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Responsible investing, a concept that encompasses environmental, social and governance issues, is slowly gaining ground among institutional investors in Brazil, as discussed in this issue's cover story.

Enacted last year, CMN Resolution n. 4,661, which sets forth allocation limits and other guidelines for pension fund investments, along with recent environmental incidents have reinforced the need for stricter ESG criteria.

In practice, however, due to domestic capital market limitations, finding good quality ESG assets may prove difficult. Still, a growing number of pension entities have been striving to keep a sustainable portfolio, leading to a potential increase in foreign investments.

We also highlight occupational pension sector's aggregate results in 2018, the best in 5 years. The figures indicate that cyclical - rather than structural - factors had driven previous years' results, argue pension managers and consultants. Good performance has allowed for strong deficit reversal from BRL 53.5 billion in 2016 and BRL 13.4 billion in 2017 to BRL 2.8 billion last year.

An important step forward in regulatory terms in recent months was the creation of the benefit plan register, an old demand from the industry. From 2021 on, instead of being registered as pension entities, which could be quite a hassle for multi-sponsored pension funds since it implies a certain level of "cross-contamination" between schemes, pension plans will now be treated more independently.

Even though complementary rules dealing with the practicalities of the new norm are still needed, pension plans may already be considered legal entities, with innumerous advantages, especially as far as legal disputes are concerned.

On a more negative note, a new survey commissioned by ANAPAR (National Association of Pension Plan Members) reveals that indebtedness, low wages and short-term thinking are still major drivers of poor retirement planning in Brazil. The data unfortunately does not come as a surprise, revealing behavioral and economic aspects that keep people from saving enough in order to have a comfortable financial life at old-age.

We hope you enjoy this issue!

Flavia Silva
Editor-in-chief

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Responsible investments under debate

Regulation spurs demand for sustainable assets, but Brazilian pension funds have been slow to incorporate ESG factors into portfolios

Responsible investing, a concept that encompasses environmental, social and governance issues, has become increasingly important to Brazilian institutional investors. Issued last year, CMN Resolution n. 4,661, which sets forth allocation limits and other guidelines for EFPC[1] investments, has reinforced the need for pension funds to take ESG factors into account, following a global trend towards the adoption of such principles by companies and asset managers.

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1. The acronym "EFPC" stands for *Entidade Fechada de Previdência Complementar*. It is used to refer to entities that manage occupational "closed" pension schemes (as opposed to "open" or individual pension plans managed by banks and insurance companies).

Stricter criteria

Recent environmental incidents leading to investment losses have directly affected pension reserves and plans' asset valuations, observes Guilherme Velloso Leão, Executive Director and Coordinator of ABRAPP's Technical Investment Commissions. He adds that raising the bar on risk assessments and expanding the penalties applied to investors are issues to be discussed at ABRAPP forums.

Such environmental incidents have reinforced the need for EFPCs to adopt stricter ESG criteria; but this is not enough. After all, in most private equity, stock and private credit funds, the management model is discretionary, which means that pension entities do not always sit on the boards. Therefore, more rigor is needed in the asset management industry as a whole, argues Leão.

Eyes into the future

"Our new members are young and, such is the case in other countries, they worry about the quality of life in 30, 40 or 50 years from now. They have high expectations for plan sponsors and pension fund managers", says Cleiton Augusto Pires, Investment Manager at FAELBA pension fund.

In practice, however, given the limitations of the Brazilian capital market, it may be difficult to find

Raising the bar on risk assessments and expanding the penalties applied to investors are issues under discussion at ABRAPP's investment forums

good quality ESG assets. But FAELBA, which has been a signatory to the UN PRI (United Nations Principles for Responsible Investment) since 2007, strives to keep a sustainable portfolio.

With BRL 1.8 billion in assets, of which 10% to 12% are invested in variable income, the pension fund has a rigorous manager selection process (100% of its asset allocation is outsourced). Nevertheless, Pires admits that many Brazilian asset management firms are not signatories of the UN PRI and those that are disclose limited information on their practices.

Real Grandeza pension fund, in turn, has a formal exclusion policy that keeps certain companies and sectors out of its investment portfolio. The criteria are very strict. "Stringent ESG requirements allow us to achieve good risk-adjusted returns in the long run. Sustainability is key to our organizational culture", remarks CEO Sérgio Wilson Ferraz Fontes.

ESG guide

In 2017, Abrapp released "The Responsible EFPC Guide" containing guidelines to small and medium-sized entities as well as large pension funds that may not yet have their own manuals, explains ABRAPP Sustainability Committee Coordinator, Raquel Castelpoggi.

"We have the power to change corporate behavior and avoid 'shortcuts'

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that may lead to significant investment losses. We need to promote change regardless if it is driven by passion or by the pain caused by recent natural disasters", adds Castelpoggi.

Quick reaction

In case of an accident, PETROS pension fund requires invested companies to act quickly, clearly demonstrating to society what measures are being taken to assist affected communities and mitigate risks. It is also crucial that the company presents a formal plan to improve its operations, always in a transparent and timely manner.

The pension entity has already made important public commitments, such as becoming a signatory of the Association of Capital Markets Investors (AMEC) Stewardship Code, which lays out ESG principles for institutional investors.

At first, the AMEC methodology is being used to assess the application of ESG principles in the variable income segment and externally managed private equity funds. However, PETROS intends to extend the analysis to the fixed income segment and other types of investment funds.

Engagement

The ESG debate is in continuous evolution and includes the qualification of specialized asset managers, highlights Renato Eid Tucci, responsible for Beta Strategies & ESG Integration at Itaú Asset Management.

Bradesco Asset Management (BRAM), a signatory of the UN PRI, seeks to influence its suppliers (brokerage firms and other companies) to carry out their own ESG assessments through a well-structured process focused mainly on governance issues, explains Marcelo Nantes, BRAM's Superintendent of Variable Income. An analyst exclusively dedicated to ESG assessments and an "in-house" rating system for invested companies complement the work.

From now on

"The Brazilian mining sector needs to review its parameters and processes, and endeavor to safeguard the communities in which it operates. It is a conservative sector with old-fashioned processes and outdated parameters", remarks Luzia Hirata, Investment Analyst at Santander Asset Management. Most importantly, she argues, is knowing how to proceed from now on so that industry and policymakers can work together to improve the regulatory framework.

A primary issue of this discussion is how extraction activities - oil, energy, etc. - affect other vulnerable sectors that may already be in the process of reassessing risks in face of damages caused by environmental accidents. "It is better to act now and change the risk management culture in Brazil, where

> PETROS pension fund requires invested companies to clearly demonstrate what measures are being taken to mitigate environmental risks

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operational standards tend to be more flexible than elsewhere", asserts Hirata.

"This is no longer a philosophical issue. We are dealing with long-term, practical effects", adds Francisca Brasileiro, from TAG Investimentos. "The issue of sustainability has been gathering more attention in pension fund discussion forums, a trend that will likely continue in Brazil."

Insufficient oversight

Head of Network and Outreach at Principles for Responsible Investment - PRI in Brazil, Marcelo Seraphim believes the country's institutional investors have grown more aware of ESG issues. However, implementation is still faulty, which is partly due to the lack of regulatory oversight over certain sectors.

He points out that CMN Resolution No. 4,661 is more assertive in relation to sustainability issues; as a consequence, asset managers have been carrying out ESG risks assessments on a more regular basis. "This is important because it may lead to the mandatory inclusion of asset managers' ESG practices in pension fund investment policies."

Growing Impacts

A major ESG challenge is to strike the right balance between investment funds' ESG risks and performance, since it may limit investment options.

Notwithstanding, argue specialists, Brazilian institutional investors seem to be on the right track.

The Brazilian Securities and Exchange Commission (CVM) has played an active role in this debate, highlights Luzia Hirata. Sustainable Development Objectives (SDO) have been the subject matter of a working party within CVM's Laboratory of Finances, which is currently discussing a potential market for SDO bonds similar to the green bond market.

Hirata cites a few social concerns that have been evolving, potentially drawing investor attention from now on: slave labor, harassment, gender equality and diversity issues in general. Against this backdrop, she underlines how important it is for pension funds to continue to influence management practices in invested companies. "This is a new trend domestically, but there has been substantial progress. Institutional investors have shown growing interest in ESG matters in investment forums, with greater information exchange."

Marcelo Nantes also notes that institutional investors are keener to learn about ESG issues and asset managers that have environmental, social and governance policies in place. "However, the demand is still weaker than we would like in order to influence corporate behavior." ■

Slave labor, gender equality and diversity issues are on top of the social agenda, potentially drawing investor attention from now on

Best aggregate result in five years

Asset repricing was well-captured by pension portfolios in 2018. Results reaffirm the cyclical nature of the system's aggregate deficit

In 2018, financial assets repricing, which favored stocks, bonds and multimarket portfolios, had a direct effect on pension funds' investment returns. Having recorded the best performance in five years, the Brazilian occupational pension system ended the calendar year with significant improvement in the surplus to deficit ratio.

According to the Brazilian Association of Pension Funds (ABRAPP),

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investment returns have captured asset price increases, exceeding benefit plans' actuarial targets, increasing surpluses, and reducing deficits. In 2018, average investment returns achieved by EFPCs[1] were 12.30% against a Parameter Interest Rate of 10.14%. Defined Benefit plans, which represent 62.6% of the system's assets, yielded 13.72% in 2018; Defined Contribution plans, which correspond to 13.2% of total assets, recorded 8.72% gains. Variable Contribution plans, which account for 24.2% of pension fund aggregate portfolio, reached a 10.54% rate of return in the same reference period.

With BRL 900 billion[2] in assets, equivalent to 13.2% of Brazilian GDP, the occupational complementary pension system has increased its aggregate allocation in the variable income segment from 17.7% in 2017 to 18.5% last year. Albeit small, the trend reflects a growing appetite for asset diversification in face of decreasing interest rates provided by government bonds.

Largely due to good performance, as of the end of last year, the system's aggregate deficit (BRL 29.3 billion) to surplus (BRL 26.5 billion) ratio fell to BRL 2.8 billion. This indicates a reversal of total underfunding levels, which amounted to BRL 53.5 billion in 2016 and BRL 13.4 billion in 2017.

There is also clear indication of the cyclical - rather than structural - nature of deficits previously recorded, argue

In 2018, Brazilian pension funds increased average allocation in variable income instruments from 17.7% to 18.5%

pension managers and consultants, as negative results could be associated with the country's economic recession in recent years and its impact on domestic financial markets. Other indicators corroborate this view, such is the case of the system's aggregate solvency ratio, which stood at 98% in December, outperforming other developed countries' private pension systems.

Discount rates

On the liability side, the main focus is on the need to lower pension plans' actuarial interest rates so that they become more aligned with the new Brazilian economic scenario, which points to a downward trend in interest rates.

"Notwithstanding last year's high volatility, pension plans achieved good investment results, thus allowing deficits to be reduced. Still, many fund managers have been reassessing the discount rates used to calculate benefit plan obligations. This will likely have

1. The acronym "EFPC" stands for *Entidade Fechada de Previdência Complementar*. It is used to refer to entities that manage occupational "closed" pension schemes (as opposed to "open" or individual pension plans managed by banks and insurance companies).

2. 1 BRL = USD 0,26 as of June 24, 2019

an impact on deficits and surpluses going forward", says Raphael Santoro, Head of Investments at Mercer Brazil.

Good investment performance has enabled pension plans to keep surpluses despite the reduction in discount rates, he adds, but this tends to play a more important role in asset allocation decisions in the future.

"Investment results will keep improving, which will help keep deficits low, allowing pension plans to have their actuarial rates reduced", agrees Marcus Moreira, Investment Director of PREVI pension fund. At PREVI, the largest Brazilian pension fund, studies indicate that there is still no need to change the actuarial rate due to the fund's high concentration in variable income, which has helped the entity achieve returns equivalent to the Consumer Price Index plus 5% per year.

In the medium and long term, EFPC's financial returns should also be influenced by improvements in corporate governance practices thanks to the implementation the of Self-Regulation Codes on Corporate Governance and Investment Governance, both ABRAPP's initiatives. "There has been much progress in management practices as

well as asset manager selection. This will certainly have an impact on pension fund performance", highlights Moreira.

In some pension funds with larger stock portfolios, discount rate reduction and the resulting increment in liabilities were offset by returns achieved in the variable income segment thanks to the bull market. "Interest rates will continue to be reduced, which means that in the coming years the results may not be as favorable", says Evandro Oliveira, Pensions Director at Willis Towers Watson. In the absence of riskier assets and higher return levels, discount rates will have to be reduced even further.

Despite economic turbulence and the uncertainties associated with general elections in the past year, the Brazilian financial market has been optimistic about future reforms, hence Ibovespa closing the year at a 15% high. In addition, the downward trend in interest rates helped increase fixed income portfolio returns for those who managed to seize good opportunities in the segment.

Structural change

The deficits previously recorded were in fact due to cyclical factors, Evandro Oliveira points out. "Nevertheless, there is a clear structural shift in the market. We may be facing changes in the economy as a whole. It is important that pension fund managers keep this in mind."

Throughout the past year, the occupational pension system has managed to navigate the new economic scenario by adapting their investment policies as well as the way deficits are handled, adds Oliveira. "Deficits arising from market volatility are managed in a

Despite last year's volatility, many entities have managed to reduce deficits and review actuarial discount rates

given way, whereas deficits stemming from structural factors require another type of treatment." He expects to see management practices re-evaluated especially in light of the new investment regulation (CMN Resolution n. 4,661), which foresees a new deficit treatment option.

Asset allocation challenges

Surfing the wave of prospective pension and tax reforms, stock market recovery in the last quarter of 2018 helped increase asset pricing, thus ensuring robust portfolio gains, notes Marcus Moreira. From now on, the effective implementation of fiscal reforms will be decisive in guiding allocation strategies. "Fixed income investments are no longer a guarantee of sufficient returns to meet actuarial targets, posing major challenges to benefit plans, particularly more mature ones", says PREVI's Director.

"There is high market volatility and it is likely to remain this way at least until the pension reform bill is approved by the parliament", highlights Guilherme Leão, ABRAPP's Executive Director.

Moving forward, asset managers expect portfolios to become riskier and increasingly focused on foreign stock markets. If inflation remains under control and the Central Bank opts to maintain or even reduce interest rate levels, risk-taking in asset reallocations will likely increase, allowing actuarial targets to be met again.

Assets and liabilities

Increasing risk-tolerance, looking at global strategies and markets, and bearing in mind that private equity funds

Government interference in large mixed-economy and state-owned enterprises has underlined the importance of including foreign stocks in portfolios

are a very good match for pension fund long-term investment objectives are some of the urgent takeaways for pension managers, suggests Raphael Santoro. Alternatively, one might consider investing in private equity funds abroad, but such vehicles would need to be further studied and analyzed by Brazilian pension entities.

ABRAPP's Technical Investment Committees have been discussing PE investment funds. "We have put together a document encompassing some of the legal aspects pertaining to this investment class. We are reassessing past infraction notices and penalties applied to pension fund directors as well as pension fund participation in these funds' investment committees in order to issue a set of guidelines for the industry", explains Guilherme Leão.

The recent fall in stock prices due to government interference in large mixed-economy and state-owned enterprises has underlined the importance of including foreign stocks in variable income portfolios so as to minimize volatility, Santoro argues. "We're still at the beginning of this discussion, but the benefits are visible."

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> "Many plan members still haven't rid themselves of the idea of high returns at very low risk, but this is changing"

He also stresses the need to watch out for reinvestment risk associated with Brazilian Treasury bonds (NTN-Bs) marked on the yield curve with three-to-four-year maturities. After all, those who bought at 7.5% will have to reinvest at 4%.

In addition, pension entities ought to start discussing what to do with their real estate portfolios since the new investment regulation - CMN Resolution n. 4,661 - requires that all direct real estate investments be sold within 12 years or turned into real estate funds. "In the next five years, we will witness a departure from real estate just as the market is very weak, so we need to study new strategies very cautiously", emphasizes Raphael Santoro.

Missed opportunities

If diversification into the variable income segment continues at the slow pace of recent years, pension fund managers run the risk of missing good investment opportunities. "Many managers and especially plan members still haven't rid themselves of the idea of obtaining high returns at very low risk, but this is changing", notes Everaldo França, CEO and founder of PPS Portfolio Performance. Foreign investments and

asset classes such as private equity are essential to mitigating portfolio risk, he adds. "There are cases of exceptional returns achieved by pension entities in such markets, but these investments have longer time-horizons."

The fear of volatility must also be overcome, remarks França. "It's worth pointing out that volatility is a long-term investor's friend. Those who do not seize good opportunities in volatile times may miss the chance to invest in high quality products." However, the consultant recommends waiting until the third quarter to see what happens in the Brazilian economy and abroad. "It is hard to predict what the US Federal Reserve Bank will do in regards to interest rates, for instance. So, one cannot have tactical allocations based on that."

Return levels

Among Mercer's institutional clients, nominal rates of return have clearly changed, says Santoro. The results were still very good in 2018, but they stood, on average, at 9.31% compared to 6% provided by bank notes (Interbank Deposit Certificates - CDI). "Earnings were still robust; however, it is worth noting that nominal returns are lower than they have been historically. They used to vary between 10% and 12% on average."

In 2019, fixed-rate bonds remain in the spotlight, the stock market offers good opportunities and there will likely be little allocation in credit-related instruments. Multimarket funds and foreign investments, in turn, could be important diversification strategies, analyzes the consultant. ∎

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Family plans see increase in membership

Cutting-edge technology, flexible design and focus on younger generations help boost demand for the new product

A new type of self-sponsored pension plan[1] that allows for the affiliation of up to third-degree relatives of direct members is entering the market surrounded by great expectations. Initial membership projections have so far been exceeded due to its innovative design, also attracting the attention of labor unions. "The so-called 'family pension plans' have gained momentum as unions' appetite for closed, occupational pension schemes grows.

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1. In Brazil, self-sponsored plans are known as 'planos instituídos', which resemble industry-wide plans operating in countries such as the Netherlands, with the difference that they only receive worker contributions. They may be offered by labor unions and professional associations.

There is repressed demand for this type of product since many people still do not have private pension coverage", argues Luís Ricardo Marcondes Martins, ABRAPP's Managing Director.

Thiago Felipe Gonçalves, Actuarial Manager of FORLUZ pension fund and Coordinator of ABRAPP's Technical Commission of Pension Plans - East Section, believes that family pension plans tend to become increasingly popular among younger generations due to their innovative features. The product is not only intended to provide retirement income, it also offers more flexibility in face of changing labor market conditions. "We bear a great deal of responsibility towards current plan members. These people can help build higher levels of private pension savings", says Gonçalves.

The new FORLUZ family pension plan was licensed in December 2018 and should be launched in the coming months. The pension entity, which currently has 22,000 members, expects to attract 100,000 people considering members' relatives who will have access to the new scheme.

Different needs

Established in December 2018, Libertas pension fund's self-sponsored

At FORLUZ pension fund, the new self-sponsored family plan is expected to prospect around 100,000 new members

benefit plan "VocêPrev" was designed with basis on the perception that there was significant member demand for retirement income supplementation, that is, an additional savings vehicle to help fund personal projects. Edevaldo Fernandes, Libertas' Managing Director, says it was common for plan members to ask the pension entity to offer a high-quality savings plan that could work as a second source of income, also allowing the affiliation of relatives up to the third degree.

Plan's competitiveness is boosted by low management fees and above-the-market financial returns. The entity has more than 21,500 members and assets under management in excess of BRL 3.5 billion[1]. According to initial estimates, 800 new members could join the new plan in the first year of operation alone, but this goal will likely be achieved sooner given the attention the product has attracted so far, explains Edevaldo Fernandes.

Good timing

Launched in April, FUNCESP pension fund's family plan "Mais Futuro", which has ABRAPP as one of its founding managing partners, is the country's first of its kind. Brazil's largest privately sponsored pension entity estimates that potential membership may reach 400,000 people, but the data is under review given the widespread acceptance from current plan members, highlights FUNCESP's Director of Benefits and Health Care, Luciana Correa Dalcanale.

Product attractiveness potential is due to its innovative features and above-average rates of return on investments, not to mention lower management fees in

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1. 1 BRL = 0.26 USD as of June 24, 2019

comparison with those charged by "open" - or personal - benefit plans managed by banks and insurance companies. In addition, argues the Director, given the ongoing talks on pension reform in Brazil, the time is ripe to discuss ways to increase private pension coverage in the country.

Sponsoring companies' Human Resources departments, which play a very important role in disseminating the concept of closed, occupational pension plans, will have to find new ways to win peoples' minds now that member relatives will be allowed to join the schemes. "Our enrollment procedures will be fully digital; however, we intend to maintain in-person services so as to accommodate the needs of those who prefer to speak with a fund representative", says Dalcanale. FUNCESP managers have also decided to create a business-support area designed to reach more people and encourage participation in the new plan.

Competitiveness

Dating back from 2012, SEBRAE pension fund members' demand for a family retirement plan was finally met last February, after several studies were carried out to assess the fund's long-term sustainability. Surveys have also shown that more than 70% of plan members wanted relatives to join a benefit scheme operated by the foundation given its consistent management track record, explains the entity's Managing Director, Edjair Alves.

With no performance fee charges and administrative fees of only 0.9% (compared to 1.33%, the occupational pension system's average), the plan is flexible when it comes to withdrawals and portability. Moreover, it provides members with a calculation model to help

Top-notch technological features have attracted specialized companies interested in entering the segment with low-cost services

them set adequate contribution levels to achieve their financial goals.

"Contribution values can be changed any time, making people's life projects more feasible", adds Alves. Initial projections point to 20,000 potential new members. By the end of 2019 alone, 1,300 people are expected to join the new family plan.

Game changer

Self-sponsored plans, whether they are intended for specific industries or family coverage or whether they are offered by unions or professional associations, are a step ahead in terms of design, being therefore more in tune with the needs of younger generations and labor market dynamics, argues Thiago Gonçalves.

"A wider range of plan designs brings greater dynamism, flexibility and innovative technology to the industry." Some technology companies have already identified this trend, showing interest in investing in the pension sector at reduced costs.

FORLUZ's new plan, for instance, aims to be 100% digital, which involves the use of artificial intelligence, robots and other instruments. "We want to set up a cornerstone in terms of new pension technologies", says Gonçalves.

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The General Union of Workers (UGT) is designing a strategy to increase private pension coverage among its 1.1 million members

The fund also intends to establish partnerships to drive technological innovation in several areas. The idea is to develop the concept of "saving through consumption", in line with PrevCash pension plan design, in which part of a member's consumption in a network of commercial partners is directed to the benefit plan. "Partnerships with startups may also become a source of revenue, which is, in itself, a totally innovative concept", remarks Gonçalves.

Labor unions

Potential membership among plans offered by professional associations, labor unions and class entities exceeds 33 million people in Brazil. Of this total, approximately 20% earn more than five times the minimum wage[2], meaning that there are six million Brazilians who could be covered by occupational private sector schemes, estimates Luis Ricardo Martins, ABRAPP's Managing Director.

"However, labor union leaders are still unaware of the importance of complementary pension coverage and how it could benefit these organizations' relationship with workers. Experience shows that industry-wide schemes only thrive when unions take the lead", adds Martins.

At FUNCESP pension fund, partnering with labor unions and professional associations is considered paramount to boosting self-sponsored pension plans. For this reason, the entity has been working closely with relevant organizations. "Unions have shown strong interest in offering more services to members and, in this regard, pension plans are an excellent perk."

Worker protection

Some trade unions and federations have already begun to study the possibility of offering complementary pension plans to help workers save for retirement. "We have been working to attain this goal by discussing with specialists the need to modernize the Brazilian pension system", explains Ricardo Patah, President of the General Union of Workers (UGT).

He adds that UGT wishes to see a more equalitarian pension regime. The organization advocates the preservation of the PAYG public pillar for those who earn up to five minimum wages. "On top of that, benefits would be provided by a capitalization pillar."

Patah also notes that it is important for unions to offer complementary plans to workers at the current Brazilian changing pension landscape. However, UGT is still in the process of defining how it could be done. "We intend to have a strategy laid out by the end of the year."

UGT presently comprises 1,336 labor unions with over 1.1 million unionized workers. Total worker base is approximately 12 million, but only 20% are unionized. ■

2. In 2019, the Brazilian monthly minimum wage is set at BRL 998 or app. USD 259.

Saving habits
of the Brazilian population

Survey commissioned by ANAPAR reveals that indebtedness, low wages and short-term thinking are the main causes for poor retirement planning

The National Association of Pension Fund Members - ANAPAR has commissioned a study to map the perceptions and behaviors of Brazilians in relation to pensions, retirement planning and finances. The results of the survey entitled "Pesquisa Anapar Finanças Pessoais e Previdência Brasil 2018" did not come as a surprise, revealing behavioral and economic aspects that keep people from saving enough in order to have a comfortable financial life at old-age.

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Researchers interviewed 2,045 men and women aged 16 and older from 152 municipalities in November 2018. Education level, income, geographic location, occupation, age group, ethnicity and trade union membership were some of the aspects considered. Of the total sample, 82% earn from one to five times the minimum wage[1] and 79% are not unionized.

"Six in every ten Brazilians do not save money for retirement. Insufficient income, lack of perspective and high levels of indebtedness are some of the elements that, combined, lead to a picture of true retirement dismay", says ANAPAR President Antonio Braulio de Carvalho.

Informality on the rise

Among the 97.5 million paid workers of the country (total population is now 210 million, approximately), 52% are in the informal sector. More than half of informal workers (57%) earn up to two minimum wages, 31% receive from 2 to 5 minimum wages, 5% from 5 to 10 wages and 1% make, per month, more than 10 minimum wages.

Only 28% of Brazilians aged 16 and older have a formal employment contract; 19% are self-employed, 15% are self-employed workers and university students and 13% are salaried workers without formal employment ties. "Growing informality is a major obstacle to retirement. Without the certainty of long-term employment, many give up saving altogether", Carvalho points out.

Of the total sample, 70% own their own home. Considering the universe of retirees, 83% are solely entitled to pension benefits paid by the public PAYG system, while 9% only have private pensions. In the private pension segment, 62% are covered by corporate/professional pension funds, 11% have personal pension plans and 10% are enrolled in self-sponsored plans offered by unions or class entities.

Savings habits

Only 7% and 6% of respondents say they "always" or "frequently" save money. "Sometimes" accounted for 19% of the total, "rarely" 15% and "never" 51%.

The percentage of positive responses to this question increases with family income. In the range of monthly recipients of ten minimum wages and over, 34% claim to "always" save and 27% do so "frequently". Among those who earn between five and ten minimum wages, "always" and "frequently" correspond to 16% and 19% of total answers, respectively. Considering the group of

1. The Brazilian monthly Minimum Wage in 2018 was BRL 954 or USD 246 as of Dec. 31, 2018

"Growing informality is a major obstacle to etirement planning. Without the certainty of long-term employment, many give up saving altogether"

The monthly average amount saved by the sample is BRL 341 whereas 22% save less than BRL 100 per month

workers who make up to one minimum wage a month, the saving rates are 4% ("always") and 1% ("frequently").

The amount saved monthly according to respondents who claim to put some money aside exceeds BRL 900[2] to 6% of the sample, ranging from BRL 100 to BRL 300 for 47% of the total. The monthly average amount saved is BRL 341 whereas 22% save less than BRL 100 per month.

"In face of so many financial uncertainties, when Brazilians are able to save, they do so as to meet more immediate goals such covering health-related expenses or achieving a personal project. In general, people tend to postpone retirement planning as much as they can", observes Braulio de Carvalho.

Financial literacy and retirement savings

When it comes to understanding how the public pension system works, 53% of respondents claim they know "little" or "nothing" about the subject. On the other hand, 19% consider themselves as "very informed" or "informed".

85% of Brazilians believe it is "important" or "very important" to save for retirement. However, only 12% claim to same money to this end. 21% of the sample do not save but intend to in the future and 61% do not save for retirement

nor plan to do so. Of those who wish to save for retirement, 16% have the intention to start putting money aside within 6 months and 29% within a year.

But what are the main reasons that keep Brazilians from saving for retirement? 39% of respondents who do not save for retirement argue that they have no money left at the end of the month or that salary is too low. 19% are already retired and 7% have many bills and expenses to pay.

Among those who claim to save for retirement, 6% reserve above BRL 900.01 to this end every month. However, for most people (46%), the monthly cap saved for retirement varies from BRL 100 to BRL 300. 25% of savings go to private pension schemes or other type of investments (59%).

Retirement expectations

35% of Brazilians contribute to social security. The overwhelming majority of monthly contributions do not exceed BRL 300.

13% expect to retire with a monthly income above BRL 4,770 (which was the benefit ceiling in the public system in 2018), while 34% look forward to receiving between BRL 954.01 (minimum pension value) and BRL 1,908. Of those who are not retired and contribute to the public pension system, known by the

2. 1 BRL = 0.26 USD as of June 24, 2019

acronym INSS, 33% expect to maintain the standard of living at old-age against 63% who say it will likely decrease.

Complementary Pensions

Presently, 7% of Brazilians invest in complementary pension plans whether they are personal (managed by banks and insurance companies) or of occupational nature.

Those who do not have a complementary pension scheme but intend to join one add up to 7%. 82% do not contribute to a private saving vehicle nor wish to do so in the future.

Retirement concerns

Survey subjects were asked to rate their degree of concern about different retirement outcomes presented using a scale of 1 to 10. The four main concerns expressed by respondents were: inability to stop working (6.9); high health-related expenses may consume all my pension (6.8); social security benefit will not be enough to meet my financial needs (6.2); and, I may need to rely on financial support from my children or other relatives (5.7).

Among retirees, 51% say that high health-related expenses consume all income; 40% depend on financial support from family members and only 21% claim that the public pension is enough to guarantee a pre-retirement standard of living.

Two extremes

60% of the Brazilian population is made of people who do not save for retirement nor contribute to the public pension system, which means that there are 90 million individuals who have absolutely no retirement funds.

On the other hand, those who save independently and also contribute to INSS correspond to 9% of the population. Those who save for retirement but do not contribute to the public system are 3%. 26% do not save independently, but contribute to the Social Security system.

Next steps

Based on survey results, the National Association of Pension Fund Members has set up an action plan contemplating, among other initiatives, the launch of a broad communication campaign about the importance of long-term savings for the country's development. "We are also lobbying to include financial education in school curricula", says de Association's President.

While acknowledging that research figures are worrying, Carvalho draws attention to the proportion of respondents who claimed to "frequently" and "always" save and how these people are potential members of complementary pension plans.

"Those who always or often save correspond to 13% of the population. If these funds were channeled to the complementary pension system, which currently covers less than 5% of the population, we could more than double the number of people enrolled, especially if we consider that the average saving amount is approximately BRL 300 per month, which is precisely the average contribution made to self-sponsored private pension plans today." ∎

A reputational shield for the industry

New Self-regulation Code on Corporate Governance aims to certify pension fund processes, such is the case of other developed sectors

The occupational private pension industry has taken another important step forward with the release of the Self-Regulation Code on Corporate Governance. Following a series of public hearings carried out throughout a two-month period, the Code was drawn up jointly by ABRAPP associates, supervisory

body PREVIC and other relevant market institutions.

The idea is to move beyond State-based regulation, reinforcing norms inspired by good market practices in a more efficient and effective manner. The expected result is stronger sector development and a positive effect on pension funds reputation, leading to increased public confidence on the segment.

Adherence to the new Code is voluntary and open to all private pension entities. In order to provide more details on the Code, a Handbook with guidelines, principles and obligations was also elaborated. The Code is based on eight fundamentals of corporate governance: ethical conduct; transparency, integrity, accountability, fairness, risk-based management, compliance and corporate responsibility.

The document provides for a governance structure composed of governing board, supervisory board, board of directors, auditing, committees and governance support. There are also guidelines for professional training, corporate communication, processes and internal controls, outsourcing practices and third-party service providers.

Code governance is under the responsibility of the Self-Regulation Board, established by ABRAPP, SINDAPP and ICSS[1] with leading specialists of relevant fields of expertise. They are in charge of verifying compliance with obligations and demanding information from adherent entities when necessary.

The Board is also responsible for reviewing and making amendments to the Code, as well as instituting, deliberating, delivering judgement and imposing penalties, in a single instance, in any proceedings resulting from the failure to comply with the provisions.

Potential penalties include private express warning, suspension or loss of the right to use the trademark - or Self-regulation Seal. Granting the Seal is the next step of the process to be implemented, explains Joint Commission of Self-Regulation Coordinator and ABRAPP Director, José Luiz Rauen. Enthusiast of the project, Rauen defines self-regulation as a reputational shield for the system.

"We do not aim to certify pension funds as legal entities, but their processes. Looking back at economic history, there was a significant leap in quality of certain industries after processes started being certified. This is the key objective of self-regulation."

Founder of Curitiba Prev, the first pension fund dedicated to civil servants in Brazil, Rauen has traveled the country in search of other states and municipalities interested in joining the multi-sponsored pension entity. The absence of good governance practices in the industry, he says, sometimes generates distrust among the target audience. However, the Code signals willingness to change this perception through the voluntary adoption of more stringent criteria by those who manage people's pension assets, fruit of a lifetime of hard work.

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1. ABRAPP (Brazilian Association of Pension Funds); SINDAPP (National Union of Occupational Pension Funds) and ICSS (Accreditation Institute for Institutions and Pension Professionals)

To PREVI, adherence to the Self-regulation Code on Investment Governance has helped strengthen the image of the pension fund among its members and the market

Investment Governance

The newly released Code is the second Self-regulation initiative in the occupational private pension industry. The first Code focuses on Investment Governance, having up to now, 60 adherent pension funds. Of this total, five have been awarded the Self-regulation Seal and six are in the process of being certified.

One of the five pension entities that have been granted the Seal of Self-Regulation on Investment Governance is PREVI, along with FAELBA, CENTRUS, PETROS and ECOS, which were invited to take part in the pilot phase of the project.

Marcelo Coelho, PREVI's Chief of Staff, explains that the adhesion to the Code was a natural consequence of the work carried out by fund managers to promote best practices, beyond State regulation, by means of stricter investment controls mechanisms, in line with the principles of self-regulation.

"We were able to submit our investment management processes to third-party assessments. By doing so, we have been given confirmation that our practices are adequate", highlights Coelho. Moreover, the adherence to the Self-regulation Code on Investment Governance has helped strengthen the pension fund image among its members and the market itself.

Coelho adds that PREVI has every intention to adhere to the newly released Self-Regulation Code on Corporate Governance as a way to give support to ABRAPP's initiative, deemed of great relevance to the sector. "In other industries, self-regulation has proven extremely beneficial. We believe that it will have the same effect on the complementary pension segment at a time when pension provision is at the top of the country's reformist agenda."

Diversity as hallmark

Diversity is the hallmark of ABRAPP's Self-Regulation Codes, suitable for pension entities of different sizes and profiles. HP PREV pension fund, for instance, is among the 60 entities that have adhered to the first Code.

According to João Carlos Ferreira, Senior Investment Analyst of HP PREV, abiding by the Code is a demonstration of the fund's commitment to best management practices, thus assuring members that their pension savings are in good hands. "We follow the Handbook guidelines as faithfully as possible using a checklist; this way we ensure compliance with all requirements."

Ferreira also states that he is closely monitoring the development of the new Code on Corporate Governance. "At the right time, we will adhere to this Code as well. Such it was the case with the first one, it will enable us to push our governance practices forward, with the level of transparency and accountability that our plan members deserve." ∎

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Fostering
long-term
savings

Effective long-term savings regulatory protection requires a strong supervisory agency to restore industry's leading role in country's development

Despite having a consumer protection legislation in place, Brazilian laws do not offer a robust set of rules to safeguard long-term retirement savings. "More than ever, it is necessary to stimulate long-term savings, but in order to do so, we need to protect the rights of those who save. In particular, government institutions must supervise

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Pension fund representatives and scholars are working together to produce a set of guidelines aiming to protect pension saver rights

adequately, ensuring plans are solvent and minimum return levels are achieved", argues economist José Roberto Afonso, specialized in Public Finances.

IBRE/FGV Researcher and Professor at IDP (Brazilian Institute of Public Law), Afonso is currently working with pension fund representatives, through Abrapp, to produce a set of guidelines aiming at protecting pension saver assets. In his opinion, the subject should be thoroughly discussed by parliament when analyzing the role of complementary pension provision within the wider debate on pension reform. The potential merger of supervisory agencies in charge of pension fund and insurance sectors is a very important part of such discussion, he argues. The project, which is still in its initial phase, could become a milestone for the country's long-term savings culture.

State priority

"Safeguarding long-term savings involves the creation of a robust supervisory agency, which will treat the system as State priority" says Abrapp CEO Luís Ricardo Marcondes Martins.

The new Brazilian pension system, based on the premises of greater longevity and better quality of life at retirement, requires that occupational pension plans have their importance recognized, adds Martins. "That depends on our ability to protect pension plan members. After all, the relationship between members and pension funds will likely last at least 25 to 30 years." By safeguarding pension plan member rights, policymakers will also be preserving long-term savings, deemed crucial for the country's economic development.

The merger of pension fund supervisory agency PREVIC and the Superintendence of Private Insurance (SUSEP), responsible for the oversight of the insurance sector, including personal pension plans, would result in a robust supervisory agency, thus playing a decisive role in this endeavor.

Martins points out that ABRAPP has always advocated the establishment of a strong supervisory agency for the segment. "We have long pleaded for an agency with financial and administrative autonomy that would contribute to the development of the pension fund industry, which covers 7.4 million Brazilians."

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The new integrated agency would facilitate the access to technology and risk transfer mechanisms between insurance companies and pension funds

Specialized in pension matters, attorney Flávio Martins Rodrigues argues that the current institutional model, split between open (personal plans) and closed (occupational plans) in two segregated supervisory agencies, generates imbalances in the supply of pension products, not to mention that it hinders competition between different types of retirements saving vehicles.

"The change may bring operational advantages and help reduce the cost of these products." The new agency design, he adds, can also help develop the occupational private pension industry, specially among civil servants.

Public policies

A supervisory agency along the lines suggested by ABRAPP would strengthen public policies focused on supervisory procedures, says Luís Ricardo Martins. Both industries, that is, insurance and pension fund segments, have a common goal, which is to provide social protection for working Brazilians.

However, the new approach requires well-designed policies for products that share this common goal. "We must identify what these products have in common, always bearing in mind that some are more focused on retirement planning than others", highlights Martins.

Risk transfer

The changes under discussion tend to stimulate long-term savings and develop a pension culture, which is still very weak in the country, remarks Actuarial Technical Superintendent of Mongeral Aegon - Pensions and Insurance, Nelson Emiliano.

Widespread lack of knowledge on the importance of long-term savings tend to results in early withdrawals, being therefore necessary to educate the public and offer products with better incentives, adds Emiliano. A single supervisory agency could also become an important interlocutor between the industry and the Federal Revenue Agency in discussing tax matters, for instance, as well as a relevant education agent.

Finally, the expert points out that besides enhancing interaction between open and closed pension fund markets, the new agency would facilitate the access to technology and international reinsurance markets. "This, in turn, may help promote risk transfer mechanisms between insurance companies and pension funds." ■

Benefit plans gain greater *autonomy*

Pension schemes - rather than entities - will be registered independently, requiring immediate adjustment measures in investment, accounting and legal departments

The implementation of a benefit plan register in December 2018, viewed by many as a regulatory breakthrough, will require pension funds to adopt a series of adaptation measures. In order to help associated entities deal with the transition and mitigate costs, ABRAPP has created a Technical Commission dedicated to the issue.

"In principle, we intend to have a better understanding of the difficulties pension funds have been facing so that we can propose actions to help them transition from the current model (whereby entities are registered), minimizing impacts", explains Geraldo de Assis, National Executive Secretary of ABRAPP's Technical Accounting Commissions.

The new model of plan registration will ensure clearer asset segregation and better information disclosure, greater legal certainty, governance improvements and industry development.

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At present, a major hurdle on the operational front is the absence of complementary norms to be issued by the Internal Revenue Service and supervisory agency PREVIC, highlights Antonio Gazzoni, Institutional Director at Mercer Brazil. The main impact should be on investment management, he argues, adding that as far as actuarial aspects are concerned, effects will likely be mild since current calculations and estimates are already segregated by pension plan.

There are many doubts as to how indivisible assets such as real estate and private equity funds should be handled and, in practical terms, how to proceed with asset segregation. Gazzoni points out that it is important that entities start preparing as soon as possible, even though the norm allows for a three-year transition period - until December 2021.

Legal disputes

From the legal standpoint, pension entities should take advantage of the new rule in ongoing legal proceedings regardless of the absence of complementary norms. "Pension funds can use the new regulation in court when it comes to disputes involving obligations of one or more plans managed by the same entity. Plan independence is clearer now", explains Patrícia Linhares, Legal Consultant at ABRAPP.

Legally speaking, the new regulation also facilitates the establishment of multi-sponsored pension funds, notes Linhares. After all, the prospect of full asset segregation between pension schemes makes it easier to promote migrations or create new ones. "This is the motto of the new Resolution, which is intrinsically intertwined with industry development

due to cost effectiveness, now that resources will be clearly allocated to each scheme separately."

Feasible adjustments and transparency

According to Previ-Ericsson pension fund CEO Rogério Tatulli, benefit plan segregation is a major step forward in terms of governance and transparency. Nevertheless, it demands caution from pension managers and trustees. To make things easier on the operational side, the pension entity has set up a current account for each plan and another account solely for the Administrative Management Fund.

The decision has made banking transactions a bit more complex, says Tatulli. "However, this was offset by gains in governance and transparency because everything that goes into the fund's coffers now is automatically allocated to each plan, increasing traceability."

Tatulli points out that governance improvements invariably entail more costs, "but bookkeeping adjustments were feasible in their execution, demanding just a little bit more of attention".

He argues that clearer asset segregation is a great opportunity for better alignment between investments and each plan's profile, leaving virtual allocations behind. He also observes that the level of complexity in the transition to the new model will vary according to each entity's characteristics. However, one thing is certain: there will be greater demand from Information Technology providers to support the new management structure. ■

Results
that exceed
all expectations

Good governance and efficient asset management make public sector pension funds an important driver of industry development

Less than a decade after implementation, complementary pension plans for civil servants have already become one of the main drivers of industry's development. Although many Brazilian states and municipalities still lack enough scale to establish and maintain their own pension funds for public

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employees, the plans already in operation have beaten all projections, with indicators that place them among the largest in the country.

According to ABRAPP's Statistical Database, in 2013, there were two pension entities managing plans for public servants with AuM totaling BRL 50 million[1]. A year later, there were five EFPCs[2], eight plans in operation and BRL 417 million in total assets. In 2016, for the first time, assets under management in civil service pension schemes exceeded BRL 1 billion and, at the end of 2018, the number of entities had gone up to 9 with 13 plans under management and BRL 3.1 billion in total assets.

Ahead of forecasts

Since its establishment, FUNPRESP-EXE pension fund was meant to be the largest one in the country. After all, it provides complementary pension coverage to those who have joined the Executive branch of the Federal Government since 2012.

The entity is already ranked amongst the largest Brazilian pension funds when it comes to the number of active members. Data shows that in February, six years after it started operating, the EFPC had a total of 82,047 members, with aggregate monthly contributions to "ExecPrev" and "LegisPrev" pension plans reaching BRL 78 million. Enrollment rates are around 98% and AuM amount to BRL 1.74 billion.

Yearly nominal rates of return stood at 10.38% in December 2018. In the first quarter of 2019 alone, returns totaled 3.8%. Since the fund was established, it has had 99% accumulated performance. "We have built this fund from scratch and are very happy with the results achieved in such a short time", notes Ricardo Pena, Managing Director of FUNPRESP-EXE.

In the past years, other important benchmarks have been beaten. In October 2018, five years ahead of schedule, the fund managed to strike a balance between revenues and administrative costs. As a result, plan management fees were reduced.

Cuts will be gradual, from 7% (percentage paid by those who have

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1. 1 BRL = 0.26 USD as of June 24, 2019

2. The acronym "EFPC" stands for *Entidade Fechada de Previdência Complementar*. It is used to refer to entities that manage occupational "closed" pension schemes (as opposed to "open" or individual pension plans managed by banks and insurance companies)

In October 2018, five years ahead of schedule, FUNPRESP-EXE pension fund managed to strike a balance between revenues and administrative costs

At state level, one of the exponents is SP-PREVCOM pension fund, which covers 29,000 public servants in the state of Sao Paulo

been in the plan for up to six years) to 5% (between six and eight years of membership) and 3% (minimum of eight years of plan affiliation). Such rate, if one considers a 30-year accumulation period, equates to 0.14% p.a. Presently, the pension entity holds the 8th position among Brazilian largest pension funds with over 60,000 active members.

FUNPRESP-EXE has also begun to pay back the BRL 73 million loan, by way of advanced sponsor contribution, given by the Federal Government in 2013, when the entity was established.

Model Institution

Amarildo Vieira de Oliveira, Managing Director of FUNPRESP-JUD, also celebrates the good results achieved by the pension fund providing complementary pension plans to civil servants from the Judiciary branch. "Within the next two decades we will be among the five largest entities in Brazil in number of active participants, which is no small achievement", he points out.

Currently, the pension fund has just over 18,000 members, BRL 445 million in assets under management and total monthly contributions in the range of BRL 28 million. These

figures have enabled FUNPRESP-JUD to lower management fees from 7% to 6% as of April 1st.

Country dimensions

At state level, one of the exponents is SP-PREVCOM pension fund, which covers 29,000 public servants in the state of Sao Paulo. This number is considered a huge achievement given that the state government has stopped recruiting new personnel due to fiscal adjustment measures.

Without new employees "at home", the entity began to prospect other states and municipalities - without scale or particular interest in establishing their own pension funds - that would be willing to offer complementary retirement benefits to public servants.

"In practice, we manage pension plans for the entire state. When comparing Sao Paulo state figures with those of countries like Argentina, they are clearly very similar: population of 45 million people and 620 billion dollars of GDP. So, when we talk about SP-PREVCOM, we are talking about a multi-sponsored pension fund with country dimensions", argues Carlos Flory, SP-PREVCOM's Managing Director.

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Pension entities managing retirement plans for civil servants worry about the need to offer pension products that meet new members' expectations

New Arrivals

DF-PREVCOM, which covers public servants from the Federal District, Brazil's capital, has just been licensed by the supervisory agency PREVIC, more precisely on March 1st.

Such it is the case of other publicly-sponsored pension funds, new employees are automatically enrolled in the plan, having 90 days to opt out of the scheme. According to Managing Director Regina Dias, the next step is selecting an insurance company to cover risk benefits, which will likely increase participation rates.

Main challenges

Pension entities managing complementary retirement plans for civil servants are aware of the need to offer pension products that meet new members' expectations. Born in the digital era, FUNPRESP-EXE, for instance, strives to promote member engagement through the use of technology with a special focus on younger generations. The pension fund covers more than 120 public service careers, including police officers, teachers, doctors, diplomats, financial analysts and others, totaling 190 different plan sponsors.

"We carry out frequent opinion polls in order to have a better understanding of what members want from us. We also offer a number of communication channels and personalized services in the workplace. Our product is good and acceptance is excellent once you get to know it better", observes Ricardo Pena. Investment profiles are also being implemented in both plans managed by the pension entity (ExecPrev and LegisPrev).

"In the short term, we wish to have an online platform so that plan members can access their benefit statements, change personal information and contract loans, among other operations", says Amarildo Oliveira from FUNPRESP-JUD.

He adds that efforts are being made to implement online procedures in order to facilitate plan enrollment. Most of the fund's governance processes are also being computerized so that precise and safe information can be made available to members and an insurer is being selected to provide for risk benefit coverage.

Ricardo Pena relies on the advantages of occupational pension plans as a competitive differential. As an example, he says that FUNPRESP-EXE has outperformed personal plans in 2018 (10.38% as opposed to 7.19% in nominal returns). Since its establishment, in 2013, the entity recorded 96.76% in accumulated returns against 71.09% in personal plans.   ■

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HIGHLIGHTS - FEBRUARY/2019

More recent population statistics reflects a higher percentage of women who are now retired, as well as an increase in the number of pension beneficiaries in the occupational pension system. We have updated monthly average benefit values paid by EFPCs until December 2018, notably "programmed retirement" type of benefits, which went from BRL 5,970.00 to BRL 6,260.00. In February, average return on fixed income instruments was 0.68%, reaching 74.1% of the system's aggregate portfolio. Variable income segment allocation, in turn, amounted to 17.9% of total assets, yielding -2.63 in the same period. Consolidated EFPC portfolio return reached 1.89% in 2019. The number of active members in industry-wide/professional schemes has gone up, now totaling 419,000 people.

I. AGGREGATED PORTFOLIO BY TYPE OF INVESTMENT (in BRL million)

Asset classes	2012	%	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%	feb/19	%
Fixed Income	396.046	61,7%	386.773	60,4%	431.140	64,2%	483.907	70,7%	546.764	72,4%	592.735	73,6%	635.113	73,4%	646.091	74,1%
Government bonds	98.639	15,4%	67.446	10,5%	83.351	12,4%	105.949	15,5%	131.273	17,4%	142.564	17,7%	155.420	18,0%	151.118	17,3%
Debentures and Private Deposits	32.619	5,1%	26.672	4,2%	27.099	4,0%	24.473	3,6%	23.843	3,2%	21.341	2,7%	17.897	2,1%	18.447	2,1%
SPC (Special Purpose Company)	213	0,0%	186	0,0%	160	0,0%	142	0,0%	139	0,0%	130	0,0%	84	0,0%	80	0,0%
Investments Funds - FI[1]	264.575	41,2%	292.469	45,7%	320.530	47,7%	353.344	51,6%	391.508	51,8%	428.700	53,3%	461.712	53,4%	476.445	54,6%
Variable Income	183.621	28,6%	185.755	29,0%	166.267	24,7%	126.869	18,5%	137.014	18,1%	142.703	17,7%	159.742	18,5%	155.799	17,9%
Stocks	89.404	13,9%	84.213	13,2%	77.026	11,5%	58.445	8,5%	71.536	9,5%	66.706	8,3%	62.999	7,3%	63.189	7,2%
Investments Funds - VI[2]	94.217	14,7%	101.542	15,9%	89.241	13,3%	68.425	10,0%	65.478	8,7%	75.997	9,4%	96.743	11,2%	92.609	10,6%
Structured Investments	17.282	2,7%	19.355	3,0%	22.467	3,3%	19.706	2,9%	16.574	2,2%	13.116	1,6%	12.613	1,5%	12.609	1,4%
Emerging Companies	359	0,1%	346	0,1%	304	0,0%	258	0,0%	326	0,0%	340	0,0%	234	0,0%	220	0,0%
Private Equity	15.016	2,3%	16.819	2,6%	19.546	2,9%	17.422	2,5%	14.342	1,9%	10.963	1,4%	10.575	1,2%	10.593	1,2%
Real State Fund	1.908	0,3%	2.191	0,3%	2.617	0,4%	2.026	0,3%	1.906	0,3%	1.813	0,2%	1.803	0,2%	1.796	0,2%
Real Estate	25.811	4,0%	28.988	4,5%	31.450	4,7%	32.798	4,8%	32.485	4,3%	31.740	3,9%	32.100	3,7%	32.091	3,7%
Transactions with Participants	16.352	2,5%	17.291	2,7%	18.705	2,8%	19.423	2,8%	19.969	2,6%	20.105	2,5%	21.019	2,4%	21.063	2,4%
Loans to Participants	14.593	2,3%	15.685	2,4%	17.217	2,6%	17.950	2,6%	18.546	2,5%	18.746	2,3%	19.632	2,3%	19.686	2,3%
Mortgage Loans	1.760	0,3%	1.606	0,3%	1.488	0,2%	1.473	0,2%	1.424	0,2%	1.360	0,2%	1.387	0,2%	1.377	0,2%
Others[3]	2.613	0,4%	2.165	0,3%	1.901	0,3%	2.213	0,3%	2.289	0,3%	4.405	0,5%	4.605	0,5%	4.629	0,5%
Total	641.725	100,0%	640.328	100,0%	672.054	100,0%	684.916	100,0%	755.096	100,0%	804.803	100,0%	865.191	100,0%	872.282	100,0%

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

II. PENSION FUND ASSET EVOLUTION BY TYPE OF INVESTMENT
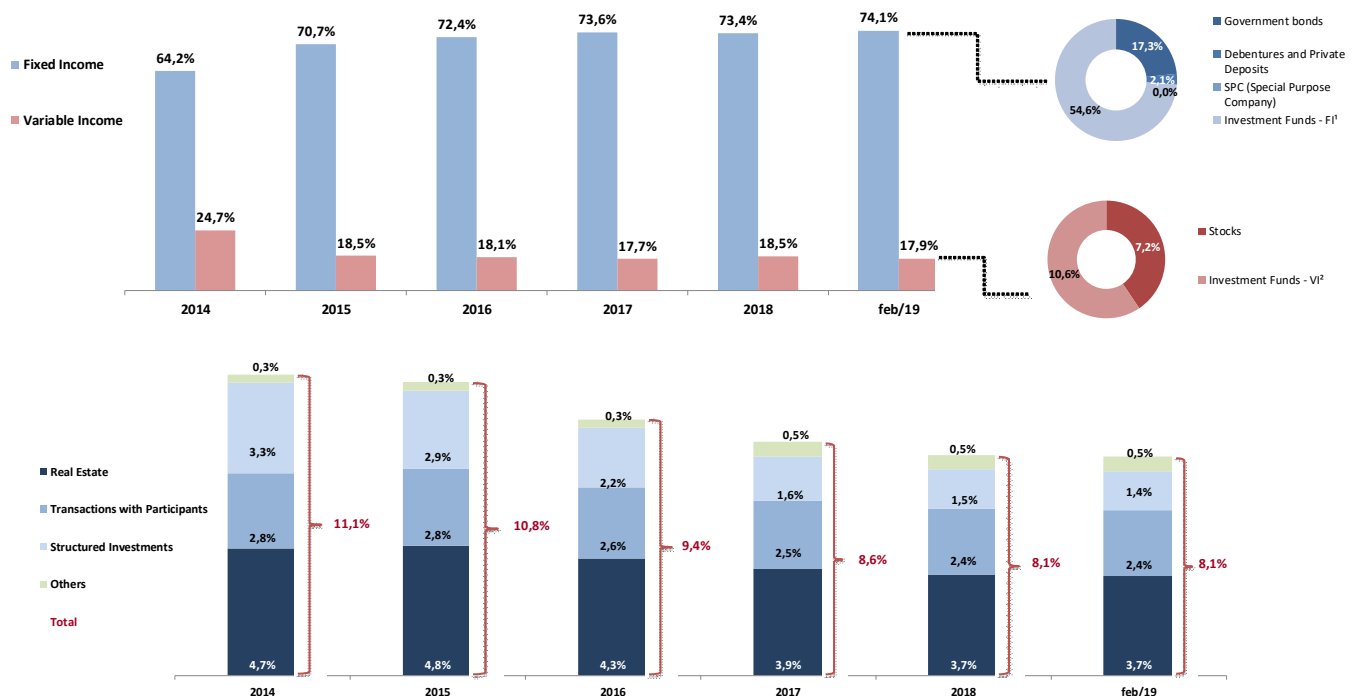
III. PENSION FUND ASSET* EVOLUTION *VERSUS* GDP

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	feb/19
Pension Assets (BRL billion)	515	558	597	668	669	700	718	790	838	900	908
GDP %	15,9%	14,4%	13,7%	14,2%	13,0%	12,7%	12,2%	12,6%	12,8%	13,2%	13,3%

■ Pension Assets (BRL billion) ●— Pension Assets (BRL billion)
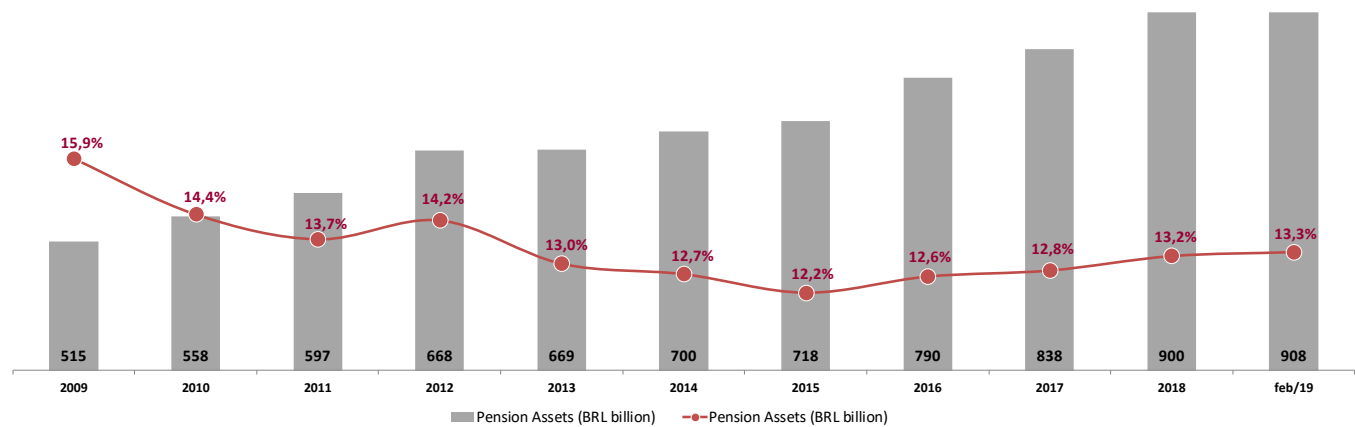
Source: IBGE/ABRAPP
Includes available assets, receivables and permanent assets
GDP refers to the first and second and third and fourth quarters of 2018
* Estimated value

IV. EVOLUTION OF PRIVATE PENSION DEFICITS AND SURPLUSES   (in BRL billion)

	Surplus										Deficit								
	2011	2012	2013	2014	2015	2016	2017	2018	feb/19		2011	2012	2013	2014	2015	2016	2017	2018	feb/19
Pension Funds	187	186	136	138	127	138	141	139	146	Pension Funds	48	33	92	95	92	80	77	78	68
Pension Plans	550	516	402	417	398	438	437	415	430	Pension Plans	153	111	257	237	239	205	193	199	194

DEFICIT CONCENTRATION

- 10 plans
- 20 plans
- 203 plans

80% / 14% / 6%
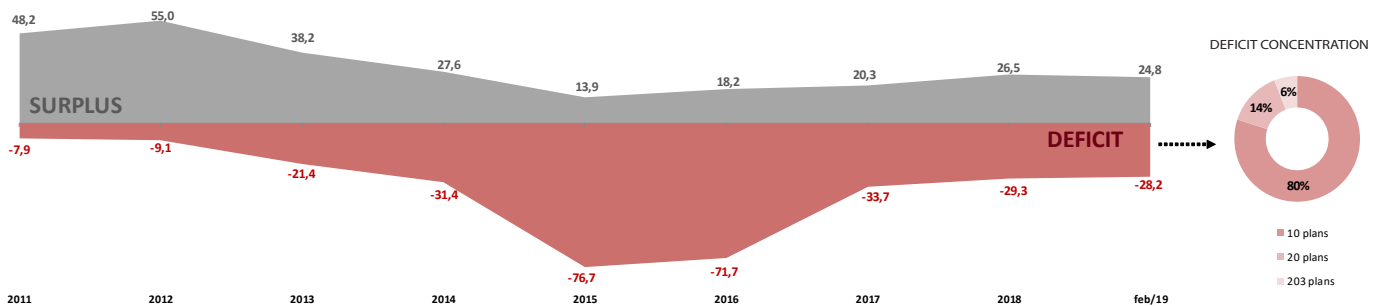
V. REGIONAL COMPARATIVE DATA

Regional*	Number of Pension Funds**	%	Investments (BRL millions)	%	Active Members	%	Dependents	%	Beneficiaries	%
Center-North	32	12,3%	140.052	16,1%	664.320	24,9%	704.747	18,0%	157.974	18,5%
East	15	5,7%	34.824	4,0%	88.047	3,3%	132.957	3,4%	53.487	6,3%
Norheast	22	8,4%	24.132	2,8%	33.851	1,3%	85.678	2,2%	36.498	4,3%
Southeast	44	16,9%	404.318	46,4%	459.274	17,2%	1.253.412	32,0%	337.311	39,5%
Southwest	103	39,5%	207.877	23,8%	1.113.701	41,7%	1.243.479	31,8%	203.693	23,9%
South	45	17,2%	61.078	7,0%	312.034	11,7%	491.345	12,6%	64.865	7,6%
Total	261	100,0%	872.281	100,0%	2.671.227	100,0%	3.911.618	100,0%	853.828	100,0%

* Regional Composition: Center-North - RO, AM, RR, AP, GO, DF, AC, MA, MT, MS, PA, PI and TO. East - MG. Northeast - AL, BA, CE, PB, PE, RN and SE. Southeast - RJ and ES. Southwest - SP. South - PR, SC and RS.
** Pension Funds of the sample / Note: Number of active Pension Funds by region according to Quarterly Statistics (Dec/18) - PREVIC: Center-North = 37, East = 16, Northeast = 26, Southeast = 50, Southwest =115 South = 52 -> (Total = 296)

VI. COMPARATIVE DATA BY TYPE OF SPONSOR

Sponsorship	Number of Pension Funds*	%	Investments (BRL millions)	%	Active Members	%	Dependents	%	Beneficiaries	%
Industry/Professional Funds**	18	6,9%	8.930	1,0%	229.571	8,6%	450.333	11,5%	7.478	0,9%
Private	161	61,7%	332.751	38,1%	1.692.419	63,4%	2.082.853	53,2%	363.328	42,6%
Public	82	31,4%	530.600	60,8%	749.237	28,0%	1.378.432	35,2%	483.022	56,6%
Total	261	100,0%	872.281	100,0%	2.671.227	100,0%	3.911.618	100,0%	853.828	100,0%

* Pension Funds of the sample / Obs .: Number of active Pension Funds by type of Sponsorship according to Quarterly Statistics (Dec/18) - PREVIC: Institution = 21, Private = 186 and Public = 89 -> (Total = 296)
** Investment and population data also refer to other industry/professional pension plans managed by multi-sponsored funds

VII. RETURNS

Period	CDI[2]	IMA General[4]	Ibovespa[3]	TMA/TJP[1]	Pension Funds*
2005	19,00%	18,19%	27,73%	11,35%	19,05%
2006	15,03%	17,53%	32,93%	8,98%	23,45%
2007	11,87%	12,63%	43,65%	11,47%	25,88%
2008	12,38%	12,69%	-41,22%	12,87%	-1,62%
2009	9,88%	12,90%	82,66%	10,36%	21,50%
2010	9,77%	12,98%	1,04%	12,85%	13,26%
2011	11,58%	13,65%	-18,11%	12,44%	9,80%
2012	8,40%	17,72%	7,40%	12,57%	15,37%
2013	8,06%	-1,42%	-15,50%	11,63%	3,28%
2014	10,82%	12,36%	-2,91%	12,07%	7,07%
2015	13,26%	9,32%	-13,31%	17,55%	5,22%
2016	14,01%	20,99%	38,94%	13,60%	14,56%
2017	9,93%	12,82%	26,86%	8,86%	11,36%
2018	6,42%	10,05%	15,03%	10,14%	12,30%
feb/19	0,49%	0,48%	-1,86%	1,06%	0,08%
2019	1,04%	2,40%	8,76%	1,95%	1,89%
12 months	6,41%	9,95%	11,99%	10,63%	10,94%
Accumulated	358,87%	460,36%	264,95%	391,53%	438,95%
Accumulated per year	11,35%	12,94%	9,57%	11,90%	12,63%
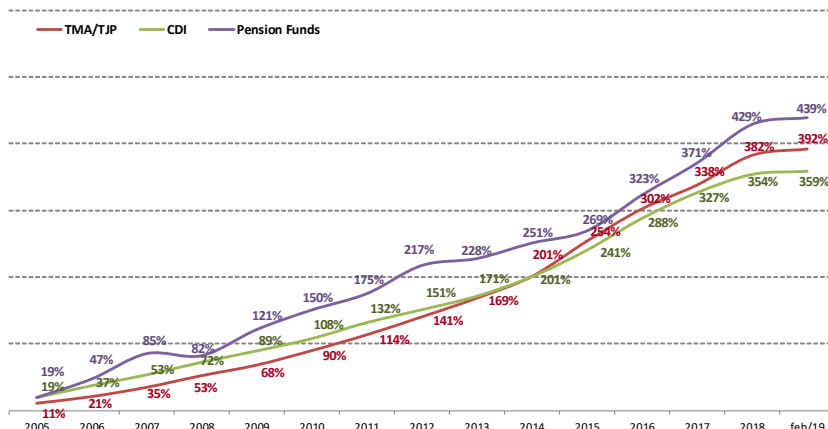
(1) TMA -> Maximum Actuarial Rate (until dec/14) according to CNPC Resolution n.9 from 11/29/2012.
   TJP -> Parameter Interest Rate (CPI + upper limit of 5.65 % pa considering a duration of 10 years - according to IN No. 19/2014 and Decree No. 197 from 04.14.2015 PREVIC until dec/15); (CPI + upper limit of 6.59 % pa considering a duration of 10 years - according to Decree No. 186 from 28.04.2016 PREVIC); (CPI + upper limit of 6.66 % pa considering a duration of 10 years - according to Decree No. 375 from 17.04.2017 PREVIC); (CPI + upper limite of 6.39 % pa considering a duration of 10 years - according to Decree No. 363 from 26.04.2018 PREVIC)
(2) CDI -> Interbank Deposit Rate
(3) Ibovespa -> Stock Index
(4) IMA General -> ANBIMA Market Index
*Estimated

Source: ABRAPP / BACEN / IPEADATA

VIII. PENSION FUND QUARTERLY RESULTS - AGGREGATE
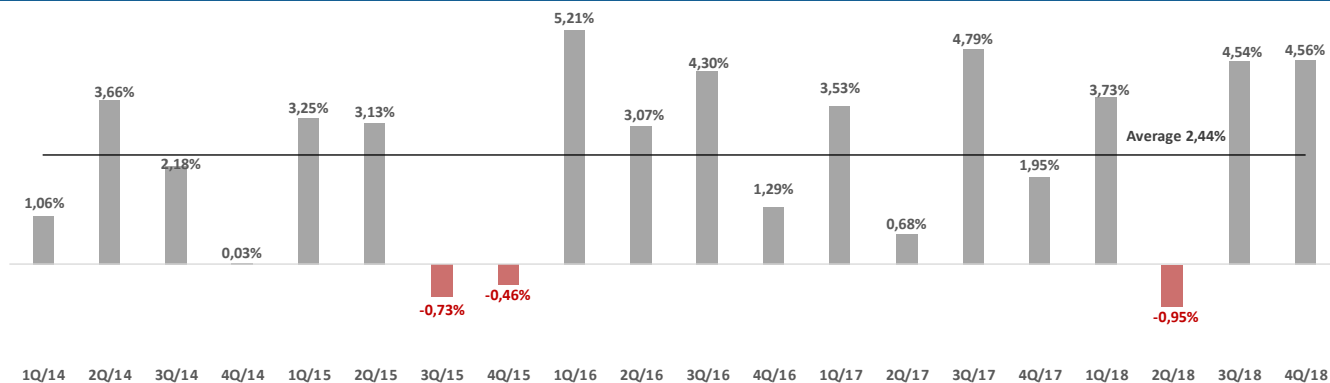
IX. AGGREGATE PORTFOLIO ALLOCATION BY PLAN TYPE

Segment	Defined Benefit			Defined Contribution			Variable Contriibution		
	BRL millions	% Modality	% Segment	BRL millions	% Modality	% Segment	BRL millions	% Modality	% Segment
Fixed Income	357.575	67,0%	56,5%	103.155	90,5%	16,3%	171.896	81,8%	27,2%
Variable Income	122.386	22,9%	78,8%	8.617	7,6%	5,5%	24.382	11,6%	15,7%
Structured Investments	9.160	1,7%	72,8%	499	0,4%	4,0%	2.922	1,4%	23,2%
Real Estate	28.271	5,3%	88,4%	440	0,4%	1,4%	3.271	1,6%	10,2%
Transactions with Participants	13.135	2,5%	62,4%	1.103	1,0%	5,2%	6.826	3,2%	32,4%
Others	3.538	0,7%	76,9%	215	0,2%	4,7%	847	0,4%	18,4%
Total	534.065	100,0%	62,2%	114.029	100,0%	13,3%	210.144	100,0%	24,5%

Note: Are considered the investments of the pension plans

X. ESTIMATED RETURN BY PLAN TYPE
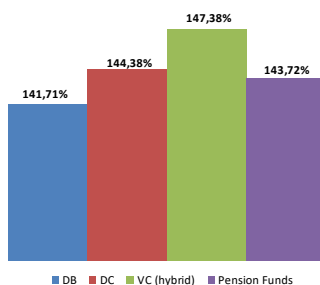
Period	Defined Benefit	Defined Contribution	Variable Contriibution	Pension Funds
2010	13,79%	9,76%	11,67%	13,26%
2011	10,04%	8,62%	9,96%	9,80%
2012	15,38%	14,90%	15,56%	15,37%
2013	3,96%	0,66%	1,52%	3,28%
2014	6,15%	10,22%	8,78%	7,07%
2015	3,15%	10,69%	9,32%	5,22%
2016	14,10%	16,40%	15,23%	14,56%
2017	11,68%	11,95%	10,36%	11,36%
2018	13,72%	8,72%	10,54%	12,30%
feb/19	-0,13%	0,34%	0,41%	0,08%
2019	1,44%	2,52%	2,72%	1,89%
Accumulated	141,71%	144,38%	147,38%	143,72%

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	Transactions with Participants	Others
Up to 100 million	32	94,3%	1,9%	0,0%	1,0%	0,3%	2,5%
100 million to 500 million	78	88,8%	6,9%	0,5%	1,4%	0,9%	1,6%
500 million to 2 billion	88	88,8%	6,7%	1,0%	1,7%	1,2%	0,5%
2 billion to 10 billion	51	86,6%	7,8%	1,5%	2,1%	1,5%	0,5%
Above 10 billion	13	81,4%	10,4%	1,8%	3,8%	2,3%	0,3%
Consolidated	262	88,7%	6,6%	0,9%	1,7%	1,1%	1,1%

Percentage of Assets not allocated in the Fixed Income segment

5,7	11,2%	11,2%	13,4%	18,6%	11,3%
Up to 100 million	100 million to 500 million	500 million to 2 billion	2 billion to 10 billion	Above 10 billion	Consolidated
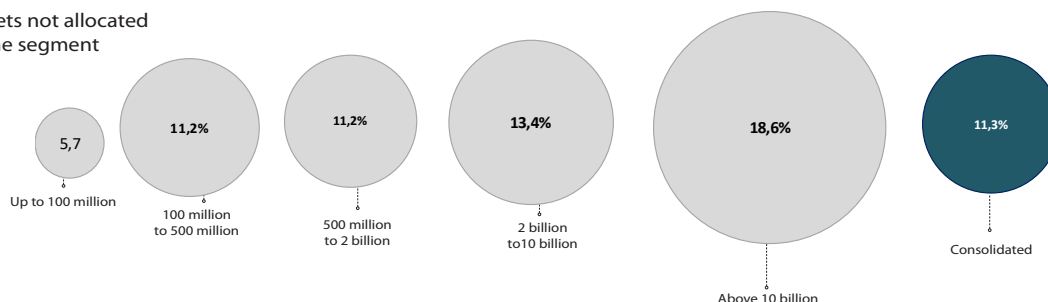
XII. TOP 15 LARGEST PENSION PLANS

DEFINED BENEFIT

	Plan	Pension Fund	Investments (BRL thousand)
1	PB1	PREVI	183.420.417
2	REG/REPLAN	FUNCEF	48.941.180
3	PPSP	PETROS	38.575.193
4	PLANO BD	REAL GRANDEZA	14.723.824
5	PBB	FAPES	12.697.370
6	PBS-A	SISTEL	11.625.919
7	PLANO BD	VALIA	11.278.787
8	PLANO PETROS DO SIST. PETROBRÁS	PETROS	10.366.887
9	PSAP/ELETROPAULO	FUNCESP	9.354.076
10	PAC	FUNDAÇÃO ITAÚ UNIBANCO	8.000.782
11	PLANO V	BANESPREV	6.905.767
12	A	FORLUZ	6.060.053
13	PBB	CENTRUS	6.001.715
14	PLANO BANESPREV II	BANESPREV	5.923.531
15	PSAP/CESP B1	FUNCESP	5.781.322

DEFINED CONTRIBUTION

	Plan	Pension Fund	Investments (BRL thousand)
1	PLANO ITAUBANCO CD	FUNDAÇÃO ITAÚ UNIBANCO	10.493.584
2	PLANO DE BENEFÍCIOS VISÃO	VISÃO PREV	5.300.564
3	IBM - CD	FUNDAÇÃO IBM	4.392.895
4	PLANO DE APOS.SANTANDERPREVI	SANTANDERPREVI	3.844.070
5	PLANO	ODEBRECHT PREVIDÊNCIA	3.264.154
6	PLANO CD GERDAU	GERDAU PREVIDÊNCIA	3.201.055
7	CEEEPREV	ELETROCEEE	3.066.000
8	EMBRAER PREV	EMBRAER PREV	2.988.485
9	VIVAPREV	FUNDAÇÃO VIVA DE PREVIDÊNCIA	2.866.586
10	01-B	PREVINORTE	2.852.799
11	PLANO PRECAVER	QUANTA - PREVIDÊNCIA	2.832.204
12	PAI-CD	FUNDAÇÃO ITAÚSA	2.666.969
13	PLANO DE APOSENTADORIA	UNILEVERPREV	2.480.860
14	PREVDOW	PREVDOW	2.108.715
15	CD ELETROBRÁS	ELETROS	1.947.312

VARIABLE CONTRIBUTION

	Plan	Pension Fund	Investments (BRL thousand)
1	PLANO PETROS-2	PETROS	22.935.890
2	NOVO PLANO	FUNCEF	15.880.967
3	PREVI FUTURO	PREVI	15.540.022
4	B	FORLUZ	9.966.897
5	PLANO VALE MAIS	VALIA	9.091.376
6	PPCPFL	FUNCESP	5.176.653
7	TELEMARPREV	FUNDAÇÃO ATLÂNTICO	5.022.466
8	POSTALPREV	POSTALIS	4.877.778
9	PCV I	TELOS	4.701.163
10	TCSPREV	FUNDAÇÃO ATLÂNTICO	4.626.319
11	PLANO	PREVI-GM	4.453.368
12	PLANO RFFSA	FUNDAÇÃO REFER	3.902.979
13	PS-II	SERPROS	3.544.810
14	PACV	INFRAPREV	3.333.988
15	CD	FACHESF	3.315.754

INDUSTRY/PROFESSIONAL FUNDS

	Plan	Pension Fund	Investments (BRL thousand)
1	VIVAPREV	FUNDAÇÃO VIVA DE PREVIDÊNCIA	2.866.586
2	PLANO PRECAVER	QUANTA - PREVIDÊNCIA	2.832.204
3	SICOOB MULTI INSTITUÍDO	SICOOB PREVI	840.423
4	UNIMED-BH	MULTICOOP	815.007
5	OABPREV-SP	OABPREV-SP	756.113
6	ANAPARPREV	PETROS	551.222
7	PBPA	OABPREV-PR	370.087
8	PLANJUS	JUSPREV	244.301
9	PBPA	OABPREV-MG	186.423
10	PBPA	OABPREV-SC	171.277
11	RJPREV	OABPREV-RJ	151.465
12	PREVCOOP	QUANTA - PREVIDÊNCIA	144.236
13	ACRICELPREV	MULTIBRA INSTITUIDOR	142.547
14	COOPERADO	MULTICOOP	127.690
15	TECNOPREV	BB PREVIDÊNCIA	118.953

XIII. INDUSTRY/PROFESSIONAL PENSION FUNDS ASSET EVOLUTION*

Legend:
- Industry/Professional plans managed by Multi-sponsored pension funds
- Industry/Professional plans managed by Industry/Professional pension funds
- Total
- Active members (thousand)

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

Chart values:
- 2005: 18,1; Total 36; 18,1
- 2010: 84,9; 1.018; 363 / 655
- 2013: 224,7; 2.431; 709 / 1.722
- feb/19: 419,0; 11.361; 2.866 / 8.495

Industry/Professional plans	2005	2010	2013	2017	feb/19
Industry/Professional plans managed by Industry/Professional pension funds (Qty)	18	18	22	22	23
Industry/Professional plans managed by Multi-sponsored pension funds (Qty)	-	28	34	37	38

XIV. PUBLIC EMPLOYEES PENSION FUNDS ASSET EVOLUTION*

Chart values (Qty Plans / Qty Pension Funds / Asset):
- 2013: 3 / 2 / 50
- 2014: 8 / 5 / 417
- 2015: 9 / 6 / 774
- 2016: 11 / 8 / 1.280
- 2017: 13 / 9 / 1.977
- 2018: 13 / 9 / 3.108
- feb/19: 15 / 9 / 3.311

Legend: Asset (R$ mi) — Qty Pension Funds — Qty Plans

* In BRL million

XV. LIABILITIES

Percentage values of Mathematical Reserves

- Defined Benefit: 16,4% / 83,6%
- Defined Contribution: 68,1% / 31,9%
- Variable Contribution: 64,3% / 35,7%
- Pension Funds: 33,1% / 66,9%

Legend: Benefit Granted — Benefits Grant
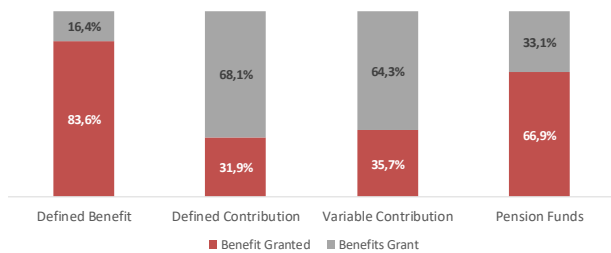
Percentage of Pension Funds and Pension Plans
% of Mathematical Reserves committed to Present Benefit Obligations

Type	Number of Plan	Up to 25%	25% to 50%	50% to 75%	75% to 100%
Defined Benefit	261	3,8%	10,3%	20,3%	65,5%
Defined Contribution	371	75,5%	14,3%	7,3%	3,0%
Variable Contribution	278	43,5%	31,7%	16,9%	7,9%
Pension Funds	258	28,3%	26,7%	27,5%	17,4%

* Only Pension Funds with available data were considered

XVI. BENEFIT STATEMENT

Type of Benefit	Total amount[1] (in BRL thousand)	Average Monthly Benefit Values[2] (in BRL)
Programmed Retirement	32.028.688	6.262
Disability pensions	1.178.307	2.727
Pensions	4.645.164	2.962

Note: The amount of benefits paid , while also considering the Continuous Cash aid , annuities and other benefits of Continuous Cash was in BRL 53 billion (dec/18).

- Programmed Retirement: 6.262
- Disability pensions: 2.727
- Pensions: 2.962

Legend: ■ Programmed Retirement ■ Disability pensions ■ Pensions
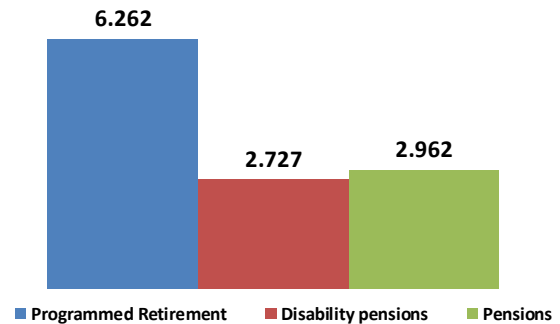
[1] Accumulated as of dec 2018, considering a sample with 110 Pension Funds
[2] Accumulated average until dec 2018 (in BRL).

XVII. POPULATION STATISTICS*

AGE	Members*		Beneficiaries*		Pension Beneficiaries*	
	Male	Female	Male	Female	Male	Female
Up to 24	4,7%	3,3%	0,0%	0,0%	2,6%	2,6%
25 to 34	15,7%	9,0%	0,0%	0,0%	0,6%	0,9%
35 to 54	34,4%	18,8%	3,3%	2,5%	1,7%	7,9%
55 to 64	7,6%	3,2%	25,7%	15,0%	1,7%	16,4%
65 to 74	1,6%	0,7%	25,7%	9,2%	1,4%	23,7%
75 to 84	0,6%	0,3%	11,1%	1,8%	0,6%	21,0%
Over 85	0,2%	0,1%	2,7%	2,9%	0,3%	18,7%
Total	64,6%	35,4%	68,6%	31,4%	8,8%	91,2%

*Data from 2018/ Sample with 2 million people

Members: Male 65% / Female 35%
Beneficiaries: Male 69% / Female 31%
Pension Beneficiaries: Male 9% / Female 91%

Legend: ■ Male ■ Female
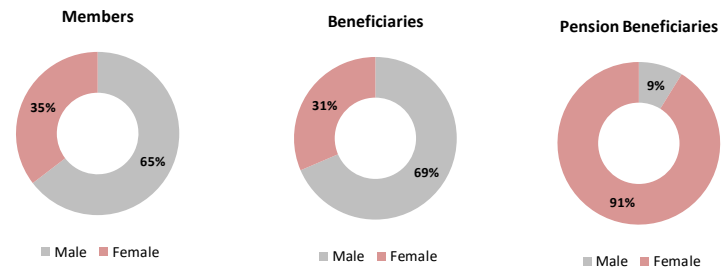
Pension Fund Maturity* - Evolution

- 2018: 24,2%
- 2017: 24,8%
- 2014: 22,3%
- 2006: 24,7%
- 1996: 13,5%

*Number of benefit (retirees and pension beneficiaries) divided by the sum of active and retired members
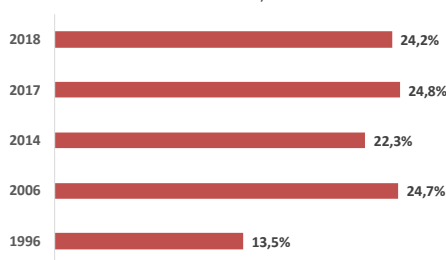
Maturity Level by Plan Type

- DB: 45,8%
- DC: 5,1%
- VC: 13,2%
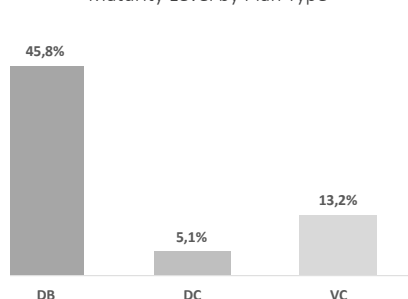
Percentage of Pension Funds and Plans according to Maturity

Type	Number of Pension Funds/ Plan	Up to 25%	25% to 50%	50% to 75%	75% to 100%
Defined Benefit	287	16%	12%	18%	54%
Defined Contribution	388	89%	7%	2%	2%
Variable Contribution	326	73%	14%	7%	6%
Pension Funds	313	59%	20%	12%	9%

XVIII. PENSION FUND RANKING

	PENSION FUNDS	INVESTMENTS (in BRL thousand)	ACTIVE MEMBERS	DEPENDENTS	BENEFICIARIES	Reference Year Population
1	PREVI	200.489.538	89.032	245.617	104.797	2018
2	PETROS	76.496.378	71.353	305.454	73.337	2018
3	FUNCEF	67.283.851	100.916	201.858	55.550	2018
4	FUNCESP	29.909.990	16.100	48.099	32.124	2018
5	FUND. ITAÚ UNIBANCO	27.258.422	33.767	2.557	20.447	2018
6	VALIA	23.317.258	74.929	298.489	23.143	2018
7	SISTEL	18.585.425	1.673	24.956	23.508	2018
8	BANESPREV	17.634.692	3.325	22.789	25.741	2018
9	REAL GRANDEZA	16.261.271	3.543	18.195	9.210	2018
10	FORLUZ	16.080.567	6.948	29.556	15.181	2018
11	FAPES	12.917.421	2.910	7.509	2.156	2017
12	FUNDAÇÃO ATLÂNTICO	10.788.492	10.936	46.995	16.070	2018
13	PREVIDÊNCIA USIMINAS	9.143.167	16.709	51.733	20.589	2018
14	TELOS	8.094.615	6.776	24.800	7.108	2018
15	POSTALIS	7.933.380	95.806	106.010	37.971	2018
16	MULTIBRA	7.624.769	58.126	96.122	9.473	2018
17	CERES	7.443.504	14.463	22.871	7.553	2018
18	FACHESF	7.237.442	5.086	15.258	9.792	2018
19	CENTRUS	7.001.349	547	1.559	1.519	2018
20	BB PREVIDÊNCIA	6.720.852	132.411	71.548	3.080	2018
21	ELETROCEEE	6.597.005	6.941	13.973	9.269	2018
22	VISÃO PREV	6.562.794	13.160	14.881	5.633	2014
23	ECONOMUS	6.377.296	10.281	18.018	8.867	2018
24	MULTIPREV	6.004.212	47.131	44.138	2.079	2018
25	SERPROS	5.840.744	9.641	24.664	4.512	2017
26	FUNDAÇÃO REFER	5.670.477	4.158	36.664	26.030	2018
27	CBS PREVIDÊNCIA	5.376.982	20.685	31.467	13.481	2018
28	FUNDAÇÃO IBM	5.108.677	9.380	13.049	1.368	2018
29	FUNDAÇÃO BANRISUL	5.001.819	10.936	16.241	7.492	2018
30	ELETROS	4.862.891	3.200	7.749	2.450	2018
31	CAPEF	4.688.039	7.003	14.104	5.239	2018
32	FUNBEP	4.516.955	701	7.931	5.696	2018
33	PREVI-GM	4.455.706	23.248	8.228	3.027	2017
34	PREVINORTE	4.079.401	5.478	6.342	1.709	2018
35	GERDAU PREVIDÊNCIA	3.999.689	14.398	21.597	2.836	2016
36	SANTANDERPREVI	3.850.861	41.940	1.325	1.235	2017
37	FIBRA	3.790.648	1.391	4.016	1.845	2018
38	BRF PREVIDÊNCIA	3.683.506	45.611	81.028	7.084	2018
39	INFRAPREV	3.505.642	9.029	14.405	4.318	2017
40	FUNDAÇÃO LIBERTAS	3.401.281	16.847	2.103	4.440	2018
41	BRASLIGHT	3.396.757	4.836	12.337	5.557	2018
42	FUNSSEST	3.369.948	6.327	-	2.919	2018
43	CITIPREV	3.343.954	8.531	-	1.192	2018
44	NUCLEOS	3.304.401	3.206	6.098	1.583	2018
45	ODEBRECHT PREVIDÊNCIA	3.271.351	15.951	-	780	2018
46	UNILEVERPREV	3.209.374	11.082	645	1.515	2018
47	ELOS	3.185.532	1.298	3.370	3.008	2018
48	QUANTA - PREVIDÊNCIA	3.064.898	67.033	130.945	326	2018
49	EMBRAER PREV	2.993.881	17.902	12.168	953	2016
50	FUND. VIVA DE PREV.	2.939.268	47.044	134.713	5.903	2018
51	FUNEPP	2.915.788	25.071	12.898	242	2018
52	SABESPREV	2.915.036	13.616	37.864	7.736	2018
53	VWPP	2.912.420	46.503	58.998	1.963	2017
54	FUNDAÇÃO ITAÚSA	2.910.180	5.264	10.985	1.067	2018
55	CELOS	2.694.804	3.511	8.885	5.378	2018
56	ITAÚ FUNDO MULTI	2.637.009	29.116	6.817	822	2014
57	REGIUS	2.606.124	4.308	3.907	1.271	2018
58	METRUS	2.523.905	9.254	18.667	3.574	2018
59	ICATUFMP	2.509.297	28.566	32.719	2.436	2018
60	PREVIRB	2.500.013	516	1.729	1.556	2018
61	FUSESC	2.345.120	2.238	9.520	5.094	2018
62	MÚLTIPLA	2.177.150	23.123	18.221	666	2014
63	PREVDOW	2.109.778	3.340	5.003	715	2018
64	PREVIBAYER	1.948.152	6.459	-	2.054	2017
65	FUNSEJEM	1.936.313	21.648	25.009	836	2018
66	GEBSA-PREV	1.896.534	7.554	11.345	227	2014
67	FAELBA	1.867.069	3.614	11.245	2.438	2018
68	BANDEPREV	1.851.504	142	1.645	1.913	2018
69	INSTITUTO AMBEV	1.829.741	4.984	942	1.850	2014
70	JOHNSON & JOHNSON	1.808.052	5.749	6.842	973	2018
71	ENERPREV	1.787.525	4.498	9.460	1.984	2014
72	BANESES	1.718.877	513	538	-	2018
73	FUNDAÇÃO CORSAN	1.675.124	5.388	10.811	3.770	2017
74	FASC	1.631.411	6.165	7.697	780	2018
75	FUNDAÇÃO PROMON	1.619.448	1.161	4.458	757	2018
76	PREVI-SIEMENS	1.601.059	6.470	9.492	1.412	2018
77	FUSAN	1.577.985	6.746	13.851	2.792	2018
78	PRECE	1.561.530	3.358	5.989	7.416	2018
79	FUNPRESP-EXE	1.497.077	69.121	-	33	2018
80	PRHOSPER	1.485.365	3.244	2.467	1.560	2014
81	PREVDATA	1.480.579	3.183	7.718	1.719	2018
82	HP PREV	1.470.874	3.356	182	396	2018
83	FIPECQ	1.428.003	1.585	4.670	446	2018
84	PREVIG	1.426.533	2.132	2.048	837	2018
85	PREVI-ERICSSON	1.400.215	2.734	643	884	2018
86	FORD	1.389.586	12.625	20	698	2014
87	FACEB	1.376.774	926	2.797	1.536	2018
88	PREVISC	1.342.228	13.834	23.001	1.399	2018
89	BASF	1.333.334	3.918	3.718	583	2018
90	SÃO BERNARDO	1.316.671	13.061	8.293	1.430	2017
91	FAELCE	1.305.969	1.085	3.885	2.363	2018
92	SYNGENTA PREVI	1.233.721	2.799	4.782	291	2018
93	CIBRIUS	1.217.566	2.996	4.091	2.008	2017
94	PREVUNIÃO	1.205.822	4.901	8.356	759	2017
95	WEG	1.187.120	19.553	13.646	537	2018
96	BRASILETROS	1.185.255	1.158	4.942	2.613	2016
97	CARGILLPREV	1.167.427	8.873	12.682	278	2018
98	ISBRE	1.156.154	411	1.196	508	2018
99	SP-PREVCOM	1.139.058	23.575	10.555	301	2018
100	IAJA	1.134.504	5.619	10.147	1.066	2017
101	SÃO RAFAEL	1.117.491	1.118	2.350	772	2018
102	PREVI NOVARTIS	1.105.403	2.765	-	530	2017
103	DESBAN	1.042.697	336	1.001	575	2018
104	ENERGISAPREV	1.021.205	4.676	9.136	1.005	2018
105	MULTICOOP	1.014.885	8.015	12.087	62	2018
106	ABRILPREV	1.011.773	2.018	7.519	665	2018
107	AGROS	997.989	5.501	6.541	817	2018
108	PREVIBOSCH	983.770	9.565	11.968	1.131	2018
109	BASES	957.759	408	1.063	1.510	2018
110	MBPREV	945.707	11.886	2.299	781	2017
111	SICOOB PREVI	941.395	128.592	32.823	699	2018
112	CELPOS	924.633	1.665	4.585	3.391	2017
113	PREVSAN	921.622	2.649	12.881	1.856	2018
114	ECOS	900.548	66	901	729	2018
115	DUPREV	887.774	2.784	431	255	2014
116	FUNDAMBRAS	875.964	7.749	1.246	892	2018
117	FUNDIÁGUA	869.074	3.235	7.191	1.875	2018
118	ULTRAPREV	863.430	9.458	2.763	170	2014
119	COMSHELL	857.033	1.403	2.490	518	2018
120	SEBRAE PREVIDÊNCIA	843.016	6.798	7.373	282	2018
121	CYAMPREV	841.104	nd	nd	nd	nd
122	PLANEJAR	838.991	4.720	7.080	543	2018
123	COMPESAPREV	826.836	2.817	5.552	2.518	2018
124	SERGUS	810.193	925	1.530	578	2018
125	FUND. SÃO FRANCISCO	808.476	1.356	1.972	854	2018
126	OABPREV-SP	796.073	49.305	79.462	194	2018
127	ALCOA PREVI	762.364	6.110	12.226	160	2014
128	FASCEMAR	760.714	3.919	4.864	1.508	2018
129	CAPAF	754.642	1.815	3.209	2.138	2018
130	PREVICAT	744.433	1.878	-	862	2018
131	FABASA	738.765	4.316	14.880	696	2018
132	ELETRA	710.449	1.145	3.081	1.243	2018

XVIII. PENSION FUND RANKING

	PENSION FUNDS	INVESTMENTS (in BRL thousand)	ACTIVE MEMBERS	DEPENDENTS	BENEFICIARIES	Reference Year Population
133	VIKINGPREV	701.489	3.924	73	310	2018
134	PREVIPLAN	668.026	2.341	6.467	489	2018
135	PREVICOKE	658.920	851	39	167	2017
136	FACEAL	640.900	1.190	-	710	2018
137	MSD PREV	634.780	1.154	1.774	212	2018
138	MAIS VIDA PREVIDÊNCIA	633.419	1.139	1.905	127	2018
139	PREVEME	632.430	2.340	19	688	2018
140	PREVMON	627.385	2.945	5.017	87	2018
141	FGV-PREVI	626.215	2.227	2.482	139	2017
142	PREVHAB	615.948	4	533	595	2018
143	PORTOPREV	609.693	5.893	12.185	167	2018
144	PREVIM-MICHELIN	566.073	5.463	8.195	256	2018
145	MULTIBRA INSTITUIDOR	539.403	3.062	4.740	309	2018
146	GOODYEAR	514.835	5.116	7.673	431	2017
147	FAPERS	508.735	1.635	2.892	821	2018
148	BUNGEPREV	508.169	10.810	16.221	270	2018
149	INDUSPREVI	506.370	2.714	3.970	600	2017
150	GASIUS	502.231	29	674	1.048	2018
151	SEGURIDADE	495.544	1.821	705	366	2018
152	FACEPI	492.187	920	1.584	972	2018
153	ABBPREV	490.870	4.233	2.137	230	2018
154	DERMINAS	487.913	5.844	-	4.075	2018
155	SUPREV	485.962	3.733	3.222	1.048	2018
156	CP PREV	470.904	3.875	5.855	119	2018
157	FAPA	459.771	847	2.382	302	2014
158	CARREFOURPREV	458.999	63.716	42.559	178	2018
159	PFIZER PREV	442.101	2.383	1.022	157	2017
160	FUTURA	437.275	1.144	1.662	399	2018
161	POUPREV	434.704	1.236	1.877	90	2017
162	PORTUS	425.693	1.344	13.537	8.328	2018
163	CASFAM	423.151	5.206	2.766	908	2018
164	MENDESPREV	410.830	45	619	455	2018
165	CAPESESP	409.093	36.241	8.556	683	2018
166	CIFRÃO	408.211	661	1.219	1.059	2018
167	PREVIDEXXONMOBIL	407.246	1.953	2.730	105	2018
168	RANDONPREV	405.570	9.946	17.718	252	2018
169	PREVCUMMINS	398.896	2.196	41	211	2018
170	PREV PEPSICO	398.292	10.269	14.771	120	2018
171	PREVISCÂNIA	397.713	4.432	6	214	2017
172	ALPAPREV	394.616	19.834	21.986	191	2018
173	PREVIP	389.658	4.236	7.538	109	2017
174	LILLY PREV	385.843	836	1.292	262	2018
175	UNISYS PREVI	384.711	948	2	44	2017
176	P&G PREV	383.750	6.063	9.096	201	2018
177	PREVINDUS	380.679	7.729	5.033	1.105	2018
178	OABPREV-PR	372.062	14.996	19.866	98	2018
179	FAECES	366.357	1.027	2.074	957	2018
180	VOITH PREV	364.540	2.047	3.058	118	2014
181	KPMG PREV	362.864	5.374	8.042	64	2014
182	CABEC	361.566	39	1.609	1.150	2018
183	RAIZPREV	357.918	27.000	40.418	45	2018
184	MAUÁ PREV	350.916	2.702	4.052	109	2014
185	DANAPREV	345.683	4.781	7.169	129	2018
186	FASERN	344.807	792	1.979	523	2018
187	TETRA PAK PREV	331.548	2.093	3.235	64	2018
188	EATONPREV	315.477	4.200	5.679	218	2018
189	MERCERPREV	292.844	1.846	2.771	30	2018
190	CASANPREV	289.135	1.483	3.432	502	2018
191	SOMUPP	277.844	-	-	128	2018
192	PREVEME II	277.613	3.924	6.883	180	2018
193	PREVICEL	275.341	851	1.187	156	2018
194	MERCAPREV	268.498	1.387	2.071	73	2014
195	SUPRE	258.897	464	1.254	409	2018
196	ROCHEPREV	255.979	1.237	1.600	58	2017
197	AVONPREV	248.819	4.772	759	109	2018
198	BOTICÁRIO PREV	246.416	8.020	11.226	32	2018
199	JUSPREV	244.441	2.842	4.632	10	2014
200	TOYOTA PREVI	239.271	5.281	7.897	40	2018
201	FUCAP	239.166	1.085	1.665	299	2018
202	CAPOF	237.254	86	414	412	2018
203	PREVIHONDA	228.745	829	450	143	2018
204	FIOPREV	224.610	65	112	91	2018
205	INSTITUTO GEIPREV	224.440	50	236	318	2018
206	CARBOPREV	221.566	515	772	172	2018
207	CAGEPREV	205.528	1.378	1.807	81	2018
208	FAÇOPAC	193.899	1.402	1.671	183	2018
209	OABPREV-MG	188.441	8.743	15.085	106	2017
210	ALPHA	187.386	1.032	2.190	192	2014
211	FAPECE	174.967	290	-	155	2018
212	OABPREV-SC	173.159	8.204	13.413	88	2018
213	FUMPRESC	167.281	560	1.152	388	2018
214	PREVBEP	153.103	33	181	155	2018
215	OABPREV-RJ	151.705	6.872	12.587	192	2018
216	VISTEON	136.346	2.309	17	88	2017
217	SIAS	136.272	7.331	5.140	769	2018
218	RECKITTPREV	132.499	1.648	12	64	2018
219	CAFBEP	122.706	1.680	1.544	158	2018
220	FUNDO PARANÁ	120.588	5.033	6.529	21	2018
221	MÚTUOPREV	111.834	nd	nd	nd	nd
222	PREVYASUDA	111.689	890	592	97	2018
223	OABPREV-GO	108.706	5.071	12.151	43	2017
224	OABPREV-RS	106.060	8.111	15.939	48	2018
225	TEXPREV	102.858	528	792	202	2018
226	DATUSPREV	90.423	319	376	56	2018
227	MONGERAL	88.785	3.499	5.391	19	2017
228	ALBAPREV	81.592	190	465	10	2018
229	INERGUS	78.813	720	1.088	586	2018
230	PREVCHEVRON	75.088	121	245	51	2017
231	FUTURA II	72.954	4.971	7.456	12	2018
232	RJPREV	69.414	757	-	-	2014
233	FUNCASAL	64.282	849	1.565	659	2018
234	MM PREV	62.293	6.192	6.462	31	2018
235	SBOT PREV	50.910	1.666	1.854	3	2018
236	PREVES	49.356	2.715	-	1	2018
237	PREVUNISUL	47.950	955	1.037	117	2018
238	ALEPEPREV	41.185	169	191	18	2018
239	SILIUS	35.196	15	282	322	2018
240	CNBPREV	29.782	828	1.394	5	2018
241	ANABBPREV	23.224	936	1.703	3	2014
242	OABPREV-NORDESTE	21.179	348	588	148	2014
243	RS-PREV	19.126	612	-	-	2018
244	SUL PREVIDÊNCIA	10.949	627	1.081	-	2017
245	PREVNORDESTE	8.342	311	167	-	2018
246	SINDP|FPA	7.902	466	630	2	2018
247	PREVCOM-MG	7.562	109	-	-	2016
248	SCPREV	6.190	184	150	-	2018
249	PSS	6.019	2.641	4.388	3.977	2014
250	FUCAE	5.660	nd	nd	nd	nd
251	MAPPIN	5.164	3.463	2.895	35	2014
252	CAVA	3.370	883	1.511	566	2017
253	ORIUS	1.057	-	25	47	2014
254	CURITIBAPREV	873	nd	nd	nd	nd
255	ACIPREV	869	387	631	-	2018
256	FFMB	130	250	237	115	2014

TOTAL ESTIMATED

Investments (in BRL thousand)	872.280.703	Active members	2.671.227	Dependents	3.911.618	Beneficiaries	853.828