



Celebrating our achievements

Celebrating The achievements



Celebrating is in the human's DNA.

We celebrate the birth of a son, when our favorite soccer team wins a championship, and we trill with the achievement of an old dream. However, these events are not the same if they are not shared with those we like and trust. Celebrating and sharing an achievement lets us reflect on our efforts, expectations, and everything that has happened.

It's the feeling of "it was worth it"!

In 2019, Prevmon celebrates 30 years of existence, with the certainty of always doing our best, following our world's evolution, the Private Pension segment in our country and, most of all, the characteristics and wishes of our 3.000+ participants. Throughout all this time, we've grown, we've put down strong roots, we've established even closer ties with our different publics and we have become more solid and bold.

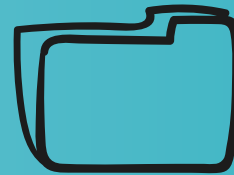
We are very happy to have arrived here, knowing the challenges and the progress we have made and will continue to make. In this Annual Report, we are sharing some of our history and its main events, as well as some information about the Entity and our Pension Plan in 2018.



Prevmon Team



CHOOSE ONE OF THE OPTIONS BELOW TO START READING!



Transformations



#Retrospect

OUR TRANSFORMATION OVER THE YEARS

On March 30, **1989** Monsanto Sociedade Previdenciária Prevmon was created, a non-profit supplementary pension entity that, at the time of its foundation, managed a Defined Benefit (DB) Pension Plan for Monsanto employees in Brazil.

Today, Prevmon manages the “Plano de Benefícios Prevmon”, a plan which mixes elements of a Defined Benefit and a Defined Contribution Plan, more modern and sustainable, in line with current market practices.

In its foundation, the Entity managed a Defined Benefit Plan, non-contributory to Monsanto employees.

1989



1990s

Creation of the Defined Contribution Plan (DC), with contributions made exclusively by employees, managed by HSBC.

The Defined Benefit Plan was extinguished with the migration of its participants to a plan with a mix of Defined Benefit and Defined Contribution elements, which has kept Sickness, Disability and Death benefits from the former DB plan.

dec 1999



2010

Prevmon incorporates the Defined Contribution Plan managed by HSBC, starting to manage a single Pension Plan, as we know it today.



#Did you know?

What was going on in Brazil and in the World in 1989 when Prevmon was created?



IN POLITICS

There was the fall of the Berlin Wall that marked the border between East and West Germany, marking the end of the Cold War.

In Brazil, the first direct elections for president took place after 29 years, being also the first elections in times of democracy.



AT SOCCER

The Brazilian team wins the Copa America trophy after 40 years without winning this title, with Bebeto and Romário in the team's roster; this famous duo would take Brazil to conquer the World Cup of 1994.



AT THE MOVIES

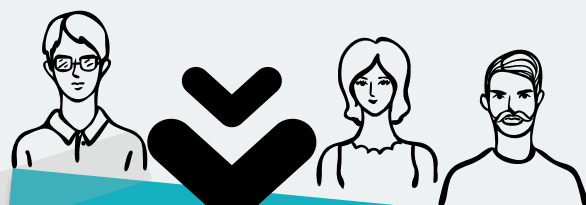
The American drama Rain Man won the Oscar for Best Picture and in this same year several classics were premiered on the big screen, such as Back to the Future II, Driving Miss Daisy and Indiana Jones and the Last Crusade.



IN MUSIC

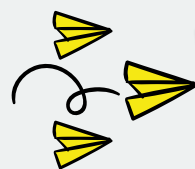
Lambada was the popular rhythm in Brazil. In the musical world scenario, Madonna released her fourth studio album, “Like a Prayer,” and its main music, which named the album, was elected by critics as one of the top ten of 80's.

Transformations



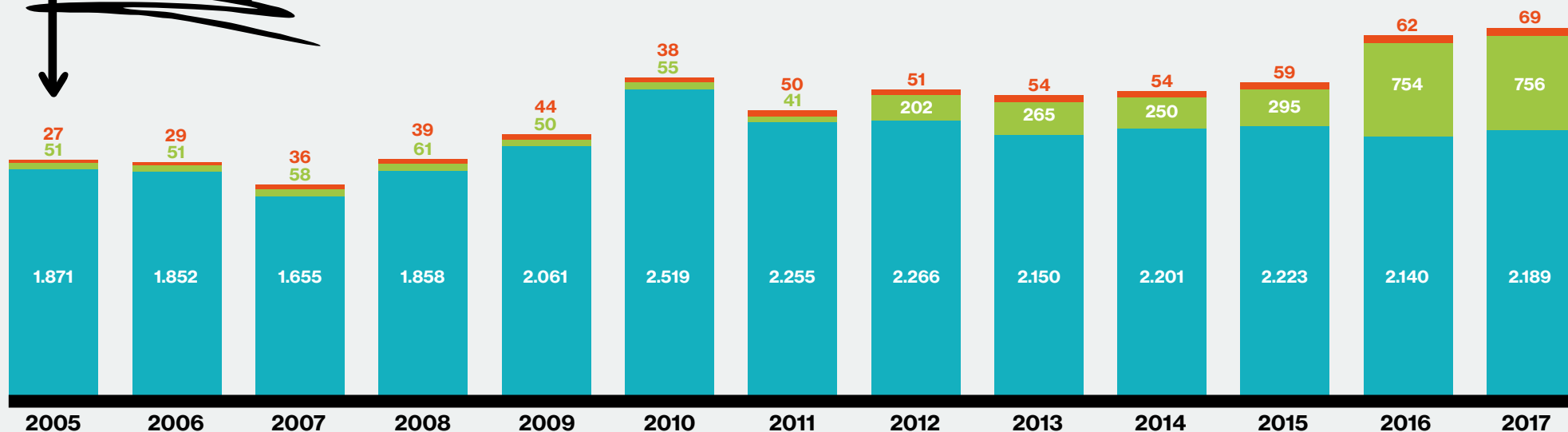
#Trivia

OUR PARTICIPANTS
SINCE 2005



The first
participant joined
the Plan in
1973

The first
retirement
benefit was
granted in **1988**



Active and Self-sponsored

Vested

Retirees and Pensioners

See page 09 for our participants' distribution in 2018.

Transformations

Evolution of our Brand



Transformation in communication and relationship

In recent years, we have focused our efforts on providing a better experience for our participants, which includes improving communication and taking action to enhance our relationship with them. All of this is because we know how challenging it is to talk about finances and retirement, but we also know how important it is to spread such concepts and how much this knowledge may change people's lives.

In 2015, we launched the “**de bem com seu futuro**” (being well with your future), our financial and retirement education program. The program was created to reinforce the importance of people having a broad view about their money and their future, in a milder and uncomplicated manner, so that they can make better choices in their lives.

Our communication became more dynamic and humanized, by using casual language and bringing to light real stories and experiences from our participants. The semi-annual publication of **Prevmon Info** is an example of such change.

We were able to follow the trends and in 2017 we've launched our smartphone app. In addition, during all this time, we promoted face-to-face and personalized actions such as **Prevmon VIP** (for those who are close to retirement age), **Right Start** presentations (for new employees), and lectures at various Monsanto locations in Brazil as part of the **HR on the Road** project. Besides that, we've used **Monsanto Radio** to disseminate information about the Pension Plan and tips on financial education.



Follow our actions over the year of 2018 on page 07.

Events



#Remember

KEY EVENTS OF PREVMON IN 2018:



New Plan Rules

Last year, Prevmon changed some rules of the pension plan in order to make the plan more flexible and modern. Under the new rules, participants no longer can choose the asset manager for their account balance invested with Prevmon, only the Investment Profile. In addition, the Super Conservative Investment Profile was created and the retirees and pensioners now can choose between all the Investment Profiles available (before, the Aggressive Profile could not be chosen after the benefit start).



Site visits and attendance in the Annual Sales Team Meeting

In June, we went to Paracatu site, in the state of Minas Gerais, to present the Pension Plan and answer doubts of its employees. In addition, Prevmon also attended the Annual Sales Team Meeting, held in May/2018.



Prevmon Info

Semiannual publication with content on finance and retirement.



New Super Conservative Investment Profile

Prevmon implemented the Super Conservative Investment Profile as an alternative with minimal fluctuation risks, designed for participants who prioritize the security and protection of their assets in the plan, or do not feel comfortable with a higher risk level.



Events



More accessibility on website and APP

We've added more features to our participants in our site's restricted area and in our smartphone's app such as the possibility to change personal info and register beneficiaries. As of Dec. 2018, participants were able to access the Investment Profile campaign via Prevmon's app. The 100% digital process gives users more autonomy and speed!



Prevmon Vip

In 2018, we've continued with Prevmon VIP, a customized action for those who are close to retirement.



Satisfaction survey

The 3rd Prevmon Survey of Knowledge and Satisfaction Level was held between June and July. The numbers showed maturity and more awareness of the participants, both in the engagement in the plan of Prevmon and in their personal finances.

283 Respondents



75,7% are planning for retirement compared to **74.8%** and **65.4%** in previous editions.



60,7% of respondents know the rules of the Prevmon plan against **57.2%** and **46.3%** in previous editions.



The control of monthly expenses using some type of spreadsheet rose from 34.9% in the first edition to **43,4% now**

What do we hear from our participants*?



"I believe that Prevmon's communication is great and has improved every year. Today we have access to all of our information in a practical and easy way."

"The mobile app you've created is excellent, congratulations!"

"Prevmon is very important and the campaigns should also be directed to young people to make them think about the future."

*Testimonials from our 3rd Survey of Knowledge and Satisfaction Level.



The actions described in this section are part of the **"de bem com seu futuro"**, Prevmon's financial and retirement education program.



On Dec/31/2018,
Prevmon's **total assets** were

MILLION (BRL)
R\$ 606.3

the higher value by then.

dec/16 **446.4 million**

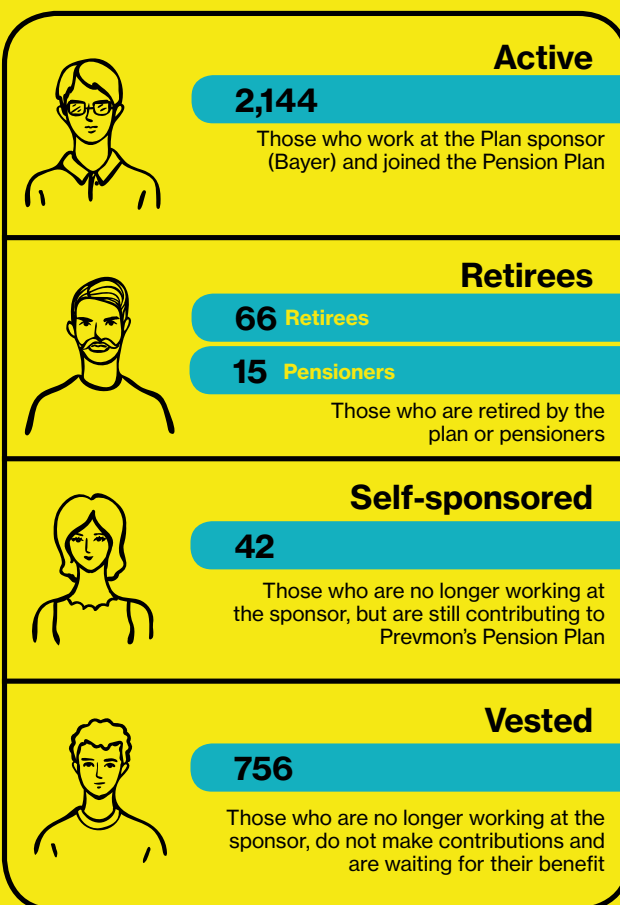
dec/17 **530.1 million**

dec/18 **606.3 million**

Year that we reached the **mark of half a billion BRL in assets!**



The **3,104** PrevMon participants in December/2018 were distributed as follows:

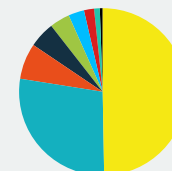


The average age of **active** participants in 2018 is **37.5** years, slightly higher than **37.2** years in 2017.

The total expenses of Prevmon in 2018 were **R\$ 4.0 million BRL**, divided into:

Administrative Expenses

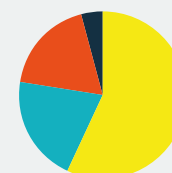
in thousands of Reals (BRL)



	R\$	%
Own staff	1,479,0	50,3%
Liability Management Consulting	827,7	28,2%
Taxes	233,2	7,9%
Actuarial Consulting	125,7	4,3%
Other Expenses	100,3	3,4%
Auditing Fees	69,9	2,4%
Communication Consulting	49,1	1,7%
Risk Management Consulting	28,5	1,0%
General Consulting	24,6	0,8%
Total:	2,938,1	

Investment Expenses

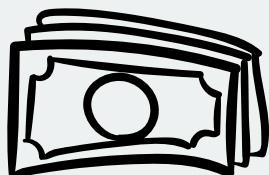
in thousands of Reals (BRL)



	R\$	%
Management Fee	633,8	56,9%
Central Custody	224,6	20,2%
Investments Consulting	207,2	18,6%
CETIP / SELIC / CBLC rates	48,2	4,3%
Total:	1,113,8	

As of December 31, 2018 and 2017
Amounts in thousands of reais (BRL)

Assets



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

Assets

2018

2017

Available

41

56

Noncurrent

610.638

533.883

Permanent

0

0

Total Assets

610.679

533.939

Liability



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

Liability

2018

2017

Operational Liabilities

1.479

984

Contingent Liabilities

2.863

2.824

Assets for Plan Coverage

606.337

530.131

Total Liabilities

610.679

533.939



The actuarial calculation in a pension plan is carried out by a specialized consulting firm to verify if it is balanced – that is, if its total of assets will be sufficient to fulfill its obligations to participants.



Amounts in BRL \$

Plan Assets	587.864.925,27	The amount Prevmon has to cover future benefit payments to participants.
Mathematical Provisions	580.150.626,00	Value calculated by the consulting firm for the payment of future benefits and that must be provisioned by Prevmon.
Benefits Granted	58.480.832,97	Provisions for the payment of retiree benefits.
Benefits to Grant	521.669.793,03	Resources for future payment of benefits to active participants.
Technical Balance	7.714.299,27	Excess (surplus) or lack (deficit) of resources between the assets that Prevmon owns and provisions calculated.
Funds	15.640.418,47	Diverse funds with specific purposes.

Willis Towers Watson, the consulting firm responsible for the actuarial calculations, concluded that the plan is solvent, with its obligations fully covered by the Plan Assets.



Defines the guidelines for Prevmon's investments. This includes assets from both the Pension Plan and the Administrative Management Fund (PGA).



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	60% IMA-S + 10% IRF-M + 20% IMA-B5 + 10% IMA-B5+
Equities	IBrX
Structured Investments	CDI
Foreign Investments	MSCI World BRL
Fixed Income (PGA)	CDI

LEARN THE MARKET INDICES

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)	Gross and net return by profile	Benchmark	Gross and net return by segment															
<div>Super Conservative*</div> <div>*Profile started in April/18</div>	6,441,226 (1,2% of total)	<div><div>4,70%</div><div>4,55%</div><div>4,76%</div></div>	100% CDI	<table><tr><td rowspan="2">Fixed Income</td><td>B</td><td>4,70%</td></tr><tr><td>L</td><td>4,55%</td></tr><tr><td rowspan="2">Equities</td><td>B</td><td>-</td></tr><tr><td>L</td><td>-</td></tr><tr><td rowspan="2">Foreign Investments</td><td>B</td><td>-</td></tr><tr><td>L</td><td>-</td></tr></table>	Fixed Income	B	4,70%	L	4,55%	Equities	B	-	L	-	Foreign Investments	B	-	L	-
Fixed Income	B	4,70%																	
	L	4,55%																	
Equities	B	-																	
	L	-																	
Foreign Investments	B	-																	
	L	-																	
Conservative	189,652,637 (34,4% of total)	<div><div>8,91%</div><div>8,79%</div><div>8,44%</div></div>	60% IMA-S + 10% IRF-M + 20% IMA-B5 + 10% IMA-B5+	<table><tr><td rowspan="2">Fixed Income</td><td>B</td><td>8,91%</td></tr><tr><td>L</td><td>8,79%</td></tr><tr><td rowspan="2">Equities</td><td>B</td><td>-</td></tr><tr><td>L</td><td>-</td></tr><tr><td rowspan="2">Foreign Investments</td><td>B</td><td>-</td></tr><tr><td>L</td><td>-</td></tr></table>	Fixed Income	B	8,91%	L	8,79%	Equities	B	-	L	-	Foreign Investments	B	-	L	-
Fixed Income	B	8,91%																	
	L	8,79%																	
Equities	B	-																	
	L	-																	
Foreign Investments	B	-																	
	L	-																	
Moderate	275,645,116 (49,9% of total)	<div><div>9,97%</div><div>9,91%</div><div>9,32%</div></div>	85% (60% IMA-S + 10% IRF-M + 20% IMA-B5 + 10% (IMA-B5+) + 12% IBrX + 3% MSCI World BRL	<table><tr><td rowspan="2">Fixed Income</td><td>B</td><td>8,91%</td></tr><tr><td>L</td><td>8,82%</td></tr><tr><td rowspan="2">Equities</td><td>B</td><td>17,10%</td></tr><tr><td>L</td><td>17,00%</td></tr><tr><td rowspan="2">Foreign Investments</td><td>B</td><td>-0,84%</td></tr><tr><td>L</td><td>-0,92%</td></tr></table>	Fixed Income	B	8,91%	L	8,82%	Equities	B	17,10%	L	17,00%	Foreign Investments	B	-0,84%	L	-0,92%
Fixed Income	B	8,91%																	
	L	8,82%																	
Equities	B	17,10%																	
	L	17,00%																	
Foreign Investments	B	-0,84%																	
	L	-0,92%																	
Aggressive	80,12,817 (14,5% of total)	<div><div>11,09%</div><div>11,00%</div><div>10,19%</div></div>	70% (60% IMA-S + 10% IRF-M + 20% IMA-B5 + 10% (IMA-B5+) + 24% IBrX + 6% MSCI World BRL	<table><tr><td rowspan="2">Fixed Income</td><td>B</td><td>8,91%</td></tr><tr><td>L</td><td>8,78%</td></tr><tr><td rowspan="2">Equities</td><td>B</td><td>16,96%</td></tr><tr><td>L</td><td>16,82%</td></tr><tr><td rowspan="2">Foreign Investments</td><td>B</td><td>-1,16%</td></tr><tr><td>L</td><td>-1,28%</td></tr></table>	Fixed Income	B	8,91%	L	8,78%	Equities	B	16,96%	L	16,82%	Foreign Investments	B	-1,16%	L	-1,28%
Fixed Income	B	8,91%																	
	L	8,78%																	
Equities	B	16,96%																	
	L	16,82%																	
Foreign Investments	B	-1,16%																	
	L	-1,28%																	

Gross Net Benchmark



Full Annual
Report

To access detailed information about Prevmon and its Pension Plan, access the full version of the 2018 Annual Report (only available in Portuguese).



Celebrando
as conquistas

Vamos nessa!
Clique aqui para continuar

PrevMon  de bem
com o futuro

Relatório Anual 2018
Versão Completa

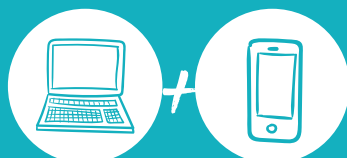


**GOT ANY QUESTIONS?
WANT TO TALK TO US?**

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