

# Expanding horizons



Annual Report 2019  
Short Version  
**DC Flex Plan**

# Expanding horizons

We believe that mutual connections and exchange of ideas enable new perspectives, creating even more tangible opportunities for growth and improvement. And this is how we view the union between Previbayer and Prevmon.

The synergy between the two entities has expanded our horizons, revealing the good practices and experiences obtained by each of them and strengthening their commitment to developing high-quality, solid and transparent management, focused on a single goal: to continue helping our more than 10,000 participants and retired build a better financial future.

We expect the two entities to be fully integrated by the end of 2021, but until then we will be leading the first steps of this new organization, which is larger, stronger and more prepared for the challenges of the future.

**We continue moving forward. Together we are stronger and can go further!**

## Previbayer team

This Annual Report presents the major events, as well as the most relevant information regarding the entity and your pension plan in 2019.



CHOOSE ONE OF THE OPTIONS BELOW TO START READING

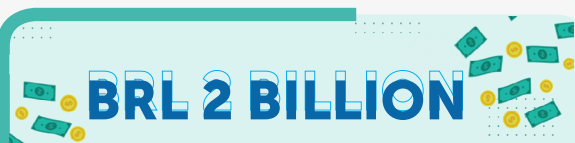


# Experiences



## PREVIBAYER LAUNCHES PREVILEVE

In February, Previbayer launched Previleve: a flexible family plan aligned with the most advanced practices in the pension plan industry. With this option, participants' first-degree relatives can plan their future with monthly contributions of BRL 50 or more and take avail of the advantages and strength offered by Previbayer.



## BRL 2 BILLION IN ASSETS!

In July 2019, Previbayer's assets overcame BRL 2 billion, a milestone in the history of the entity. This achievement was a result of the combined efforts of a team of qualified professionals committed to finding the best profitability at suitable risk levels.



## AND TALKING ABOUT NUMBERS...

The 2019-Sporadic Contribution Campaign raised more than BRL 1,9 million. This result reflects an increasing awareness of our participants regarding the importance of a good financial planning, while they take advantage of the government's tax benefit.



## SEMANA MAIS FUTURO ("MORE FUTURE" WEEK)

In May, we had the 2nd Semana Mais Futuro ("More Future" Week), a series of talks and other content about financial education, savings, pensions, financial planning and investments. The event is part of the 6th National Financial Planning Week, an initiative by the Brazilian National Financial Education Committee (CONEF) to improve the Brazilian public's understanding on financial matters.



## SATISFACTION SURVEY

In September, Previbayer conducted a Satisfaction Survey with participants to collect information to be used in the continuous improvement of our relationships, communication and overall procedures.

### Main results

**95%** of the participants consider Previbayer an excellent investment and are satisfied with the services received

**93%** approve the e-mail communications

**86%** consider the customer service efficient

**70%** would recommend Previleve to a relative



*Crop Science Sales Convention*



## FATHER'S DAY CAMPAIGN

The Partner Dad Campaign (Campanha Pai Parceiro) was an event promoted by Previbayer when employees who joined Previleve Plan (Family Plan) between February to August, 2019 participated on a raffle of some barbecue kits for honoring Father's Day.

## CROP SCIENCE SALES CONVENTION

On the week of May 6-10<sup>th</sup>, Prevmon and Previbayer were present at the Crop Science sales convention in the town of Atibaia, in São Paulo. It was a great moment for both entities to be in close proximity to employees from all over Brazil to clear doubts regarding the pension plans, the merger process between Prevmon and Previbayer and reinforce the importance of preparing for retirement. Approximately 800 people attended the convention.



*Soybean sales event*

## SOYBEAN SALES TEAM SUMMIT

In December, Prevmon and Previbayer attended the event for the soybean technical sales representative team to clarify doubts about the plans. A total of approximately 60 people participated in the initiative.



## MY LIFE BENEFITS FAIR

Previbayer was present in the My Life benefits fair at several locations to establish closer relationships with participants, clarify doubts and reinforce the importance of planning for retirement. In order for everyone to receive the information at the same time, meetings were held at different times in all shifts, including the night shift.

**Locations:** Cenu - Monsanto São Paulo Office, Cancioneiro, Itaí, Socorro, São José dos Campos, Paulínia, Campinas, Belford Roxo, Uberlândia, Cachoeira Dourada, Santa Helena de Goiás, Paracatu, Campo Verde, Camaçari, Petrolina.

## Events about the entity's management



## ELECTION FOR BOARDS

In July, Previbayer promoted the first election for Advisory and Fiscal Boards. In this process, the candidates could present their proposals for improving the entity. Karina Franceschini was elected for the Advisory Board and Claudiane Gomes for the Fiscal Board.



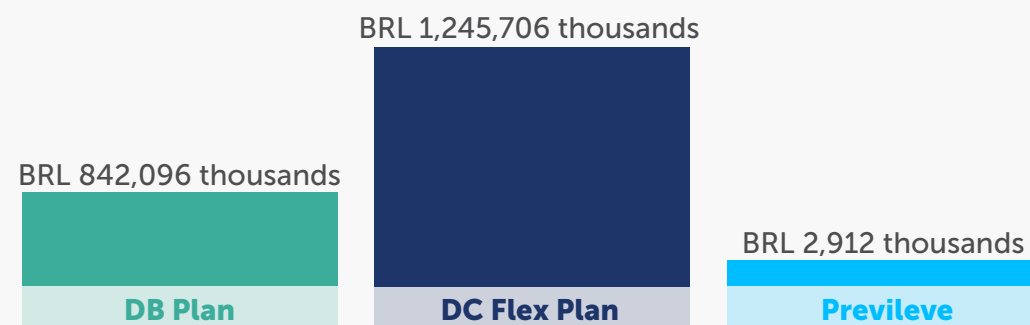
## NEW LEADERSHIP

In October, Previbayer's Advisory Board announced the entity's new Superintendent Director, Patricia Ferradans. With more than 20 years' experience managing pension plans scheme, Patricia will take on the challenge of the merging process between Previbayer and Prevmon.

On December 31<sup>st</sup> 2019,  
**Previbayer's total assets** were at  
**BRL 2.1 BILLION**



In 2019  
Previbayer reached  
the milestone of  
**BRL 2 billion**  
in assets under  
management



This amount is equivalent to the mathematical reserves of the entity's **7,295 participants** in Dec 2019, including:

	Active	Assisted	Self-sponsored	Vested
DB Plan	129	993	26	108
DC Flex Plan	3,123	787	141	1,579
Previleve	407	-	-	2
	Plan participants in the reserve building stage.	Those who are retired or receiving Death Pension from the plan.	Those who are no longer working at the sponsor, but are still contributing to Plan.	Those who are no longer working at the sponsor, do not make contributions and are waiting for their benefit.

# Overview

## PREVIBAYER'S NUMBERS

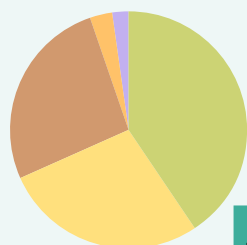
Values in thousands of Brazilian Reals (BRL)

Previbayer's expenses in 2019 was **BRL 5.8 million**, divided into:



### DB Plan

#### Administrative Expenses

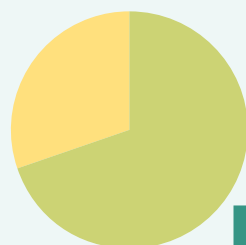


**BRL  
thousands**

Payroll	1,022	40.5%
General Expenses	694	27.5%
Management Consulting	668	26.5%
Legal Advisory	79	3.1%
Actuarial Consulting	62	2.4%

**Total 2,525**

#### Investment Expenses



**BRL  
thousands**

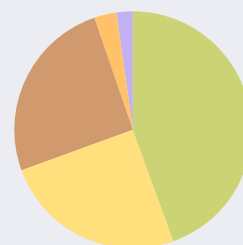
Taxes	200	69.8%
Financial Consulting	87	30.2%

**Total 286**

### DC Flex Plan



#### Administrative Expenses

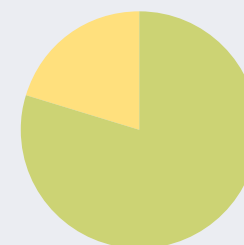


**BRL  
thousands**

Payroll	1,124	44.1%
General Expenses	638	25.0%
Management Consulting	669	26.3%
Legal Advisory	74	2.9%
Actuarial Consulting	44	1.7%

**Total 2,548**

#### Investment Expenses



**BRL  
thousands**

Taxes	341	79.8%
Financial Consulting	87	20.2%

**Total 428**

Previleve had no expenses in the financial year 2019.

The expenses above refer to those paid by the entity during the financial year 2019. Expenses with the fund management fee, custodial fee and other expenses related to investment management are paid directly by the exclusive funds hired by Previbayer.



# Overview

## PREVIBAYER BALANCE SHEET

On December 31<sup>st</sup>, 2019 and 2018 | Values in thousands of Brazilian reais (BRL)

### Assets



Are the accounting statements that shows the **set of assets** of Previbayer.

Assets	2019	2018
Available	5,779	379
Noncurrent	2,091,578	1,910,815
Permanent	0	0
<b>Total Assets</b>	<b>2,097,357</b>	<b>1,911,194</b>

### Liabilities



Are the accounting statements that presents the **set of liabilities** of Previbayer.

Liabilities	2019	2018
Operational Liabilities	956	998
Contingent Liabilities	5,687	3,431
Assets for Plan Coverage	2,037,947	1,865,738
Funds	52,767	41,027
<b>Total Liabilities</b>	<b>2,097,357</b>	<b>1,911,194</b>

# Results

## DC FLEX PLAN ACTUARIAL INFORMATION



Because it is structured as a Defined Contribution plan, the DC Flex Plan is not subject to the risk of presenting imbalance, since each participant's mathematical reserve is equivalent to their individual account balance (i.e., the accumulated resources are always equal to the future liabilities). This is the composition of the values accrued by the plan on December 31<sup>st</sup>, 2019:

	In thousands of Reais (BRL)	
<b>Plan Assets</b>	<b>1,195,717</b>	The amount Previbayer has to cover future benefit payments to participants.
<b>Mathematical Provisions</b>	<b>1,195,717</b>	Amount for future benefit payments to all participants (account balances).
<i>Benefits Granted</i>	260,370	Retirees and pensioners total account balance.
<i>Benefits to Grant</i>	935,346	Total account balance of those not yet receiving benefit by the plan.
<b>Technical Balance</b>	<b>0</b>	Excessive (surplus) or shortage (deficit) of resources. In DC Plans there is no difference between assets and provisions.
<b>Funds</b>	<b>49,990</b>	Diverse funds with specific purposes.

# Results

## INVESTMENT POLICY



The Investment Policy defines guidelines for investment of DC Plan resources in the financial market.

Profile / Asset Classes	Retired	0 to 10 years away from retirement	10 to 20 years away from retirement	20 or more years away from retirement
Fixed Income	79% a 100%	59% a 100%	26% a 100%	25% a 100%
Equities	0% a 5%	0% a 20%	10% a 30%	20% a 40%
Real Estate	0% a 2%	0% a 2%	0% a 2%	0% a 2%
Loans to participants	0% a 3%	0% a 3%	0% a 3%	0% a 3%
Structured Investments	0% a 5%	0% a 10%	0% a 13%	0% a 20%
Foreign Investments	0% a 6%	2% a 6%	4% a 8%	0% a 10%

The goal of the investments is **to surpass the benchmark.**  
Get to know the benchmarks for each asset class:

Asset Classes	Benchmark Composition
Fixed Income	CDI
Equities	Ibovespa
Real Estate	INPC
Loans to participants	INPC + 5.00% p.y.
Structured Investments	CDI + 2.00% p.y.
Foreign Investments	MSCI World BRL

### UNDERSTAND THE MARKET INDEXES

**CDI – Interbank Deposit Certificate:** A rate that tracks bonds issued by financial institutions that back operations on the interbank market.

**Ibovespa:** price index that measures the return of a theoretical portfolio composed by the stocks with the highest trading volume at BM&F Bovespa.

**INPC – National Consumer Price Index (Índice Nacional de Preços ao Consumidor):** inflation index, calculated by the Brazilian institute of Geography and Statistics (IBGE), which measures the cost of living in the 11 main metropolitan regions of the country for families with income of 1 to 5 times the minimum wage.

**MSCI World:** Global stock index that measures the performance of big companies in 23 developed economies.

**Benchmark:** It is an index or performance indicator used to compare or measure investment performance.

# Results

## INVESTMENT STATEMENT

	Assets by profile (BRL)	Net return by profile	Benchmark	Gross return by segment												
Profile Retiree	315,342,249 (25.5% of total)	<div><div>7.12%</div><div>6.54%</div></div>	110% CDI	<table><tr><td>Fixed Income</td><td>7.41%</td></tr><tr><td>Equities</td><td>-</td></tr><tr><td>Real Estate</td><td>-</td></tr><tr><td>Loans</td><td>13.78%</td></tr><tr><td>Structured Investments</td><td>12.34%</td></tr><tr><td>Foreign Investments</td><td>11.77%</td></tr></table>	Fixed Income	7.41%	Equities	-	Real Estate	-	Loans	13.78%	Structured Investments	12.34%	Foreign Investments	11.77%
Fixed Income	7.41%															
Equities	-															
Real Estate	-															
Loans	13.78%															
Structured Investments	12.34%															
Foreign Investments	11.77%															
Profile 0 to 10 years away from retirement	509,852,226 (41.3% of total)	<div><div>13.11%</div><div>6.84%</div></div>	115% CDI	<table><tr><td>Fixed Income</td><td>8.48%</td></tr><tr><td>Equities</td><td>39.12%</td></tr><tr><td>Real Estate</td><td>7.55%</td></tr><tr><td>Loans</td><td>13.78%</td></tr><tr><td>Structured Investments</td><td>11.21%</td></tr><tr><td>Foreign Investments</td><td>11.16%</td></tr></table>	Fixed Income	8.48%	Equities	39.12%	Real Estate	7.55%	Loans	13.78%	Structured Investments	11.21%	Foreign Investments	11.16%
Fixed Income	8.48%															
Equities	39.12%															
Real Estate	7.55%															
Loans	13.78%															
Structured Investments	11.21%															
Foreign Investments	11.16%															
Profile 10 to 20 years away from retirement	298,317,112 (24.1% of total)	<div><div>16.84%</div><div>7.14%</div></div>	120% CDI	<table><tr><td>Fixed Income</td><td>10.08%</td></tr><tr><td>Equities</td><td>39.15%</td></tr><tr><td>Real Estate</td><td>-</td></tr><tr><td>Loans</td><td>13.78%</td></tr><tr><td>Structured Investments</td><td>13.39%</td></tr><tr><td>Foreign Investments</td><td>11.06%</td></tr></table>	Fixed Income	10.08%	Equities	39.15%	Real Estate	-	Loans	13.78%	Structured Investments	13.39%	Foreign Investments	11.06%
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Structured Investments	13.39%															
Foreign Investments	11.06%															
Profile 20 or more years away from retirement	112,607,678 (9.1% of total)	<div><div>19.37%</div><div>7.44%</div></div>	125% CDI	<table><tr><td>Fixed Income</td><td>12.09%</td></tr><tr><td>Equities</td><td>39.64%</td></tr><tr><td>Real Estate</td><td>-</td></tr><tr><td>Loans</td><td>13.78%</td></tr><tr><td>Structured Investments</td><td>13.99%</td></tr><tr><td>Foreign Investments</td><td>10.98%</td></tr></table>	Fixed Income	12.09%	Equities	39.64%	Real Estate	-	Loans	13.78%	Structured Investments	13.99%	Foreign Investments	10.98%
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ReturnBenchmark



# Full Annual Report

To see detailed information about PreviBayer and your Pension Plan, please access the 2019 Full Annual Report (only available in Portuguese).



# CONTACT US

Do you have any questions? Would you like to contact us?



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