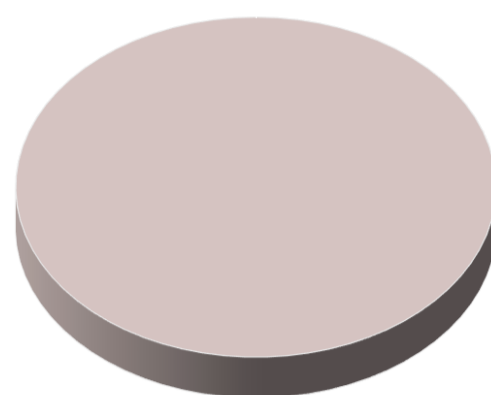


Offshore
0%

The local equities market has once again diverged from the performance of the U.S. market. While the MSCI shows an appreciation of over 10%, the IBX has suffered a decline of 8.6% YTD. Much of this deterioration is linked to the Brazilian macroeconomic and political environment. The performance of fixed income for the month can be considered good given the volatility in future interest rates. The expectation at the beginning of the year was for interest rates to fall to 9% by the end of 2024, but this has changed significantly. In May, the market began projecting that interest rates would remain at 10.50% until the end of the year. Despite the 25 bps cut in the Selic rate by the Central Bank on the 9th, the disclosure of dissent among the voting directors further worsened expectations. It is worth noting that the economic indicators released continue to be good. However, there is a perception of constant deterioration in expectations: the Executive continues to signal that it will not meet fiscal targets while increasing insecurity and taking measures that deteriorate the business environment.



Economic activity and inflation data released in early May revitalized the market. The announcement by the FED that it would reduce the pace of Quantitative Tightening (QT) also helped **improve expectations - starting in June, the reduction in its balance sheet will decrease from a pace of USD 60 billion per month to USD 20 billion. As a result, the yield curve, which had priced in only a 25 bps cut in December, now indicates 2 cuts for the year, with the first occurring in September.** Equities also reflected this shift in expectations, with the MSCI appreciating by up to 5.5% during the month. Commodities continue to appreciate. The standout for the month was precious metals, particularly silver, which rose by 15%. Base metals also **experienced significant gains but for different reasons. Conflicts in major metal-producing regions - Congo for copper and New Caledonia for nickel - supported the prices of these metals.** The index could have performed even better if not for the poor performance of oil. Both the expectation of reduced economic activity and the increase in American inventories were factors that drove the price of the commodity down. It is worth noting that despite positive results for the month, there was a reversal of sentiment in the second half. The release of the FED minutes, indicating that inflation convergence to the 2% target was still far off, dampened expectations.

Local
100%

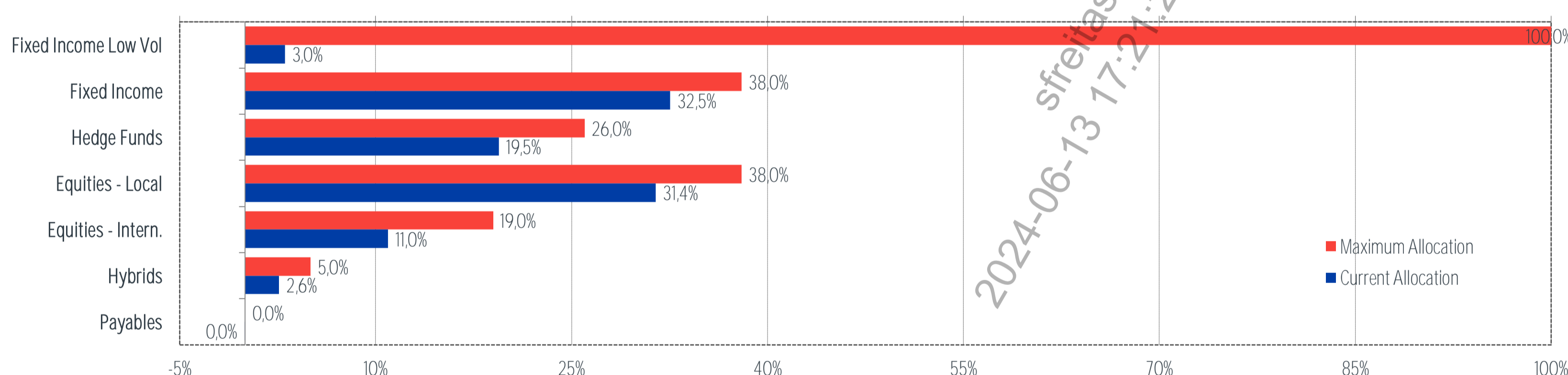
BA&ES local portfolio posted a monthly return of 0.3% for the month, bringing the year's return to -1.5%. The highlights of the month were the international asset classes, which, along with the appreciation of the USD against the BRL (+1.2%), contributed positively to the results for May. International Equities rose by 5.5% for the month and have accumulated a 16.4% gain for the year, while Hybrids returned 3.7% for the month and 10.0% in 2024. On the other hand, the Local Equities class continues to suffer from the Brazilian economic scenario, with returns of -2.3% for the month and -9.1% for the year.

PORTFOLIO PERFORMANCE - LOCAL (in Brazilian Reals - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,8%	4,5%	12,5%	13,1%	11,6%
Fixed Income	1,0%	0,0%	7,2%	9,6%	6,8%
Hedge Funds	0,2%	-1,7%	4,5%	5,0%	7,4%
Equities - Local	-2,3%	-9,1%	5,4%	3,4%	-9,7%
Equities - Intern.	5,5%	16,4%	25,5%	17,2%	6,3%
Hybrids	3,7%	10,0%	12,5%	2,9%	-0,6%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%
Total	0,3%	-1,5%	8,2%	7,5%	1,8%

BENCHMARK	MTD	YTD	12M	24M	36M
CDI	0,8%	4,4%	12,0%	12,8%	11,1%
IRF Comp.	1,0%	0,4%	8,0%	10,3%	7,6%
IHF Comp.	0,3%	-0,6%	6,1%	6,6%	6,9%
IBX	-3,2%	-8,6%	13,2%	4,0%	-1,8%
MSCI (BRL)	5,7%	18,3%	29,1%	18,8%	6,4%
Inflation IPCA	0,5%	2,3%	3,9%	4,0%	6,5%
BENCHMARK	0,1%	-0,4%	12,3%	9,3%	4,9%

ASSET ALLOCATION - LOCAL



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol	142.627
Fixed Income	1.525.724
Hedge Funds	912.025
Equities - Local	1.473.589
Equities - Intern.	513.706
Hybrids	122.352
Payables	(1.021)
Total	4.689.003

GROWTH AND CURRENT ACCOUNT - LOCAL PORTFOLIO (In R\$ Thousands)

GROWTH	2016	2017	2018	2019	2020	2021	2022	2023	2024	ACC.
NOMINAL	0,1%	8,7%	7,0%	19,0%	-5,8%	-4,1%	-2,2%	14,1%	-1,6%	37,3%
REAL	-0,1%	5,5%	3,2%	14,1%	-9,9%	-12,9%	-7,5%	9,1%	-3,8%	-5,5%
IPCA	0,2%	2,9%	3,7%	4,3%	4,5%	10,1%	5,8%	4,6%	2,3%	45,3%

CURRENT ACCOUNT	2016	2017	2018	2019	2020	2021	2022	2023	2024
INITIAL	0	3.416	3.712	3.972	4.728	4.452	4.270	4.177	4.767
Subscriptions	3.415	0	0	0	0	0	0	0	0
Withdrawals	0	0	0	0	-952	0	0	0	0
Account Costs	0	-64	-32	-53	-48	-82	-33	-37	-9
Return	1,7	360	293	808	724	-99	-60	627	-69
FINAL	3.416	3.712	3.972	4.728	4.452	4.270	4.177	4.767	4.689
ACCOUNT COSTS	0,0%	-1,7%	-0,8%	-1,2%	-1,0%	-1,8%	-0,8%	-0,8%	-0,2%
SPENDING RATE	0,0%	0,0%	0,0%	0,0%	-18,5%	0,0%	0,0%	0,0%	0,0%
Nominal Return	0,1%	10,5%	8,0%	20,9%	17,4%	-2,3%	-1,4%	15,1%	-1,5%
Inflation IPCA	0,2%	2,9%	3,7%	4,3%	4,5%	10,1%	5,8%	4,6%	2,3%
Real Return	-0,1%	7,4%	4,1%	15,9%	12,3%	-11,3%	-6,8%	10,0%	-3,6%

The difference between the portfolio performance and the portfolio growth is that the latter considers the impacts of transactions and taxes.