericsson's intention is to invest 8% of total assets in foreign assets in the near future.

Growing segment

"Our fixed income portfolio is the largest we've had in 17 years. We are taking advantage of the returns provided by government bonds so as to extend portfolio duration", says Marcos Aurélio Litz,

There are currently 60 local funds devoted to foreign investments available to Brazilian institutional investors, including bond, hedge funds and equity funds

financial manager at Fibra pension fund (BRL 2.9 billion in AuM).

Fibra was one of the first Brazilian pension funds to invest abroad. Initially, in order to test the market and become more familiar with its operational side, the entity allocated only 1% of its assets (BRL 22 million) internationally. After an ALM study was conducted in the beginning of 2015, the pension fund doubled the allocation in two of the funds it had already invested in. With such increase, Fibra now invests 1.5% of its portfolio abroad. Until October 2015, accumulated returns amounted to 64.5%.

The pension fund intends to have 2% of its portfolio invested overseas in the short term, although it considers expanding this share to 4% later on. In 2016, foreign investments are likely to surpass the percentage of domestic shares. “Currently we only invest in equities but we are assessing other types of funds and strategies internationally”, argues Litz.

In Marcelo Rabbat’s point of view, the regulatory relaxation of investment funds is expected to contribute to an increase in the number of local funds devoted to foreign investments available to Brazilian institutional investors. There are presently 60 of these funds in the Brazilian market, including bond, equity and hedge funds.

Real assets

According to Cleidson Rangel, Investment director at Hancock Asset Management in Brazil, real assets already play an important role in the portfolios of at least 190 large foreign pension funds due to their good performance and favorable risk/return tradeoff. In Brazil, such assets are only beginning to attract institutional investors’ interest.

The asset management company is a subsidiary of Hancock Natural Resource Group, which manages renewable energy, agriculture and forestry assets. Forestry asset allocation falls within the scope of Hancock Timber Resource Group, responsible for a global portfolio of about USD 11.5 billion or 2.5 million hectares in the US, Canada, Australia, New Zealand, Chile and Brazil.

In 2016, the asset management company will launch a forestry product that will likely draw a lot of attention from large pension funds worldwide. Until then, says Rangel, Brazil’s political and macroeconomic problems will probably be solved. “Foreigners are aware of Brazil’s potential in forests - notably in the expansion of the pulp and paper markets - and agriculture, since the country will be among those responsible for feeding the world in the future.”

The international appetite is also significant when it comes to assets associated with renewable energy projects in the country, claims Rangel. Studies conducted by Hancock Timber Research Department show low correlation between forestry and other traditional assets classes and inflation in Brazil, as it is usually the case in most markets around the world. ■

Dealing with longevity risk

Regulators and insurance companies take initial steps to hedge longevity risk. For pension funds, costs appear to be the main impediment so far

The rapid increase in life expectancy of the Brazilian population reinforces the need for risk management solutions to help pension plans deal with new social and demographic realities. At present, Brazil has a population of 204.5 million people, of which 14.9 million are aged 65 years and over. By 2060, this number is expected to nearly quadruple to about

58.4 million. The treatment of longevity risk in Brazilian pension funds has been subject to an ever-growing debate; as a consequence, transfer mechanisms to insurance and reinsurance markets begin to gain more defined contours. Apart from regulatory adjustments, a break-even point is yet to be reached between the cost and the level of protection provided by such mechanisms, a vital prerequisite to make these products genuinely attractive.

The development of a domestic longevity risk transfer market has been given a green light last March with the publication of CNPC Resolution n. 17. The norm - approved by the National Board of Complementary Pensions, the industry regulatory body - authorizes pension funds to purchase financial products offered by insurance companies to hedge the risk.

CNPC Resolution addresses the transfer of (active members and pensioners) disability and mortality risks, survivor's risk and deviations in biometric assumptions. The norm still needs to be complemented by other rules to be issued by the insurance industry's regulator, the National Council of Private Insurance (CNSP).

Doubts

A clearer regulatory framework is far from being the only obstacle to the development of an effective longevity market in Brazil. Further debate is necessary on the products' technical specificities, a primary condition for pension funds to start taking interest. "The industry has many doubts regarding the type of coverage provided by the new products", says Silvio Rangel, CEO of Fibra Pension Fund (BRL 2.9 billion AuM)*.

The longevity swap, one of the most discussed alternatives, covers adverse mortality experience on a given period; however, it does not cover the impact on mathematical reserves resulting from mortality table updates set forth in the regulation.

Another relevant point is how expected and realized cash flows will likely be projected and evaluated. It would be necessary to define whether calculations will only consider the number of deaths or if they will also take average payments into account. After all, even if the number of deaths is in line with projections, the values in payment may be out of range, thus impacting cash flows.

Finally, uncertainties remain as to how the product would be priced and recorded. "As we have more questions than answers at the moment, we look forward to a better understanding of these products before making the most appropriate decision from the member's point of view", explains Rangel.

Fibra's CEO believes that life and disability insurance products meant for

> The development of a longevity risk transfer market in Brazil has been given a green light last March with the publication of CNPC Resolution n. 17

Up to this point, the only product available is a type of stop loss insurance mechanism that provides additional hedge when survival rates are higher than expected

Defined Contribution plans have a better chance of winning the market than the swap structures designed for Defined Benefit plans. "If my suspicions prove correct, I foresee difficulties to justify the elevated costs incurred by partial and temporary hedging of longevity risk."

Hedging and cost effectiveness

On the insurance market side, initial reactions are also timid. "The prognosis is positive and the context is interesting for both insurance companies and pension funds. The regulation has been well received since it offers an alternative to life annuities, which are becoming increasingly rare these days", says Evandro Oliveira, head of private pensions at Towers Watson.

According to the consultancy firm, pension funds have had a hard time finding answers to all their questions. In addition, few products have been made available so far and in most cases the costs do not compensate for the level of protection provided.

Oliveira explains that up to this point the only product available is a type of stop loss insurance mechanism that provides additional hedge against longevity risk when survival rates are higher than expected.

From the insurance market perspective, reaching high transaction volumes is important to distribute risks, something that demands time. "For now, longevity insurance is only viable to large pension funds. Nonetheless, the number of retirees might not be enough to dilute those risks", claims Oliveira.

Supplementary income

The regulatory alignment between Susep and Previc (insurance and pension fund supervisory agencies) is paramount to overcome small hurdles in the licensing of new products. "A joint regulation would function as a bridge between the two industries. We would be able to know what each side wants, as well as their respective regulators", highlights Andrea Levy, longevity expert at Mongeral Aegon.

Mongeral is working on three products to be made available in the Brazilian market. The first one provides supplementary income for a 20-year period, explains Levy. The mechanism may be particularly interesting for self-sponsored pension plans that do not assume any financial or actuarial risks, for example. "30% of those who reach the age of 85 have a life span as high as 40%, so most individuals above this age will end up unprotected, depending solely on the public pension system", he notes.

The product guarantees a stream of pension payments until the retiree's death. In order to make it possible, the insured starts paying premiums at

> In the past 20 years, the liabilities of a 60-year-old Brazilian retiree have increased 25% due to changes in mortality tables alone

retirement. The promised payments are about 10% to 15% lower than the benefit received from the pension fund.

The insurance company pays the agreed values to the pension fund, which is responsible for passing them on to the retiree, eliminating any contact between the pensioner and the insurer, as dictated by Resolution n. 17.

From the technical perspective, the product is ready to reach the market, but a few regulatory constraints persist. The first difficulty lies in restraining fund withdrawals or portability during the period in which the plan member collects the pension and pays insurance premiums. Other challenge consists in finding mortality tables with well-quantified projected improvements in life expectancy.

Swap and stop loss

Two other products are being designed to address deviations in mortality curves. Both operate under the same logic, with pension funds on one end and insurance/reinsurance companies on the other. Expected payment streams need to be agreed upon in such cases.

In longevity swaps, the insurance company pays cash flows to the scheme based on the actual longevity experience of the pensioners. If members live longer than assumed, the insurer makes a net payment to the pension scheme. However, if members die more quickly than assumed, the net payment would be paid by the pension plan to the provider. "In general, these are 10 to 15-year contracts, although they may last longer", Levy explains.

The third alternative has more of a short-term profile - three to five years. It consists of a stop loss mechanism for the entire portfolio considering all types of benefits due (death, disability, etc.). The plan member pays a premium in exchange of a guarantee to limit losses up to a certain limit that is recalculated every three to five years.

Longevity swaps are better suited to large pension schemes whereas the stop loss mechanism, due to its shorter-term horizon, could be used by large and medium-sized entities at reasonable costs.

Sustainability

According to an assessment made by actuarial consulting firm Gama, in the last 20 years, the liabilities of a 60-year-old retiree have increased 25% due to changes in mortality tables alone. "This shows the burden of longevity increases on pension funds. Longer lives are a social gain to be celebrated, however, they bring considerable challenges with them", says Fernando Gazzoni, the company's CEO. ■

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*1 BRL = 4 USD app.

ABRAPP

Statistical Data

HIGHLIGHTS - AUGUST 2015

In the present edition, we include percentage values of pension plans and funds' mathematical reserves committed to present and projected benefit obligations. Approximately one third of pension funds' mathematical reserves are vested benefits and the remaining two-thirds are projected benefit obligations. We have also included tables on the maturity of pension plans and funds. It can be noted that the maturity level in DB plans is nearly 50%, with plan beneficiaries accounting for half of total plan members (active and retired). So far, pension funds' projected accumulated returns amount to 5,52% whereas TMA/TJP is 11,71%.

MARKET OVERVIEW - AUGUST 2015

This month was marked by market reactions to the federal government increased difficulty to implement austerity measures, resulting in a 2016 budget plan that foresees a primary deficit. The Bovespa index (IBOVESPA) fell as much as 8%, its worst performance of the year; the real/dollar spot exchange rate was up more than 7% and inflation-indexed bond rates increased in comparison to July, generating a "perfect storm" that led to generalized poor performance of marked-to-market variable income and inflation-indexed fixed income portfolios.

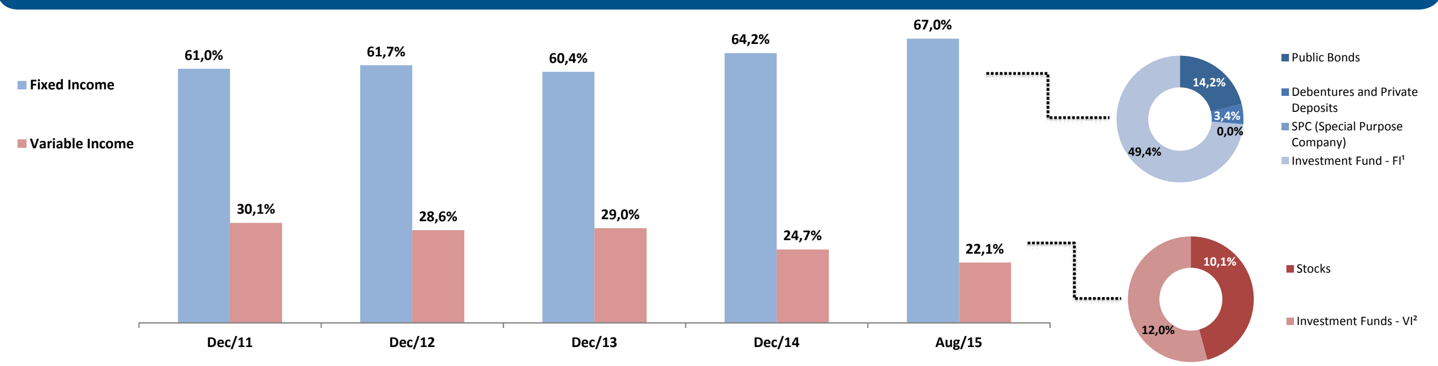
I. AGGREGATED PORTFOLIO BY TYPE OF INVESTMENT

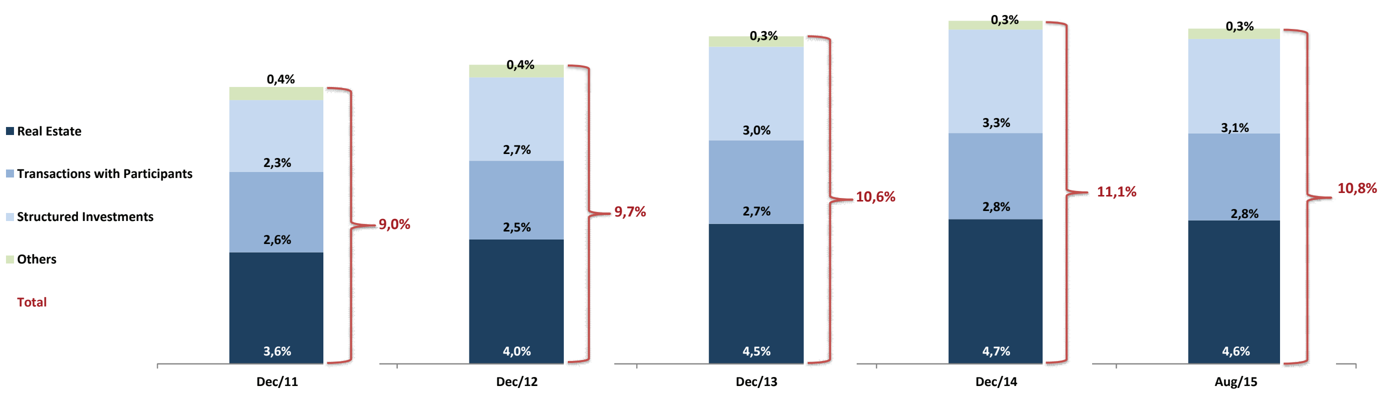
(in BRL million)

Asset classes	Dec/08	%	Dec/09	%	Dec/10	%	Dec/11	%	Dec/12	%	Dec/13	%	Dec/14	%	Aug/15	%
Fixed Income	**271.542**	**64,8%**	**291.627**	**59,3%**	**321.954**	**59,8%**	**349.957**	**61,0%**	**396.046**	**61,7%**	**386.773**	**60,4%**	**431.140**	**64,2%**	**464.783**	**67,0%**
Public bonds	79.988	19,1%	86.749	17,6%	91.922	17,1%	90.442	15,8%	98.639	15,4%	67.446	10,5%	83.351	12,4%	98.380	14,2%
Debentures and Private Deposits	14.079	3,4%	14.862	3,0%	24.211	4,5%	27.508	4,8%	32.619	5,1%	26.672	4,2%	27.099	4,0%	23.819	3,4%
SPC (Special Purpose Company)					119	0,0%	193	0,0%	213	0,0%	186	0,0%	160	0,0%	156	0,0%
Investment Funds - FI[1]	177.475	42,3%	190.016	38,6%	205.703	38,2%	231.814	40,4%	264.575	41,2%	292.469	45,7%	320.530	47,7%	342.428	49,4%
Variable Income	**117.306**	**28,0%**	**163.753**	**33,3%**	**174.902**	**32,5%**	**172.420**	**30,1%**	**183.621**	**28,6%**	**185.755**	**29,0%**	**166.267**	**24,7%**	**153.371**	**22,1%**
Stocks	54.381	13,0%	82.800	16,8%	88.251	16,4%	80.407	14,0%	89.404	13,9%	84.213	13,2%	77.026	11,5%	70.205	10,1%
Investment Funds - VI[2]	62.925	15,0%	80.952	16,4%	86.651	16,1%	92.013	16,0%	94.217	14,7%	101.542	15,9%	89.241	13,3%	83.166	12,0%
Structured Investments	NA		NA		**10.634**	**2,0%**	**13.347**	**2,3%**	**17.282**	**2,7%**	**19.355**	**3,0%**	**22.467**	**3,3%**	**21.193**	**3,1%**
Emerging Companies					241	0,0%	360	0,1%	359	0,1%	346	0,1%	304	0,0%	276	0,0%
Private Equity					9.466	1,8%	11.875	2,1%	15.016	2,3%	16.819	2,6%	19.546	2,9%	18.703	2,7%
Real Estate Fund[3]					927	0,2%	1.112	0,2%	1.908	0,3%	2.191	0,3%	2.617	0,4%	2.214	0,3%
Real Estate	**12.915**	**3,1%**	**14.652**	**3,0%**	**16.197**	**3,0%**	**20.685**	**3,6%**	**25.811**	**4,0%**	**28.988**	**4,5%**	**31.450**	**4,7%**	**32.171**	**4,6%**
Transactions with Participants	**10.692**	**2,6%**	**11.909**	**2,4%**	**13.412**	**2,5%**	**14.909**	**2,6%**	**16.352**	**2,5%**	**17.291**	**2,7%**	**18.705**	**2,8%**	**19.465**	**2,8%**
Loans to participants	8.510	2,0%	9.872	2,0%	11.468	2,1%	12.995	2,3%	14.593	2,3%	15.685	2,4%	17.217	2,6%	17.979	2,6%
Mortgage Loans	2.182	0,5%	2.037	0,4%	1.944	0,4%	1.914	0,3%	1.760	0,3%	1.606	0,3%	1.488	0,2%	1.486	0,2%
Other[4]	**6.774**	**1,6%**	**10.192**	**2,1%**	**1.317**	**0,2%**	**2.411**	**0,4%**	**2.613**	**0,4%**	**2.165**	**0,3%**	**1.901**	**0,3%**	**2.322**	**0,3%**
Total	**419.229**	**100%**	**492.134**	**100%**	**538.417**	**100,0%**	**573.729**	**100,0%**	**641.725**	**100,0%**	**640.328**	**100,0%**	**672.054**	**100,0%**	**693.304**	**100,0%**

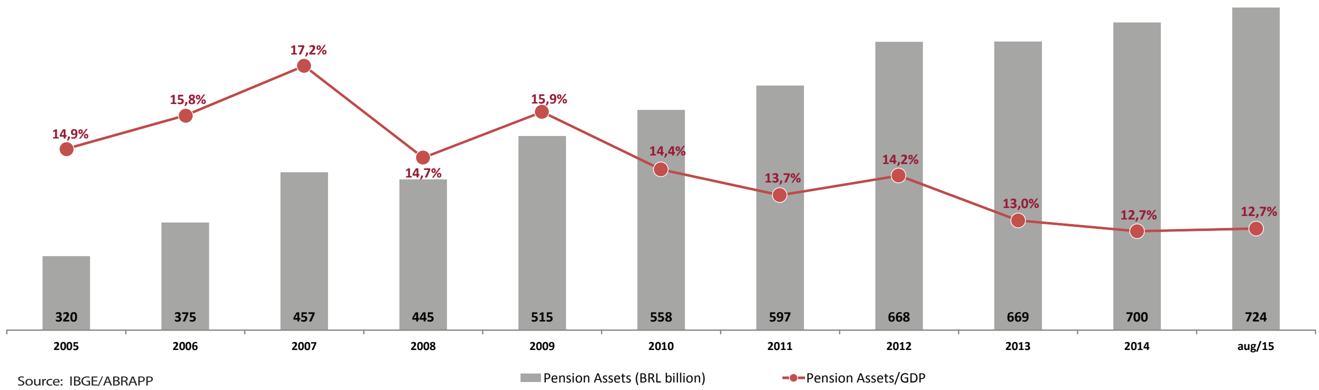
Notes: [1] Includes Short Term, Denominated, Fixed Income, Multimarket, Exchange Rate and Receivables Investment Funds ; [2] Includes Stocks and Market Indexes; [3] Until 2009 refer to Real Estate segment; [4] Includes External Debt, Stocks - Foreign Listed Companies, Other Receivables, Derivatives, Others.

II. PENSION FUND ASSET EVOLUTION BY TYPE OF INVESTMENT





III. PENSION FUND ASSET EVOLUTION *VERSUS* GDP

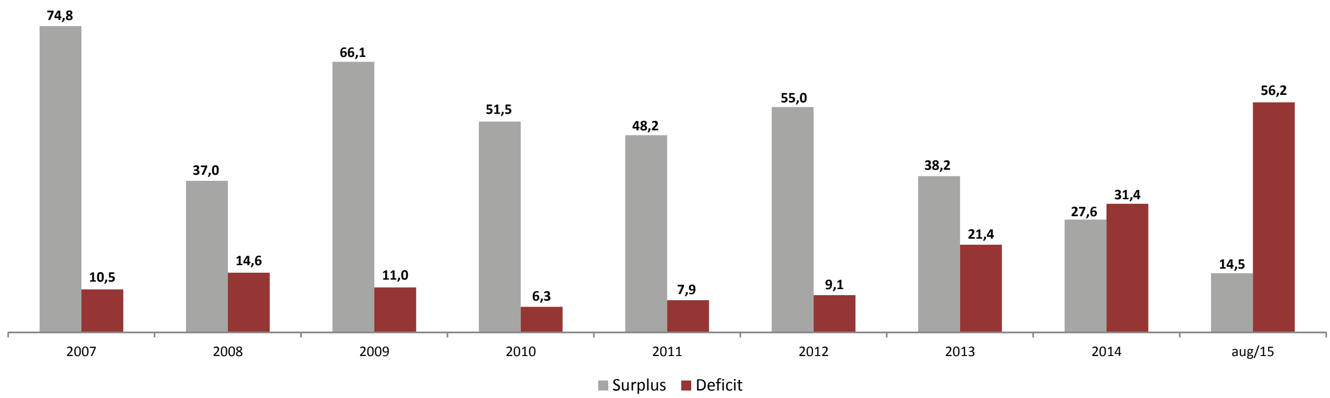


Source: IBGE/ABRAPP
Includes available assets, receivables and permanent assets
GDP refers to the third and fourth quarters of 2014 and first and second quarter of 2015
* Estimated value

Note : GDP data from 2010 to 2014 have been revised according to new figures released by IBGE.

IV. EVOLUTION OF PRIVATE PENSION DEFICITS AND SURPLUSES

(In BRL billion)



V. REGIONAL COMPARATIVE DATA

Regional*	Number of Pension Funds**	%	Investments (BRL millions)	%	Active Members	%	Dependents	%	Beneficiaries	%
Center-North	38	12,2%	114.085	16,5%	465.758	18,3%	883.247	22,6%	118.705	16,1%
East	18	5,8%	28.241	4,1%	93.432	3,7%	131.473	3,4%	47.481	6,5%
Northeast	26	8,3%	18.847	2,7%	33.257	1,3%	91.903	2,4%	34.353	4,7%
Southeast	57	18,3%	330.623	47,7%	538.790	21,2%	1.332.939	34,1%	305.350	41,5%
Southwest	119	38,1%	155.580	22,4%	1.133.793	44,6%	1.081.775	27,7%	170.895	23,2%
South	54	17,3%	45.927	6,6%	277.025	10,9%	386.712	9,9%	58.785	8,0%
Total	**312**	**100,0%**	**693.304**	**100,0%**	**2.542.055**	**100,0%**	**3.908.049**	**100,0%**	**735.569**	**100,0%**

* Regional Composition: Center-North - states RO, AM, RR, AP, GO, DF, AC, MA, MT, MS, PA, PI and TO. East - MG. Northeast - AL, BA, CE, PB, PE, RN e SE. Southeast - RJ e ES. Southwest - SP. South - PR, SC e RS.
** Source: PREVIC Quarterly Statistics - jun/15

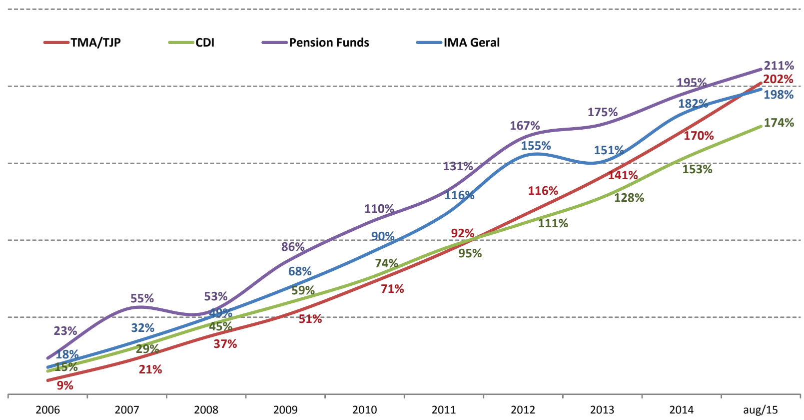
VI. COMPARATIVE DATA BY TYPE OF SPONSOR

Sponsorship	Number of Pension Funds*	%	Investments (BRL millions)	%	Active Members	%	Dependents	%	Beneficiaries	%
Industry/Professional Funds**	20	6,4%	4.095	0,6%	190.774	7,5%	296.517	7,6%	1.221	0,2%
Private	205	65,7%	258.406	37,3%	1.554.856	61,2%	1.893.354	48,4%	315.424	42,9%
Public	87	27,9%	430.803	62,1%	796.425	31,3%	1.718.178	44,0%	418.924	57,0%
Total	**312**	**100,0%**	**693.304**	**100,0%**	**2.542.055**	**100,0%**	**3.908.049**	**100,0%**	**735.569**	**100,0%**

* Source: PREVIC Quarterly Statistics- jun/15
** Investment and population data also refer to other industry/professional pension plans managed by multi-sponsored funds

VII. RETURNS

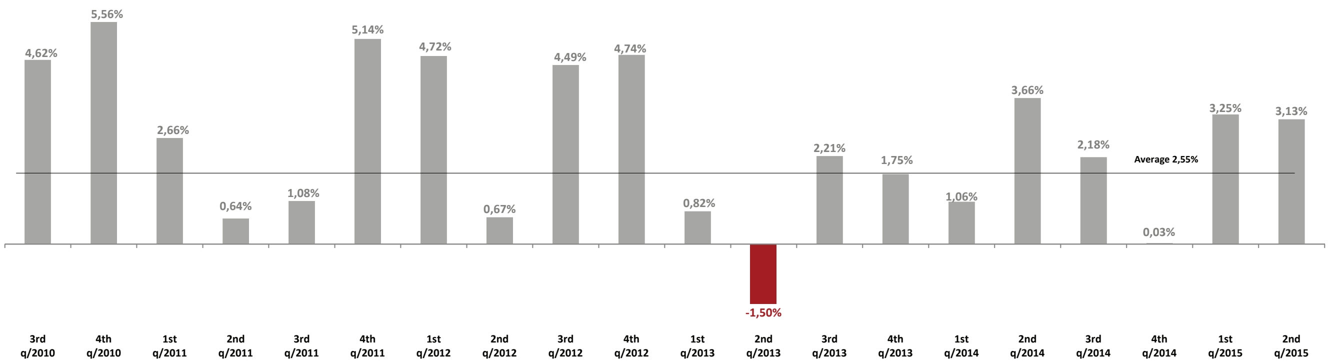
Period	TMA/ TJP(1)	CDI(2)	IMA Geral(3)	Ibovespa(4)	Pension Funds*
2006	8,98%	15,03%	17,53%	32,93%	23,45%
2007	11,47%	11,87%	12,63%	43,65%	25,88%
2008	12,87%	12,38%	12,69%	-41,22%	-1,62%
2009	10,36%	9,88%	12,90%	82,66%	21,50%
2010	12,85%	9,77%	12,98%	1,04%	13,26%
2011	12,44%	11,58%	13,65%	-18,11%	9,80%
2012	12,57%	8,40%	17,73%	7,40%	15,37%
2013	11,63%	8,06%	-1,42%	-15,50%	3,28%
2014	12,07%	10,82%	12,36%	-2,91%	7,07%
aug/15	0,71%	1,11%	-1,15%	-8,33%	-1,25%
2015	11,71%	8,42%	5,70%	-6,76%	5,52%
Accumulated	**202,09%**	**173,93%**	**198,07%**	**39,37%**	**211,00%**
Acumulated per year	**12,12%**	**10,99%**	**11,97%**	**3,49%**	**12,45%**



(1) TMA -> Maximum Actuarial Rate (until dec/14) according to CNPC Resolution n.9 from 11/29/2012. TJP -> Standard Interest Rate (INPC + upper limit of 5.65 % pa considering a duration of 10 years - according to the IN No. 19/2014 and Decree No. 197 from 04.14.2015 PREVIC)
(2) CDI -> Interbank Deposit Rate
(3) IMA Geral -> Anbima Market Index - General (It measures the profitability of a theoretical portfolio of government securities)
(4) Ibovespa -> Stock Index
*Estimated

Source: ABRAPP / BACEN / IPEADATA

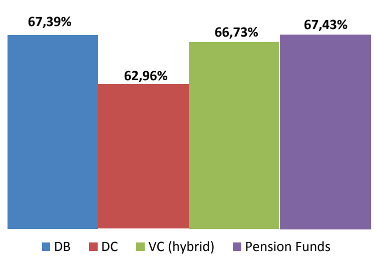
VIII. PENSION FUNDS QUARTERLY RESULTS - AGGREGATE



IX. AGGREGATE PORTFOLIO ALLOCATION BY PLAN TYPE

	Defined Benefit			Defined Contribution			Variable Contriibution		
	BRL millions	% Modality	% Segment	BRL millions	% Modality	% Segment	BRL millions	% Modality	% Segment
Fixed Income	280.001	59,0%	61,3%	63.007	90,4%	13,8%	113.508	81,0%	24,9%
Variable Income	134.348	28,3%	87,9%	4.701	6,7%	3,1%	13.837	9,9%	9,1%
Structured Investments	16.419	3,5%	77,7%	540	0,8%	2,6%	4.182	3,0%	19,8%
Real Estate	28.735	6,1%	89,6%	420	0,6%	1,3%	2.920	2,1%	9,1%
Transactions with Participants	13.441	2,8%	69,1%	810	1,2%	4,2%	5.214	3,7%	26,8%
Others	1.591	0,3%	68,7%	242	0,3%	10,4%	481	0,3%	20,8%
Total	**474.534**	**100,0%**	**69,3%**	**69.719**	**100,0%**	**10,2%**	**140.143**	**100,0%**	**20,5%**

X. ESTIMATED RETURN BY PLAN TYPE

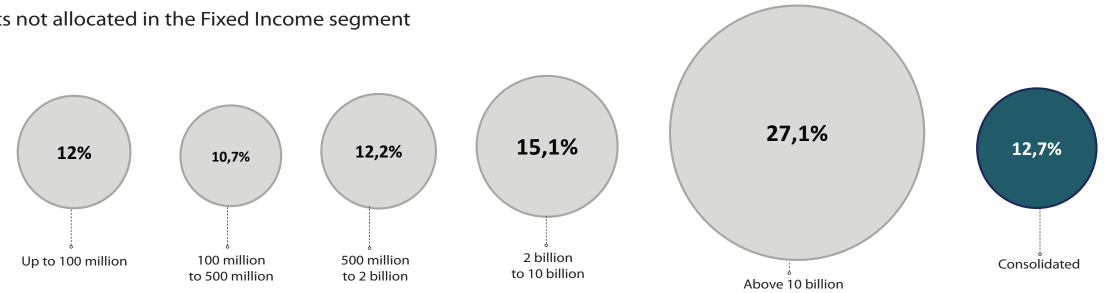


Period	Defined Benefit	Defined Contribution	Variable Contribution	Pension Funds
2010	13,79%	9,76%	11,67%	13,26%
2011	10,04%	8,62%	9,96%	9,80%
2012	15,38%	14,90%	15,56%	15,37%
2013	3,96%	0,66%	1,52%	3,28%
2014	6,15%	10,22%	8,78%	7,07%
aug/15	-1,54%	-0,45%	-0,70%	-1,25%
2015	5,00%	7,22%	6,40%	5,52%
Accumulated	**67,39%**	**62,96%**	**66,73%**	**67,43%**

XI. AVERAGE ALLOCATION (ARITHMETIC) BY TOTAL ASSETS UNDER MANAGEMENT

TOTAL ASSETS (in BRL)	Number of Pension Funds	Fixed Income	Variable Income	Structured Investments	Real Estate	Transaction with Participants	Other
Up to 100 million	41	88,0%	6,8%	0,2%	1,5%	0,5%	3,0%
100 million to 500 million	89	89,3%	6,5%	0,5%	1,9%	1,1%	0,7%
500 million to 2 billion	77	87,8%	6,1%	1,5%	2,3%	1,6%	0,8%
2 billion to 10 billion	44	84,9%	7,2%	2,6%	2,9%	1,8%	0,6%
Above 10 billion	10	72,9%	15,5%	3,3%	5,1%	3,0%	0,2%
Consolidated	261	87,3%	6,9%	1,2%	2,3%	1,4%	1,1%

Percentage of Assets not allocated in the Fixed Income segment



XII. TOP 15 LARGEST PENSION PLANS*

DEFINED BENEFIT

	Plan	Pension Fund	Investments (BRL thousand)	Active Members	Beneficiaries
1	PB1	PREVI	159.509.953	23.981	92.122
2	PLANO PETROS DO SIST. PETROBRÁS	PETROS	52.039.381	23.329	54.613
3	REG/REPLAN	FUNCEF	47.174.568	28.823	34.887
4	PBS-A	SISTEL	12.602.575	0	23.730
5	PLANO BD	REAL GRANDEZA	11.294.048	1.709	8.297
6	PLANO BD	VALIA	10.888.085	12	17.012
7	PBB	FAPES	8.690.149	3.103	2.088
8	PSAP/ELETROPAULO	FUNCESP	7.372.979	4.548	12.469
9	PLANO DE APOS. COMPLEMENTAR	ITAUBANCO	6.430.433	4.126	4.262
10	PBB	CENTRUS	5.910.040	0	1.450
11	PLANO A - PLANO SALD. BENEF.	FORLUZ	5.676.027	615	11.045
12	PLANO V	BANESPREV	5.434.238	4	12.751
13	PBD	POSTALIS	5.149.671	610	23.010
14	PLANOS I E II	FUND. COPEL	4.933.410	46	4.581
15	PLANO BANESPREV II	BANESPREV	4.865.669	1.738	9.304

DEFINED CONTRIBUTION

	Plan	Pension Fund	Investments (BRL thousand)	Active Members	Beneficiaries
1	PLANO ITAUBANCO CD	ITAUBANCO	8.400.188	17.870	3.367
2	IBM - CD	FUNDAÇÃO IBM	3.144.884	12.486	851
3	VISÃO TELEFÔNICA	VISÃO PREV	2.876.523	6.055	4.259
4	PLANO CD GERDAU	GERDAU	2.668.703	19.698	1.498
5	PLANO DE APOS.SANTANDERPREVI	SANTANDERPREVI	2.479.596	41.550	826
6	CEEEPREV	ELETROCEEE	2.288.856	3.793	2.711
7	PLANO	ODEPREV	2.210.017	18.499	151
8	PAI-CD	FUNDAÇÃO ITAÚSA	1.982.103	9.138	387
9	1-B	PREVINORTE	1.888.053	3.110	611
10	PLANO DE APOSENTADORIA	UNILEVERPREV	1.745.809	14.068	614
11	EMBRAER PREV	EMBRAER PREV	1.704.512	17.074	430
12	CD ELETROBRÁS	ELETROS	1.289.223	1.302	408
13	PRECAVER	QUANTA - PREVIDÊNCIA	1.241.364	39.557	48
14	VOTORANTIM PREV	FUNSEJEM	1.233.225	29.365	777
15	PMBP Nº 1	FAELBA	1.002.892	2.865	1.223

VARIABLE CONTRIBUTION

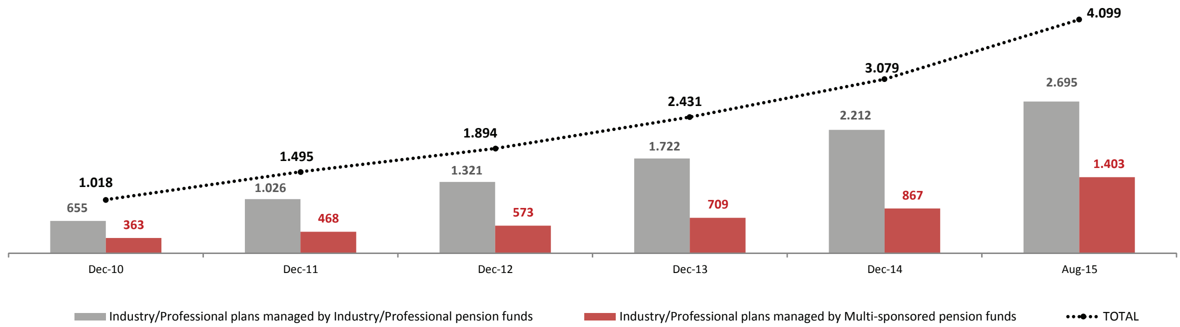
	Plan	Pension Fund	Investments (BRL thousand)	Active Members	Beneficiaries
1	PLANO PETROS 2	PETROS	10.641.190	48.383	3.290
2	NOVO PLANO	FUNCEF	8.601.957	89.127	3.900
3	B	FORLUZ	7.370.846	8.338	4.612
4	PB2	PREVI	6.286.823	74.342	796
5	PLANO VALE MAIS	VALIA	5.817.476	65.190	4.427
6	TELEMARPREV	FATLÂNTICO	4.195.880	12.068	7.260
7	PPCPFL	FUNCESP	3.938.682	3.235	6.359
8	PCV I	TELOS	3.658.109	6.690	3.313
9	PLANO DE APOS. PREVI-GM	PREVI-GM	3.270.343	23.275	3.029
10	POSTALPREV	POSTALIS	3.159.050	116.447	3.129
11	PS-II	SERPROS	2.887.467	8.056	461
12	PLANO III	FUND. COPEL	2.798.918	10.032	3.378
13	PACV	INFRAPREV	2.681.978	11.432	2.742
14	TCSPREV	FATLÂNTICO	2.276.811	1.314	1.757
15	MISTO	CELOS	2.184.397	3.730	2.520

INDUSTRY/PROFESSIONAL FUNDS

	Plan	Pension Fund	Investments (BRL thousand)	Active Members	Beneficiaries
1	PRECAVER	QUANTA - PREVIDÊNCIA	1.241.364	39.557	48
2	UNIMED-BH	UNI+PREV MULTIP.	469.882	5.120	9
3	ANAPARPREV	PETROS	435.539	2.971	392
4	OABPREV-SP	OABPREV-SP	383.029	35.224	94
5	SICOOB MULTI INSTITUÍDO	SICOOB PREVI	194.289	38.403	12
6	PBPA	OABPREV-PR	174.270	12.032	51
7	PLANO ACRICEL DE APOSENT.	HSBC INSTITUIDOR	128.605	61	148
8	RJPREV	OABPREV-RJ	127.816	4.926	136
9	PBPA	OABPREV-MG	103.771	7.775	28
10	PLANJUS	JUSPREV	99.655	2.354	3
11	PBPA	OABPREV-SC	98.357	6.621	53
12	PLANO II	MÚTUOPREV	68.080	na	na
13	ADV-PREV	OABPREV-GO	59.023	4.913	23
14	COOPERADO	UNI+PREV MULTIP.	52.127	1.167	1
15	PBPA	OABPREV-RS	48.425	5.134	30

* Investments as of Aug/15 and Population as of Dec/14.

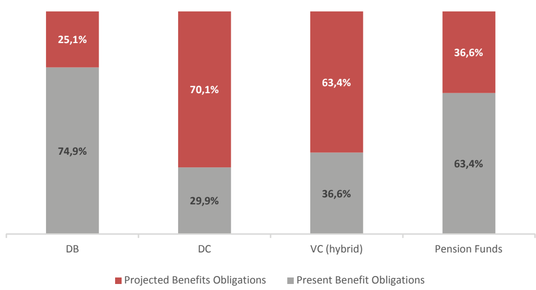
XIII. INDUSTRY/PROFESSIONAL PENSION FUNDS ASSET EVOLUTION*



Includes available assets, receivables and permanent assets
* In BRL millions

XIV. LIABILITIES

Percentage values of Mathematical Reserves



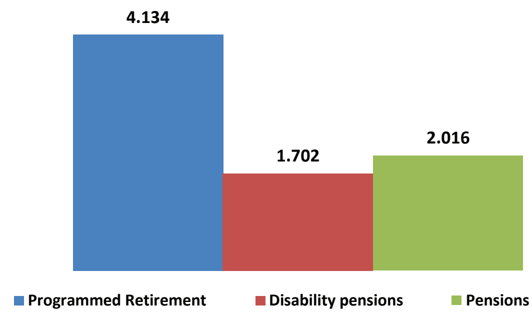
Percentage of Pension Funds and Pension Plans
% of Mathematical Reserves committed to Present Benefit Obligations

Plan Type	Number of Pension Funds/Plans	Up to 25%	25% to 50%	50% to 75%	75% to 100%
DB	272	6,3%	17,3%	21,0%	55,5%
DC	377	76,1%	13,5%	6,6%	3,7%
VC (hybrid)	305	48,2%	31,5%	15,4%	4,9%
Pension Funds	257	27,2%	34,2%	23,3%	15,2%

XV. BENEFIT STATEMENT

Type of Benefit	Total amount[1] (in BRL thousand)	Average Monthly Benefit Values[2] (in BRL)
Programmed Retirement	26.536.611	4.134
Disability pensions	1.192.263	1.702
Pensions	3.954.310	2.016

Note: The amount of benefits paid , while also considering the Continuous Cash aid , annuities and other benefits of Continuous Cash was in BRL 33.5 billion.

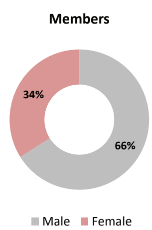


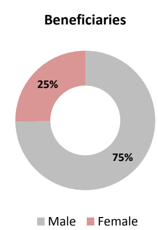
[1] Accumulated as of Dec 2014.
[2] Accumulated average until Dec 2014 (in BRL).

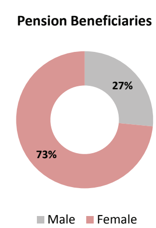
XVI. POPULATION STATISTICS*

Age	Members		Beneficiaries		Pension Beneficiaries	
	Male	Female	Male	Female	Male	Female
Up to 24	5,9%	3,7%	0,1%	0,1%	3,2%	3,3%
25 to 34	20,4%	11,8%	0,1%	0,1%	1,1%	1,8%
35 to 54	31,9%	14,4%	10,0%	3,8%	5,0%	13,0%
55 to 64	5,8%	2,6%	30,2%	13,7%	5,0%	18,0%
65 to 74	1,3%	0,9%	23,5%	5,5%	5,5%	19,2%
75 to 84	0,5%	0,4%	8,9%	1,6%	4,7%	13,1%
Over 85	0,2%	0,1%	1,8%	0,4%	2,0%	5,1%
Total	66,1%	33,9%	74,7%	25,3%	26,5%	73,5%

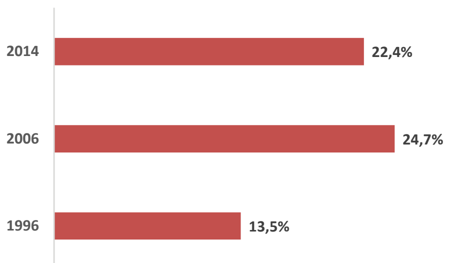
*Data from 2014 / Sample of 246 pension funds and more than 3,2 million people





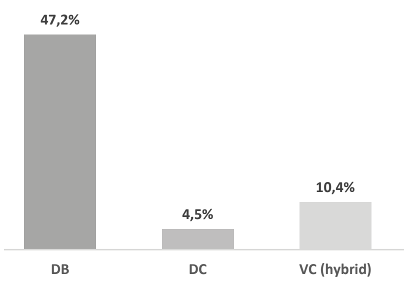


Pension Fund Maturity* - Evolution



* Number of benefit recipients (retirees and pension beneficiaries) divided by the sum of active and retired members

Maturity Level by Plan Type



Percentage of Pension Funds and Plans according to Maturity

Type of plan	Number of Pension Funds/Plans	Up to 25%	25% to 50%	50% to 75%	75% to 100%
DB	288	23%	11%	19%	46%
DC	360	91%	7%	1%	1%
VC (hybrid)	313	84%	10%	3%	3%
Pension Funds	266	62%	20%	11%	7%

XVII. PENSION FUND RANKING

	PENSION FUNDS	INVESTMENTS (in BRL thousand)	RANKING according to the number of members and beneficiaries	ACTIVE MEMBERS*	DEPENDENTS*	BENEFICIARIES*
1	PREVI	166.790.184	1	100.485	248.993	92.918
2	PETROS	67.410.909	2	96.747	338.766	64.744
3	FUNCEF	57.380.969	4	100.381	183.043	39.445
4	FUNCESP	22.617.410	14	15.534	52.641	30.964
5	FUND. ITAÚ UNIBANCO	21.102.613	11	39.397	2.698	13.587
6	VALIA	18.948.028	5	80.200	312.251	21.882
7	SISTEL	15.204.401	31	1.962	44.875	24.264
8	FORLUZ	13.073.436	37	8.702	32.780	13.191
9	BANESPREV	12.416.201	29	2.751	22.022	23.762
10	REAL GRANDEZA	11.986.089	62	4.249	20.061	8.396
11	FUNDAÇÃO ATLÂNTICO	9.317.238	27	13.905	50.757	14.812
12	FAPES	8.853.705	114	3.103	6.848	2.088
13	POSTALIS	8.366.940	3	117.057	270.902	26.139
14	FUNDAÇÃO COPEL	7.804.185	45	10.078	6.859	7.959
15	PREVIDÊNCIA USIMINAS	7.484.567	19	20.489	58.470	20.177
16	CENTRUS	6.673.697	176	411	1.536	1.639
17	TELOS	6.399.780	57	6.695	24.739	6.737
18	HSBC FUNDO DE PENSÃO	5.937.420	6	70.683	2	7.136
19	FACHESF	5.259.586	52	4.973	14.919	9.541
20	ELETROCEEE	5.093.814	50	6.851	14.410	8.803
21	VISÃO PREV	4.965.490	43	13.160	14.881	5.633
22	ECONOMUS	4.963.859	41	12.126	19.561	6.892
23	SERPROS	4.833.638	51	10.914	25.868	3.782
24	CERES	4.641.131	42	12.638	33.905	6.229
25	CBS PREVIDÊNCIA	4.439.056	23	20.013	36.894	14.310
26	FUNBEP	4.113.503	99	1.192	7.520	5.285
27	BB PREVIDÊNCIA	3.990.791	7	70.801	64.631	1.933
28	FUNDAÇÃO IBM	3.900.737	56	12.509	15.362	974
29	CAPEF	3.601.389	66	6.742	20.278	4.730
30	MULTIPREV	3.533.672	17	40.447	61.022	1.369
31	FUNDAÇÃO BANRISUL	3.508.878	40	12.521	na	6.561
32	ELETROS	3.493.523	107	3.292	7.357	2.257
33	GERDAU PREVIDÊNCIA	3.466.285	34	20.494	26.639	2.267
34	PREVI-GM	3.273.677	30	23.248	8.228	3.027
35	BRASLIGHT	2.962.315	75	4.374	12.783	5.702
36	FIBRA	2.922.725	151	1.429	3.901	1.586
37	BRF PREVIDÊNCIA	2.922.708	21	30.623	13.791	5.678
38	INFRAPREV	2.852.666	54	11.536	16.826	2.912
39	PREVINORTE	2.760.463	92	5.611	7.158	1.528
40	PSS	2.634.773	96	2.641	4.388	3.977
41	CELOS	2.509.653	79	4.187	8.474	4.769
42	SANTANDERPREVI	2.483.802	16	41.550	893	826
43	FUNDAÇÃO LIBERTAS	2.481.680	36	18.792	2.915	3.386
44	ELOS	2.454.812	129	1.501	5.372	3.003
45	UNILEVERPREV	2.442.048	49	14.365	1.207	1.335
46	VWPP	2.376.918	13	46.503	58.998	1.963
47	FUNSSEST	2.336.337	82	6.098	0	2.456
48	CITIPREVI	2.300.202	67	10.426	0	916
49	FUNDAÇÃO ITAÚSA	2.226.323	74	9.244	14.787	918
50	ODEBRECHT PREVIDÊNCIA	2.213.530	44	18.499	na	151
51	GEAPPREVIDÊNCIA	2.135.038	9	60.103	145.553	nd
52	MULTIPENSIONS	2.104.174	10	56.521	85.100	1.341
53	FUNDAÇÃO REFER	2.012.833	24	4.550	42.540	28.544
54	FUSESC	2.001.091	88	2.501	9.696	5.125
55	NUCLEOS	1.991.150	126	3.634	6.172	1.130
56	SABESPREV	1.914.023	38	13.876	39.321	7.134
57	PREVIRB	1.864.998	173	491	1.845	1.597
58	ICATUFMP	1.853.124	15	43.268	37.124	1.825
59	ITAÚ FUNDO MULTI	1.838.105	na	na	na	na
60	FUNEPP	1.830.433	28	27.387	19.194	5
61	REGIUS	1.755.408	128	3.715	7.271	954
62	METRUS	1.741.491	63	9.674	19.358	2.572
63	PRECE	1.712.394	64	4.455	12.391	7.630
64	EMBRAER PREV	1.706.646	46	17.074	9.607	430
65	MÚLTIPLA	1.680.864	33	23.123	18.221	666
66	INSTITUTO AMBEV	1.647.561	94	4.984	942	1.850
67	BANDEPREV	1.598.647	174	290	1.922	1.796
68	FAELBA	1.540.950	116	2.871	10.070	2.200

	PENSION FUNDS	INVESTMENTS (in BRL thousand)	RANKING according to the number of members and beneficiaries	ACTIVE MEMBERS*	DEPENDENTS*	BENEFICIARIES*
69	JOHNSON & JOHNSON	1.428.214	89	6.602	6.899	848
70	PREVDOW	1.425.085	131	3.749	5.621	558
71	PREVIBAYER	1.382.659	97	5.003	17.488	1.609
72	ENERPREV	1.364.216	na	na	na	na
73	FUNDAÇÃO PROMON	1.342.627	160	2.011	5.500	681
74	FUNSEJEM	1.308.478	25	29.616	9.456	894
75	PREVI-SIEMENS	1.300.864	71	9.572	15.093	1.293
76	QUANTA - PREVIDÊNCIA	1.282.842	18	40.862	69.172	57
77	BANESES	1.216.158	136	2.141	5.966	1.993
78	FASC	1.187.788	84	7.560	1.090	681
79	FACEB	1.177.830	163	1.041	3.683	1.371
80	SANPREV	1.168.856	133	3.746	5.525	518
81	PRHOSPER	1.161.823	125	3.244	2.467	1.560
82	FUSAN	1.120.050	77	7.303	14.206	2.427
83	FUNDAÇÃO CORSAN	1.110.600	81	5.463	10.917	3.270
84	FAELCE	1.073.055	145	1.207	4.100	2.340
85	PREVI-ERICSSON	1.070.747	120	4.169	4.495	837
86	FIPECQ	1.044.948	164	2.031	4.859	348
87	HP PREV	1.032.514	121	4.737	11.546	240
88	FORD	1.027.407	58	12.625	20	698
89	PREVIG	1.019.666	159	2.124	2.119	620
90	BASF	996.642	141	3.283	10.647	461
91	ACEPREV	989.373	139	2.538	5.218	1.314
92	SÃO BERNARDO	966.797	53	13.061	8.293	1.430
93	SÃO RAFAEL	943.824	166	1.665	2.929	684
94	BRASILETROS	939.285	140	1.192	3.350	2.597
95	CIBRIUS	930.579	153	1.637	4.310	1.322
96	PREVISC	897.462	60	11.997	16.841	1.134
97	BASES	885.894	170	814	1.827	1.390
98	PREVUNIÃO	873.917	105	4.901	8.356	759
99	PREVI NOVARTIS	871.615	142	3.219	86	500
100	GEBSA-PREV	862.878	87	7.554	11.345	227
101	PREVDATA	852.388	127	3.191	7.492	1.502
102	ECOS	838.432	225	117	975	738
103	PREVIBOSCH	816.082	69	10.134	0	910
104	DESBAN	787.558	220	374	1.099	547
105	CARGILLPREV	775.687	80	8.717	13.086	169
106	FUNDAMBRAS	772.740	55	13.184	223	714
107	ABRILPREV	763.338	91	6.828	8.458	388
108	ISBRE	761.456	223	494	1.131	388
109	SYNGENTA PREVI	732.221	156	2.642	4.623	232
110	CELPOS	715.282	118	1.665	4.585	3.391
111	AGROS	714.493	102	5.106	7.642	780
112	WEG	697.729	35	21.920	14.440	371
113	FUNDIÁGUA	694.373	110	3.881	8.898	1.450
114	DUPREV	670.421	150	2.784	431	255
115	PREVSAN	651.146	134	2.575	10.608	1.633
116	MBPREV	647.173	61	11.886	2.299	781
117	PLANEJAR	644.701	132	3.929	5.895	370
118	CYAMPREV	639.505	32	23.864	31.654	107
119	PREVHAB	637.629	209	456	601	617
120	IAJA	633.583	100	5.268	9.383	970
121	FASCEMAR	606.552	183	1.192	4.350	754
122	ELETRA	604.877	154	1.702	3.800	1.251
123	SERGUS	592.817	195	1.019	1.620	373
124	COMSHELL	565.850	167	1.806	3.009	461
125	UNI+PREV MULTIPAT.	562.090	na	na	na	na
126	FUND. SÃO FRANCISCO	538.821	180	1.089	1.901	881
127	SEBRAE PREVIDÊNCIA	528.781	90	7.150	6.640	127
128	ULTRAPREV	526.565	78	9.458	2.763	170
129	PREVICAT	520.188	na	na	na	na
130	PREVEME	512.429	148	2.865	3.584	512
131	FACEAL	501.025	187	998	0	698
132	PREVIPLAN	492.802	158	2.322	5.464	448
133	REDEPREV	483.622	93	6.032	14.730	1.094
134	PREVICOKE	445.608	213	851	39	167
135	FABASA	443.076	112	4.729	15.735	550
136	CAPAF	435.352	130	2.310	3.762	2.074

	PENSION FUNDS	INVESTMENTS (in BRL thousand)	RANKING according to the number of members and beneficiaries	ACTIVE MEMBERS*	DEPENDENTS*	BENEFICIARIES*
137	VIKINGPREV	427.103	111	5.114	78	196
138	MAIS VIDA PREVIDÊNCIA	426.190	192	1.386	2.078	76
139	MENDESPREV	424.673	221	526	1.224	392
140	INDUSPREVI	407.857	137	3.500	4.272	534
141	HSBC INSTITUIDOR	405.514	147	3.170	13	258
142	PREVIM-MICHELIN	404.051	122	4.875	56	91
143	OABPREV-SP	395.807	22	35.224	57.965	94
144	DERMINAS	395.664	70	6.853	0	4.015
145	BUNGEPREV	393.495	68	10.847	15.757	277
146	GOODYEAR	388.969	108	5.116	7.673	431
147	GASIUS	382.005	205	65	841	1.084
148	FGV-PREVI	375.312	168	2.138	2.343	126
149	SUPREV	373.786	104	4.487	4.185	1.216
150	PORTOPREV	368.570	106	5.466	721	106
151	UNISYS PREVI	368.126	215	948	2	44
152	FAPERS	365.763	162	1.702	3.692	741
153	FUTURA	361.827	234	160	201	366
154	CAPESESP	359.500	12	49.274	28.599	684
155	FUNDAÇÃO ENERSUL	354.507	219	552	1.098	374
156	PREVMON	351.454	155	2.847	4.982	59
157	SEGURIDADE	347.141	177	1.710	511	336
158	FAPA	340.577	205	847	2.382	302
159	CARREFOURPREV	323.995	8	66.515	45.499	142
160	ALPAPREV	319.153	26	28.749	35.502	205
161	CABEC	318.584	204	150	1.669	1.059
162	PREVINDUS	312.560	76	8.930	5.950	1.105
163	SP-PREVCOM	311.872	48	15.954	6.877	0
164	PREVCUMMINS	301.265	181	1.807	2.567	146
165	FUNDAÇÃO BEMGEPREV	297.213	210	na	na	1.035
166	PREVISCÂNIA	296.114	na	na	na	na
167	FUNTERRA	287.058	241	152	846	157
168	P&G PREV	285.437	103	5.677	8.433	162
169	PFIZER PREV	284.280	178	1.892	474	147
170	PORTUS	282.994	73	1.777	14.641	8.940
171	CIFRÃO	281.387	188	845	1.845	810
172	MSD PREV	278.508	212	945	1.416	76
173	FACEPI	274.830	182	972	2.237	976
174	DANAPREV	272.816	101	6.039	9.058	112
175	RANDONPREV	271.037	72	10.621	16.364	163
176	CASFAM	265.552	113	4.300	1.364	915
177	PREV PEPSICO	263.060	47	16.887	15.615	105
178	MARCOPREV	262.987	83	8.230	18.308	102
179	FIOPREV	262.554	135	3.888	5.060	284
180	FAECES	256.434	184	1.078	2.271	849
181	VOITH PREV	256.254	172	2.047	3.058	118
182	FASERN	255.322	202	783	148	453
183	PREVIP	253.425	152	2.832	5.456	145
184	SICOOB PREVI	236.791	20	37.770	28.356	12
185	EATONPREV	233.387	124	4.763	6.517	170
186	LILLY PREV	229.333	214	823	1.230	192
187	SOMUPP	216.479	247	0	0	145
188	PREVIDEXXONMOBIL	213.659	190	1.461	2.230	80
189	TETRA PAK PREV	206.409	171	2.130	3.193	40
190	POUPREV	205.377	201	1.211	1.681	36
191	CASANPREV	204.509	186	1.603	4.430	220
192	CAPOF	201.444	232	157	613	414
193	SUPRE	199.129	224	481	1.434	386
194	KPMG PREV	196.380	119	4.981	7.448	52
195	FUCAP	193.228	185	1.578	1.634	255
196	PREVICEL	186.007	218	809	1.098	121
197	AVONPREV	185.358	98	6.413	635	133
198	CARBOPREV	182.781	211	837	1.256	187
199	TEXPREV	179.612	226	623	881	150
200	RAIZPREV	176.209	39	19.283	12.865	5
201	OABPREV-PR	175.379	65	12.032	19.700	51
202	FUNPRESP-EXE	166.769	85	7.926	0	3
203	MERCAPREV	163.515	193	1.387	2.071	73
204	MAUÁ PREV	160.338	157	2.702	4.052	109
205	PREVEME II	157.355	138	3.874	6.791	37
206	ROCHEPREV	154.756	197	1.237	1.600	58
207	PREVIHONDA	149.880	59	13.109	19.664	63
208	FAÇOPAC	137.968	179	1.902	2.237	121
209	ALPHA	131.573	203	1.032	2.190	192
210	BOTICÁRIO PREV	131.276	109	5.475	7.632	26
211	OABPREV-RJ	128.705	117	4.926	8.306	136
212	CAGEPREV	120.841	198	1.248	1.670	42
213	FUNDAÇÃO GAROTO	115.129	143	3.484	8.540	201
214	PREVBEP	111.236	243	52	148	136
215	FAPECE	109.253	237	290	na	155
216	FUMPRESC	106.106	216	631	1.634	345
217	OABPREV-MG	103.849	86	7.775	14.574	28
218	MERCERPREV	103.583	230	716	1.072	11
219	VISTEON	102.373	na	na	na	na
220	FUNASA	100.834	200	528	1.432	741
221	JUSPREV	99.799	165	2.354	3.480	3
222	OABPREV-SC	99.737	95	6.621	10.349	53
223	CAFBEP	97.917	196	973	868	354
224	RECKITTPREV	94.847	229	688	1.032	56
225	INSTITUTO GEIPREV	84.104	239	82	289	311
226	INERGUS	79.004	207	542	2.295	570
227	PREVYASUDA	77.670	235	413	266	87
228	MÚTUOPREV	69.686	na	na	na	na
229	CARFEPE	63.792	189	1.595	3.110	38
230	OABPREV-GO	60.772	123	4.913	10.207	23
231	PREVCHEVRON	57.609	245	141	213	43
232	FUNDO PARANÁ	53.866	149	3.252	3.147	6
233	ALBAPREV	50.889	242	159	335	30
234	DATUSPREV	50.794	na	na	na	na
235	OABPREV-RS	48.799	115	5.134	7.704	30
236	PREVUNISUL	47.813	199	1.186	1.763	103
237	MM PREV	47.165	161	2.420	26	30
238	MONGERAL	43.921	169	2.219	3.585	12
239	FUNCASAL	41.906	191	874	1.787	611
240	FUNPRESP-JUD	38.450	194	1.405	1.405	nd
241	SILIUS	34.746	240	25	295	326
242	FUTURA II	30.124	233	551	321	1
243	PREVES	26.197	226	773	na	na
244	UNIPREVI	25.592	249	5	34	23
245	OABPREV-NORDESTE	25.331	236	348	588	148
246	ALEPEPREV	23.456	244	175	208	10
247	SBOTPREV	23.390	na	na	na	na
248	CNBPREV	17.686	222	913	1.572	2
249	CAVA	13.299	175	1.483	2.309	590
250	ANABBPREV	12.422	217	932	1.814	4
251	RJPREV	11.543	228	757	0	0
252	FUCAE	9.176	na	na	na	na
253	FUNDAÇÃO FECOMÉRCIO	5.464	238	444	827	0
254	PREVIMA	5.326	208	1.072	939	27
255	MAPPIN	4.166	146	3.463	2.895	35
256	SUL PREVIDÊNCIA	2.171	246	149	224	0
257	CIASPREV	1.968	144	3.657	0	0
258	ORIUS	1.697	248	na	25	47
259	ACIPREV	538	231	575	965	0
260	PREVCOM-MG	474	na	na	na	na
261	EDS PREV	92	250	6	na	na

TOTAL ESTIMADO

Investments (in BRL thousand)	693.304.298	Active Members*	2.542.055	Dependents*	3.908.049	Beneficiaries*	735.569

*Dec/14

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