

Expanding horizons



Annual Report 2019
Short Version

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 Prevmion and Previbayer.

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!

Prevmion 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

Prevmon has kept its commitment to disseminating the concepts of financial and pension education to help people better prepare for the future. **These are some of our actions in 2019:**



RIGHT START

Nearly 70 new employees had their onboarding in pension plan in face-to-face or on-line meetings. The meetings were held from January to May of 2019 and explained the main rules of Prevmón plan, as well as the advantages and specificities of this benefit.



Soybean sales event

SOYBEAN SALES TEAM SUMMIT

In December, Prevmón 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

Prevmón 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. It was the first event in partnership with PreviBayer. 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.



My Life Fair



Crop Science Sales Convention

PREVMON INFO

A semiannual newsletter with contents focused on pensions and tips on how to handle personal finances.

CROP SCIENCE SALES CONVENTION

On the week of May 6-10th, 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.



CHANGES IN THE PREVMON BENEFITS PLAN RULES

In February 2019, the Brazilian National Pension Superintendence (Previc) approved an amendment to Prevmon's Benefits Plan Rules, closing it to new members after July 31th, 2019. Therefore, as of August 1st, 2019, the only pension plan offered to employees (new ones or those with no pension plan) is the DC Flex Plan, managed by Previbayer.



ANNIVERSARY!

Prevmon celebrated its **30th anniversary** in 2019. See the 2018 Annual Report (available on the website) to find out more on the entity's journey, its brand's history and the main milestones over the years.

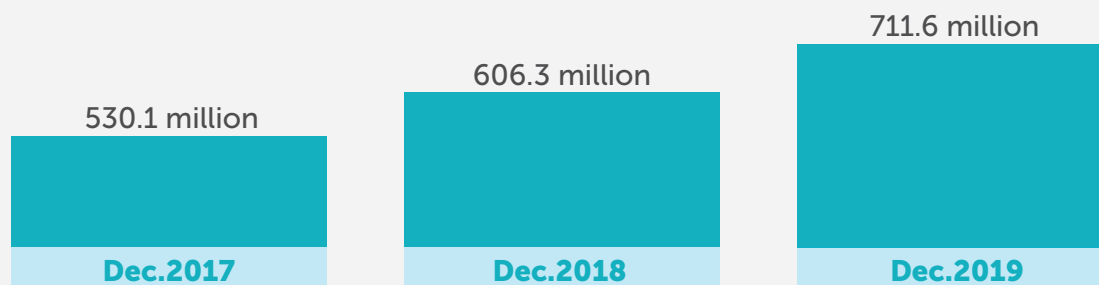


The actions described in this session are part of the Prevmon's financial and retirement education program, "De Bem com Seu Futuro".

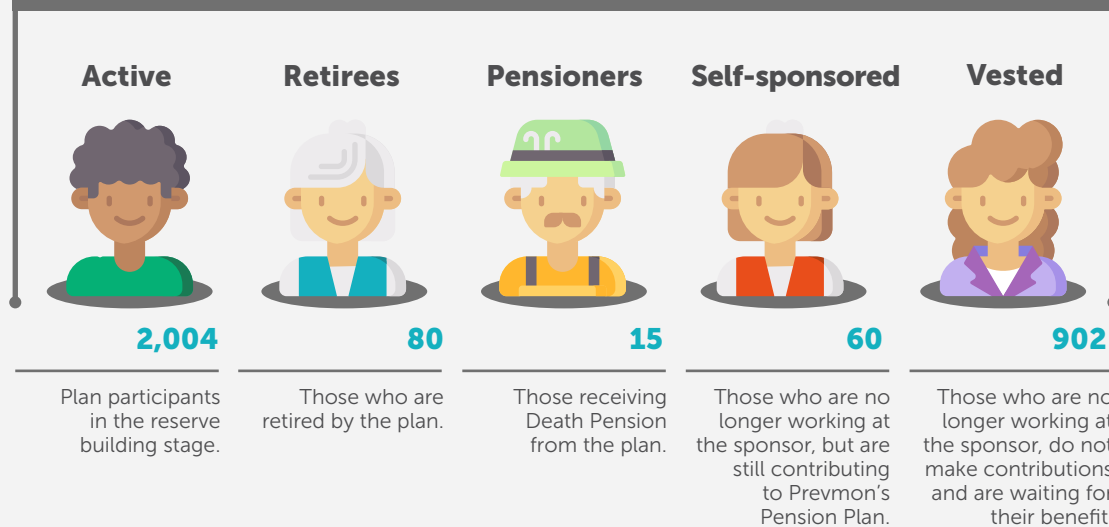
Overview

PREVMON'S NUMBERS

On December 31th, 2019
Prevmon's total assets were
BRL 711.6 MILLION



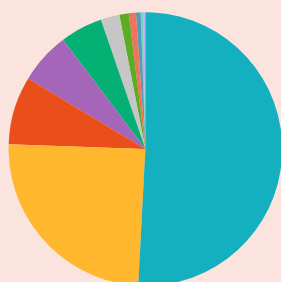
This amount is equivalent to the mathematical reserves of the entity's **3,061 participants** in December 2019, including:



Prevmon expenses in 2019 totaled **BRL 4.5 million**, divided into:



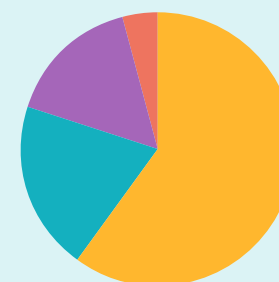
Administrative Expenses



	BRL thousands	
Payroll	1,545,4	49.1%
Liability Management Consulting (Pension, Accounting and Treasury)	781,8	24.9%
Taxes	265,6	8.4%
Actuarial Consulting	200,5	6.4%
Other Expenses	160,7	5.1%
Auditing Fees	73,1	2.3%
Communications Consulting	56,9	1.8%
Risk Management Consulting	39,4	1.3%
General Consulting	15,0	0.5%
Accounting Advisory	4,6	0.1%
Legal Advisory	1,2	0.1%
Total	3,144,2	



Investment Expenses



	BRL thousands	
Management Fees	811,5	61.0%
Custodial Fees	260,7	19.6%
Investments Consulting	210,4	15.8%
CETIP/SELIC/CBLC rates	47,4	3.6%
Total	1,330,0	

Overview

PREVMON BALANCE SHEET

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

Assets



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

Assets	2019	2018
Available	136	41
Noncurrent	715,964	610,638
Permanent	0	0
Total Assets	716,100	610,679

Liabilities



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

Liability	2019	2018
Operational Liabilities	1,480	1,479
Contingent Liabilities	3,017	2,863
Assets for Plan Coverage	703,794	587,865
Funds	7,809	18,472
Total Liabilities	716,100	610,679

Results

ACTUARIAL INFORMATION



Annually, a specialized consultancy conducts an actuarial evaluation of Prevmon's Benefits Plan to make sure that the plan is balanced, which means it has enough assets to fulfill its obligations with the participants.

	Amounts in BRL \$	
Plan Assets	703,793,934.86	The amount Prevmon has to cover future benefit payments to participants.
Mathematical Provisions	691,651,048.52	Value calculated by the consulting firm for the payment of future benefits and that must be provisioned by Prevmon.
<i>Benefits Granted</i>	67,376,156.54	Provisions for payment of retirees and beneficiaries.
<i>Benefits to Grant</i>	624,274,891.98	Resources for future payment of benefits to active participants.
Technical Balance	12,142,886.34	Excessive (surplus) or shortage (deficit) of resources between the plan's assets and the provisions stipulated.
Funds	4,718,217.18	Diverse funds with specific purposes.

The consultancy firm in charge of the actuarial calculations for the Prevmon Plan, Willis Towers Watson, has stated that the plan is solvent and its obligations are entirely covered by the Plan's Funding Assets.

Results

INVESTMENT POLICY



The Investment Policy defines guidelines for investment of Prevmon's resources in the financial market. The policy applies to the resources of both Prevmon's Benefit Plan and the Administrative Management Plan.

Profile / Asset Classes	Super Conservative	Conservative	Moderate	Aggressive	Administrative Management Plan (PGA)
Fixed Income	100%	100%	78% a 90%	60% a 80%	100%
Equities	0%	0%	10% a 20%	20% a 35%	0%
Structured Investments	0%	0%	0% a 2%	0% a 5%	0%
Foreign Investments	0%	0%	0% a 5%	0% a 8%	0%

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	50% IMA-S + 15% IRF-M + 20% IMA-B5 + 15% IMA-B5+
Equities	IBrX
Structured Investments	CDI
Foreign Investments	MSCI World BRL
Fixed Income (PGA)	CDI

UNDERSTAND THE MARKET INDEXES

IMA – ANBIMA Market Index: IMA is a family of fixed income indexes, which represents the performance of a portfolio of government bonds at market prices. There is “**General IMA**” and four sub-indexes, classified according to the type of government bonds: **IMA-B** is composed of NTNBS; **IMA-C** is composed of NTN-Cs; **IRF-M** is composed of LTNs and NTN-Fs; and the **IMA-S** is composed of LFTs.

IBrX: price index that measures the return of a theoretical portfolio composed of 100 stocks selected among the most highly traded shares on BM&F Bovespa stock exchange.

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

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.

	Assets by profile (BRL)	Net return by profile	Benchmark	Gross return by segment						
<div>Super Conservative</div>	3,051,784 (0.5% of total)	<div>6.03%</div> <div>5.97%</div>	100% CDI	<table><tr><td>Fixed Income</td><td>6.03%</td></tr><tr><td>Equities</td><td>-</td></tr><tr><td>Foreign Investments</td><td>-</td></tr></table>	Fixed Income	6.03%	Equities	-	Foreign Investments	-
Fixed Income	6.03%									
Equities	-									
Foreign Investments	-									
<div>Conservative</div>	176,065,412 (26.7% of total)	<div>12.51%</div> <div>11.75%</div>	50% IMA-S + 15% IRF-M + 20% IMA-B5 + 15% IMA-B5+	<table><tr><td>Fixed Income</td><td>12.51%</td></tr><tr><td>Equities</td><td>-</td></tr><tr><td>Foreign Investments</td><td>-</td></tr></table>	Fixed Income	12.51%	Equities	-	Foreign Investments	-
Fixed Income	12.51%									
Equities	-									
Foreign Investments	-									
<div>Moderate</div>	349,528,498 (53.1% of total)	<div>15.45%</div> <div>14.75%</div>	85% (50% IMA-S + 15% IRF-M + 20% IMA-B5 + 15% IMA-B5+) + 12% IBrX + 3% MSCI World BRL	<table><tr><td>Fixed Income</td><td>12.27%</td></tr><tr><td>Equities</td><td>31.59%</td></tr><tr><td>Foreign Investments</td><td>30.11%</td></tr></table>	Fixed Income	12.27%	Equities	31.59%	Foreign Investments	30.11%
Fixed Income	12.27%									
Equities	31.59%									
Foreign Investments	30.11%									
<div>Aggressive</div>	130,123,905 (19.7% of the total)	<div>18.27%</div> <div>17.81%</div>	70% (50% IMA-S + 15% IRF-M + 20% IMA-B5 + 15% IMA-B5+) + 24% IBrX + 6% MSCI World BRL	<table><tr><td>Fixed Income</td><td>12.06%</td></tr><tr><td>Equities</td><td>31.50%</td></tr><tr><td>Foreign Investments</td><td>30.12%</td></tr></table>	Fixed Income	12.06%	Equities	31.50%	Foreign Investments	30.12%
Fixed Income	12.06%									
Equities	31.50%									
Foreign Investments	30.12%									

ReturnBenchmark

Full Annual Report

To see detailed information about Prevmon 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?

Customer Service

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CONTACT CHANNEL

Available on Prevmon's site and mobile App

www.prevmon.com.br

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