



**POLICY OF INVESTMENT  
DECISION, SELECTION,  
ALLOCATION OF ASSETS  
AND APPORTIONMENTS  
AND DIVISION OF ORDERS**

**SG Brasil Gestora de  
Investimentos (Asset  
Management) Brasil Ltda.**

Version 1.0  
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## 1 INTRODUCTION

This Policy of Investment Decision, Selection, Allocation of Assets and Apportionments and Division of Orders (“**Policy**”) was created to formalize the principles, concepts and basic guidelines for investment decisions, selection, allocation of assets and the division and apportionment of orders applicable to **SIGULER GUFF GESTORA DE INVESTIMENTOS (ASSET MANAGEMENT) BRASIL LTDA.** (“**SG Brasil**”) in the exercise of its third-party’s asset management activity.

SG Brasil acts in an isolated way with their own teams in the third-party’s asset management, through the management of investment vehicles, notably investment funds in different markets.

The structuring of investment funds and the management of the resources invested in the respective funds is the main activity of the company, and the primary vector for its clients’/investors’ value creation.

The fiduciary duty, caution and due diligence in the investment decision process should permeate all activities and initiatives of the company and of its trainees, interns, employees, service renderers, officers and partners (“**Collaborators**”).

The basic values that should guide the investment decision process, selection and allocation of SG Brasil's assets are:

- i) due diligence and caution in the analysis of investment opportunities including both direct investments and third-party fund manager investments, through continuous consideration of a company’s ethical values in a direct investment and the ethical values of a fund manager for third-party fund investments;
- ii) the independence of judgment and full alignment of interests with our clients/investors;
- iii) transparency and seriousness in all actions; and
- iv) simplicity and humility. These values are the basis for the daily behavior of all Collaborators of SG Brasil.

In addition to the procedures and actions defined by this Policy, the express and full compliance with the laws, rules and regulations applicable in Brasil and in other countries where SG Brasil may be present, is a responsibility of all Collaborators.

However, the asset management activity requires the most complete relation of credibility and trust between the service renderer and investors. It also requires the non-negotiable

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commitment to legality and spirit of cooperation with regulatory agencies of the markets in which we operate.

Credibility and trust are acquired through years of effort, and may be compromised by the action of a single individual or a single investment decision made by seemingly improper reasons, from the point of view of its motivation.

## **2 INVESTMENT DECISION**

The investment and divestment decision of all investment funds managed by SG Brasil must comply with the following process:

- i) Formal recommendation made to the Asset Management Officer, from the individual responsible for the fund, based on a detailed analysis of investment opportunities, including a cash flow projection, replacement cost analysis and offers/availability of competing assets;
- ii) Final written approval by the Siguler Guff & Company ("**Siguler Guff**") Investment Committee, which is comprised of senior members on the Siguler Guff Emerging Markets ("**EM**") team and Siguler Guff partners.

The Asset Management Officer's work is performed jointly with the persons responsible for each investment department of SG Brasil, including Siguler Guff's EM team, and shall be supported by SG Brasil's Compliance Officer, and Siguler Guff's Compliance, Legal, Tax, Accounting, and Operations departments.

The Asset Management Officer participates actively in all investment departments of SG Brasil, acting jointly with each of the persons responsible.

### **2.1 Selection**

The selection of assets subject to analysis and possible investment must be based on:

- i. A clear view of the macroeconomic and political condition of Brasil and of the world, tracing its consequences in the various economic sectors, as well as from the investors' perspective regarding each of these sectors (**first step**);
- ii. The result of the macroeconomic analysis leads to the choice of sectors and/or specific segments with prospects of an attractive investment result for the risk posed, such as a likely effective demand by part of the investors (**second step**);

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- iii. In the case of a specific search of the underlying companies, which must include a profound financial analysis, the company's competitive position study within its segment, and analysis of the ethical profile (the current perception research in relation to the company and its partners, and its history) (**third step**).

This step approaches the topics considered key in the company's investment philosophy, such as:

- i. the alignment of interests with the minority shareholders;
- ii. the quality of the company's management body and its knowledge regarding the business; and
- iii. the degree of investment risk in the company, in the financing leverage role or in the current partners' or main shareholders' profile.

The investment recommendations shall be discussed at a specific meeting between the Asset Management Officer and the person(s) responsible for the department(s) related to that type of investment.

## **2.2 Allocation, Apportionments and Division of Orders**

Under the terms of Article 14, VII of Instruction No. 558/15 of the Securities and Exchange Commission ("**CVM**"), this Policy establishes the rules regarding the allocation, apportionment and division of investment and divestment orders between the investment funds managed by SG Brasil.

Such rules aim to create patterns for the equitable allocation of purchase and sale orders of assets issued in the name of the managed investment funds.

The Asset Management Officer and all those persons responsible for investment areas covered by SG Brasil periodically evaluate the positions in the portfolios of investment funds under its supervision.

The investment allocation decisions shall be discussed at a specific meeting between the Asset Management Officer and the person(s) responsible(s) for the department(s) related to that type of investment.

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We only decide to perform an investment after a detailed business analysis, in which we do not intend to stay for a short period. We believe that when an asset enters our portfolio it will be an attractive investment for a long period of time.

The investment is made through a detailed selection of locations, including concentrations and diversifications that maximize the return ratio and risk of the portfolio of the investment funds in question.

As part of this process, the SG Brasil team prepares and reviews summarized material in a weekly EM team call. This material contains important information with respect to the transaction including profile, size of the investment, sector, and timing. The SG Brasil team then enhances the analysis with further information, enumerates the risks and merits, and provides the first return expectations. Throughout the investment process, the members of Siguler Guff's Investment Committee are aware of the main characteristics of the opportunity. For more information on the investment process, please refer to the "Formulário de Referência".

In the ordinary course of its investment management business, SG Brasil and Siguler Guff may encounter investment opportunities that are appropriate for more than one separate account or fund. Such investment opportunities could be in underlying fund investments ("**Private Equity Funds**") or direct investments in privately-owned companies ("**Direct Private Equity Funds**"). To the extent more than one Separate Account or Fund are eligible to participate in an investment opportunity, SG Brasil or Siguler Guff will allocate the investment opportunity in a fair and equitable manner that is consistent with each Fund or Separate Account's governing documents and Siguler Guff's policies and procedures.

Thus, purchase and sale orders of assets between the investment funds managed by us may be held jointly or individually.

If SG Brasil is leading an investment opportunity, the SG Brasil investment team is responsible for making an allocation recommendation to the Siguler Guff Allocation Committee and Investment Committee.

In making its allocation recommendation, SG Brasil will start with a *pro rata* default allocation based on a reasonable assessment of the amount available for investment with respect to such opportunity by each fund and separate account involved.

In addition, sales of investment opportunities where more than one fund or separate account may participate are subject to similar allocation rules.

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### **3 RISK MANAGEMENT METHODOLOGY**

SG Brasil seeks to have, in the investment funds under its management, a performance above the market, but, above all seeks to maximize the risk and return relation for its clients in the long run. SG Brasil makes investments and recommendations related to equity investments either through direct investments or through third-party managers by conducting thorough analysis of the company's or fund manager's quantitative and qualitative philosophy to understand the environment in which the company or fund is inserted.

The investment funds managed by SG Brasil follow the investment guidelines designated by the Asset Management Officer and the person(s) responsible for the department(s) related to that type of investment, including market, liquidity, and concentration risk assessments.

For further information, please refer to the "Risk Management Policy".

### **4 APPROVALS**

<b>Responsible Person</b>	<b>Department</b>
Cesar Collier	Asset Management Officer, Investment
Carla de Biasi	Compliance Officer, Compliance