

BOGARI CAPITAL
Investor Letter 35 - Healthcare

Bogari Value is an investment vehicle focused on publicly traded Brazilian equities. The Fund is long-term oriented and focuses on identifying price distortions between intrinsic asset values and their trading prices.

Our Performance

In 2021 Bogari Value has had a performance through the end of July, gross of fees, in BRL, of +19.1% against Brazilian benchmark Ibovespa's +2.3%.

Since its inception, the vehicle has had an accumulated performance, gross of fees, of +10,239% compared with +205% for the Ibovespa Index over the same period.

Year	Annual		Since Inception	
	Bogari	Ibov	Bogari	Ibov
2021	19.1%	2.3%	10,239.1%	205.0%
2020	19.3%	2.9%	8,583.6%	198.1%
2019	64.5%	31.6%	7,179.2%	189.6%
2018	21.1%	15.0%	4,324.0%	120.1%
2017	32.5%	26.9%	3,551.9%	91.3%
2016	34.3%	38.9%	2,655.7%	50.8%
2015	2.9%	-13.3%	1,951.3%	8.6%
2014	4.3%	-2.9%	1,892.6%	25.2%
2013	11.3%	-15.5%	1,811.0%	29.0%
2012	33.9%	7.4%	1,617.7%	52.6%
2011	3.4%	-18.1%	1,183.1%	42.1%
2010	39.2%	1.0%	1,140.6%	73.6%
2009	145.4%	82.7%	791.5%	71.8%
2008	-19.2%	-41.2%	263.3%	-6.0%
2007	278.8%	43.7%	349.6%	60.0%
2006	18.7%	11.4%	18.7%	11.4%

We are back to writing an investor letter following a long hiatus. The reason it took us so long to release new content is that we don't believe we had a lot of interesting things to share. As we published in our letter number 22, there are some preconditions for us to write to our readers, and some of them were not being met.

However, some time has passed and some of our theses started to unfold, prompting us to discuss them here.

The last two years have been unusual, to say the least, with 2020 being very out of the ordinary. In any case, and without wanting to dwell too much on these issues, those years were marked by the pandemic, the Brazilian government's lack of

management and communication skills, but also by some important reforms.

The Covid-19 pandemic is a human and social tragedy. To quote finance minister Paulo Guedes: "a tragedy of biblical proportions". It is incredibly sad to see so many people suffering and dying, whether or not they are close to us. Even those who have not been directly affected by the disease may be quite affected psychologically by its risks and ensuing preventive measures. To make matters worse, we have a lack of focus and planning by the government in the purchase of vaccines, lengthening this difficult situation that we are facing, with significant consequences for the economy.

Regarding institutional reforms and advances, we believe that, despite all the noise and uncertainty, we have made significant progress. Since the Temer government, a lot has been done. Brazil today is institutionally much more robust than Dilma's Brazil. Since then, we have had the approval of several reforms such as: budgetary spending caps, state-owned company reforms, pension reforms, an independent central bank, constitutional amendments on expenditure, gas laws, sanitation framework, and economic freedom laws, among many others.

Additionally – on the enforcement side – Dilma was impeached for a crime of fiscal responsibility and the Lava Jato operation that dismantled major corruption schemes.

Impeachment brings home with politicians the notion that breaking fiscal rules has consequences. Lava Jato, on the other hand, fulfilled its role. Despite not having arrested all the politicians that it should have, it decimated the structure of the great corruptors. Thus, the cost of corrupting a public agent in Brazil has increased substantially for private entities. Few politicians have been convicted, but many businessmen have suffered great losses and have gone to jail. Private agents have learned that they are the ones who end up facing the consequences, not the politicians. Despite this, we are better off because less corrupters generate less corruption. We are not naïve: corruption will not end – it is part of the system to a greater or lesser extent, but its volume has already been significantly reduced.

Finally, we have the reduction of the State which, albeit occurring at a slower speed than expected, is going ahead. BNDES, Petrobras and Eletrobras have already disposed of many assets. We had the privatizations of BR Distribuidora – one of the largest companies in the country; of the federal energy distributors – which generated billions in losses; and of oil and gas assets – which are enabling the creation of a new breed of companies in sectors previously suffering from state-

induced paralysis. In addition, the new gas and sanitation regulatory frameworks will stimulate the sale of other state-owned companies.

It is also worth mentioning the structural changes with the intense and definitive arrival of the digital revolution in Brazilian companies, and the leap in the development of the capital market in terms of dynamism and liquidity. Both advances bring significant benefits to society and in particular to entrepreneurs and managers who cultivate efficient business models. The beauty of what happens today is that there is no lack of capital for good projects, traditional or innovative, and the State is not the driver of this process. In short, we are making progress in spite of the State.

Finally, it is possible to see the situation in Brazil as either a glass half full or half empty. We prefer to hold a more positive view. We are not saying that the size of the debt is not worrying, that radicalism and political polarization are not bad. We are just saying that the country is no longer the same, having evolved in recent years and there is much to be done in the business world.

Portfolio

As mentioned in our previous letters, many companies came out stronger from the last crisis, as they cut costs and optimized their internal structures. The competitive environment is more benign, as many companies have not survived or have not gone digital. And many interesting new investment cases have come to market in recent years, allowing exposure in more dynamic and growing sectors.

In this context, we are very excited about our portfolio. Our companies are expected to present good operating results in the coming years. And, in general, our portfolio has good price levels and, consequently, good prospective returns.

Our main investment cases performed more or less as expected in operational terms, despite the pandemic. As a result, most of them have seen their share prices appreciate over that period.

Banco Inter went from 500,000 clients in the IPO to 10 million, adding new business lines with great success. Cosan group concluded its long-awaited restructuring, with a major operational improvement in each of its businesses and good growth prospects for the coming years. Intermédica continued to grow strongly and recently announced its merger with Hapvida, an event we had been expecting since its IPO. Eneva continued an incredible process of expanding its business, culminating with the recent acquisition of Polo Urucu. In short, our cases have developed well and we believe they will continue to do so.

As we always like to point out in our investor letters, our portfolio remains adequately diversified. The largest holding makes up around 11% of the Fund's assets, while the top 5 positions combined account for around 33%. Liquidity is high: we are able to convert over 90% of the Fund into cash within 13 days. We continue to hold quality assets, at adequate prices and with good prospects for the coming years.

Additionally, we believe we are prepared to take advantage of any possible devaluation in the Brazilian equity markets.

Healthcare

Introduction

Healthcare is a popular topic worldwide. It is present in political debates, news and in the daily life of the population, it is an area of strong induction of economic and social development. As an investment theme, we pay special attention to the sector's resilience and its growth potential. According to data from the World Health Organization (WHO), annual health expenditure represents around 10% of global GDP, with higher-than-average growth rates and with governments as its main financiers.

However, in Brazil, although the Constitution guarantees healthcare for all as a duty of the State, the percentage of private spending exceeds that of the public. The private sector effectively plugs the supply deficiencies of the State. Between 2010 and 2019 there were almost 7 decommissioned hospital beds per day. In the same period, the rate of beds per thousand inhabitants in Brazil fell below 2, while the index recommended by the WHO is between 3 and 5 beds. As a reference, developed countries like Japan and Germany have 13 and 8 beds per thousand inhabitants, respectively.

The challenge increases when we take into account the demographic profile of Brazilians for the coming decades. An increasingly older population will mean significantly increased demand for health services. Therefore, we evidently need private sector investments in order to supplement public healthcare. And here we find interesting business models.

Long-term Vectors

As long-term investors, we seek to understand the major trends in the sectors in which we invest. Specifically in healthcare, there are two important vectors for the future. The first is the change in Brazilian demographics, with an increase in life expectancy and an aging population. The second is the low penetration of private healthcare.

The life expectancy of Brazilians has been increasing for decades. In 1940, for example, the life expectancy of a Brazilian at birth was 45 years. Today, it stands at around 77 years.

In 1998, our country had 13 million Brazilians aged 60 or over, which represented 8% of the population at the time. With increasing life expectancy, that number in 2018 more than doubled to 28 million, representing 13% of the total. And, according to estimates, in 20 years that number will exceed 50 million. In other words, more than 20% of the Brazilian population will be over 60 years old. The population is getting older.

With a higher average age and living longer, the demand for healthcare products and services tends to increase significantly. Statistics show that a 60-year-old healthcare plan beneficiary makes twice as many doctor visits, three times as many exams and generates at least three times more

hospitalization expenses than a beneficiary aged up to 23 years old. The annual healthcare expenditure per capita for an elderly person can be five to ten times greater than that of a young adult aged 23 years.

Brazil's population is increasingly aging, living longer and requiring ever increasing healthcare spending.

In Brazil, we are approximately 210 million inhabitants and 47 million health insurance users – a 22% penetration rate. In other words, 8 out of 10 Brazilians do not have a private plan and rely on access to the public health system.

Even though we have a wide public health network that serves a large part of the population, frequent surveys with consumers from different regions of the country indicate that health insurance appears as one of the three main aspirations of consumers. Among the main reasons for hiring a private health plan are (i) the precariousness of public healthcare and (ii) the perception of security and support in relation to the quality of the service provided. In general, consumers are satisfied with the services provided by private plans, recommending them to friends and family. On the other hand, private healthcare is one of the greatest aspirations of those who do not have it.

Thus, we have a sector with great growth potential, due to both the aging of the population and low penetration, in which the private service is highly desired by those who do not have access to it.

The Supplementary Healthcare Chain in Brazil: A Retrospective Analysis

The current regulatory framework for the healthcare sector began to be structured in the late 1990s. Law No. 9,656 of 1998 established rules, standards, rights and duties for private healthcare plans and their beneficiaries. Additionally, Law No. 9,661 of 2000 created the National Health Agency (ANS), responsible for regulating and ensuring the functioning of this sector, which stands at 30 million beneficiaries and over than 1,400 health operators as at the beginning of this decade.

In general, healthcare plans can be divided according to the type of contract: individual or collective. Individual plans are contracted directly by the beneficiary, while collective ones are not. These can be corporate – when there is an employment relationship with the legal entity contracting the plan – or affinity, when contracting occurs through unions or professional associations. Employers and beneficiaries disburse monthly premiums to operators in order to gain access to the use of various service providers such as hospitals, medical clinics, laboratories, etc.

Driven by economic growth and new job generation, the number of beneficiaries jumped from 30 million in the 2000s to close to 50 million in 2015. The corporate segment accounted for most of the growth, while individual plans were practically stagnant.

The great disparity in the growth rate of each segment was due to the fact that there is an important regulatory difference: while the collective plans have price increases negotiated between the parties, according to the variation in their costs

and expenses, the individual plans have price increases capped by the ANS. From 2009 to 2019, while the increase in operators' accumulated expenses tripled, price increases authorized for individual plans were significantly below that. With this mismatch, we have loss-making individual plan portfolios and a total disincentive to market such plans. As a consequence, few of the main operators and insurers in the country sell this type of plan and the market focuses on the sale of collective plans.

Current Model: Signs of Exhaustion and Course Correction

Of the 1,400 health insurance companies in existence in 2000, almost half disappeared. Today, there are just over 700, several of which are in a financially fragile condition.

Two factors explain this trend. The first is cultural: there is indiscriminate use of the system with little primary care. In Brazil, curative and specialized healthcare predominates over preventive care.

The second is medical inflation, which increases the price of the plan and is a consequence of the incorporation of new treatments and technologies, the lack of management and coordination of healthcare, low productivity and, probably, the formalization of the sector in recent years – which started to pay more taxes.

The existing remuneration model throughout the healthcare sector chain is a relevant aggravating factor, as it incentivizes waste. Traditionally, there are two payment models for providers: the fee-for-service, which pays for each service provided by volume and the fee-for-value model, whose payments are for prospective analysis, resolution and assessment of the patient's clinical outcome. That is, a fixed amount is paid to effectively and quickly solve the patient's problem.

In Brazil, fee-for-service still prevails. In the vast majority of cases, the healthcare provider works as a paying source, reimbursing the entire network of accredited providers which – in general – favors and remunerates the volume of services provided. Quality, resolution or clinical outcome are not key remuneration variables. There is a perverse dynamic of incentives: healthcare professionals are paid more according to the volume of consultations and exams performed. Laboratories, clinics and hospitals tend to earn more according to the volume and complexity of the procedures. It is the frequency that pays the installed asset base, in a game where the more use the better.

With high inflation and uncontrolled use of the system, operators have been forced to readjust the monthly fees of the plans by 15% to 20% per year, in recent years. With that, the price of the health plans doubled in a short time and became a very relevant expense for families and companies. With the worsening economic situation and the escalation of unemployment in the last Dilma government, health insurance became a luxury item in the Brazilian consumer basket and the sad reality was that more than 3 million beneficiaries left the supplementary healthcare system and returned to the public network.

The good news is that complex systems naturally feed back. The sector itself, identifying the distortions and the unhealthy prognosis, began to adjust, looking for various alternatives to reduce costs.

SulAmérica Group invested in the management and coordination of the entire patient's journey, in primary care, in the home physician initiative and focused on managing the direct purchase of hospital materials and medicines. Bradesco Saúde Group launched a second medical opinion program, motivated by the belief that many highly complex procedures are unnecessary.

Several insurers introduced negotiations for service packages and global daily rates, ending incentives to waste and aligning the service provider to solve the patient's problem efficiently, quickly and decisively.

Vertical operators, discussed below, also had to gain more efficiency. Hapvida, which has high verticalization rates, intensified this process: it internalized laundry, telemarketing and IT. Intermédica increased the verticalization process in clinical and imaging exams.

All of these movements were aimed at increasing efficiency, reducing costs, bringing operators closer to service providers and users, and sharing risk across the entire chain.

Winning Models

Verticalized Healthcare Operators

The great difference between a health plan with a traditional approach and a vertical one is the alignment of interests throughout the chain.

As previously stated, in the traditional approach – in most cases – the healthcare operator works as a paying source, reimbursing the entire network of accredited providers. As the payment is made by quantity consumed, the system encourages a greater use of resources, stimulating waste. This model does not consider quality, resolution or clinical outcome.

In a vertically integrated model, most of the asset structure is owned by the operator: hospitals, clinics, laboratories and healthcare professionals. These are fixed costs of the operator whose purpose is to solve the patient's ailment for the lowest possible cost.

The vertical model has a lower cost, as both the use of each factor and its average cost are lower. Having the medical file digitalized from the beneficiary base, the vertical operator is able to develop optimized protocols for each type of procedure. Once standardized, these procedures are applied throughout its network. This optimization model generates very relevant efficiency gains, since it has the principle of curing the patient in less time and with the least possible use of resources, based on the track record of treatments. Thus, it avoids waste and makes better use of the operator's assets. In addition, this standardization allows for gains of scale in the acquisition of supplies.

The lower use of factors and their lower average acquisition price generate a huge advantage for verticalized operators

when compared to non-verticalized operators. Greater efficiency and control of expenses translate into lower price increases, more affordable prices and higher margins. As a consequence, verticalized companies have had an important evolution in their market share in recent years. This trend is expected to continue for many years to come.

Hospitals

Hospitals have been major beneficiaries of this misalignment system over the past two decades. They ended up taking advantage of the growing demand for healthcare services from non-verticalized operators ("NV"), managing to pass on their costs through the fee-for-service system.

However, with medical inflation, NV had to significantly raise their prices, losing competitiveness. People and companies started looking for cheaper alternatives, downgrading plans, reducing coverage and – ultimately – not being served by the private healthcare system anymore. The verticalized model – which is more competitive and uses little third-party hospital services – gained share.

This cost pressure reduced the profitability of NV, forcing many of them out of the market and generating a strong consolidation in the sector. In turn, hospitals ended up being forced to revise their charging model, giving more predictable and aligned alternatives to help NVs in gaining efficiency and, consequently, gaining more commercial competitiveness. With that, came the emergence of procedure packages, in which the operator pays a specific price for the hospital to solve the customer's problem, regardless of the use of resources.

Nowadays we see the main hospital groups generate over 50% of their revenues from payment methods other than fee-for-service.

The use of these new models is a great advance, but it does not solve all the problems of the system. There are relevant differences between groups of hospitals in the country. Few are sophisticated enough to work that way and, even if they are, they lack necessary scale to succeed.

A large group such as Rede D'Or is one of the main consolidators in the sector. Sophisticated and efficient, it has a level of scale much higher than the other players in the market, approximately 9 thousand beds versus 3 thousand beds for the runner-up. Small hospitals with no scale, on the other hand, have struggled and are likely to be sold to larger, more capitalized groups.

Other Models

Non-Verticalized Operators/Insurers

As previously explained, insurers and non-verticalized operators have been under a lot of pressure in recent years. In addition to the difficulty of gaining efficiency and scale, some still suffer from loss-making portfolios comprised of old individual plans.

The equation here is complex and there is no easy solution. The improvement involves focusing on primary care, with

quality-of-life programs, monitoring of critical patients and better referral of patients who really need surgical procedures.

In addition to the change that has already taken place for billing models other than fee-for-service – which provide greater predictability and better align hospitals – there are attempts at “virtual verticalization”. For example, partnerships with hospitals where payers ensure a large volume in exchange for lower procedure costs. This type of partnership, if well designed, can bring benefits to both parties, better aligning interests.

Another initiative that has taken place is the creation of restricted or regional health plans. This makes costs more controlled, allowing the price to be charged in the plan to be lower, increasing affordability.

The application of technology in general – and telemedicine in particular – is helping the system gain efficiency. The first experiences have been very positive, with the solution of most cases in the online consultation itself. Possibly everyone will benefit from this effect, helping to reduce the use of the system and controlling medical inflation somewhat.

Healthcare operator startups can be successful if they manage to follow the verticalized path. Starting from a proprietary electronic medical record, which allows them to have the entire base of use of their beneficiaries. This information can help them to create their own protocols, generating a more efficient system. However, we believe that, in order to be competitive, they will have to further verticalize, controlling the entire service chain, similar to what vertical operators do.

These are some attempts to improve the profitability and competitiveness of NV. However, they should continue to face more challenges, due to their lack of control over the chain.

Finally, we understand that for the high-income segment these operators are a good solution. For a customer who wants to choose their service providers, these operators will continue to be important. However, this type of more premium service serves only a small portion of the population, who have the income to pay for this type of service, albeit at increasingly higher prices.

Unimeds

Unimed is a separate chapter and have been the biggest market donors in recent years. They are cooperatives, where doctors come together to provide a healthcare plan and themselves take care of patients. There is not a single Unimed, although they all use the same brand. The operated models can also be different, as some are partially verticalized, having their own hospitals and emergency services.

However, there is not necessarily a vision of profit in the cooperative – and consequently of efficiency – because often what drives doctors is having access to patients (beneficiaries of Unimed's health plans). With this misalignment, several Unimed's have had serious management issues in recent years. In some cases, doctors had to invest capital in the cooperative, in others they could not resist and ended up selling their portfolios or leaving the market. There are cases of good management, but they are exceptions.

As a result, in general, Unimed's lost a lot of market share in the country, especially in large centers where competition is stronger. In the interior – due to the lack of competition and due to the difficulty of the largest operators to penetrate – they still have a relevant role. However, it is difficult to envision a scenario in which cooperatives gain efficiency and, therefore, should continue to be market share donors for the most professionalized groups.

What We Like

We like verticalized operators very much. We have been Intermédica's investors since its IPO, as we always believed that the verticalized model has a very important competitive advantage. We always believed that the merger with Hapvida made sense, because that way we would have a company capable of offering a competitive national solution to its customers. The inexistence of a solution with suitable costs and national presence has always been a problem for corporate clients operating across several states, as require demand several providers for the same service. This increases the complexity of managing the contracting of services and generates a loss of business scale for the customer, since fewer lives are negotiated with each operator.

Finally, we understand that a unified Hapvida / Intermédica fulfills an important social role, as it occupies space in the provision of medical services for a share of the population that is not being suitably well served by the State, and at a very competitive price. This new company will have many years of high-quality growth.

We also like the Rede D'Or: a combination of strategic assets in the main urban centers, very efficient and very well managed. We have been following the company closely for a long time and we believe it will continue to grow efficiently for at least another 10 years.

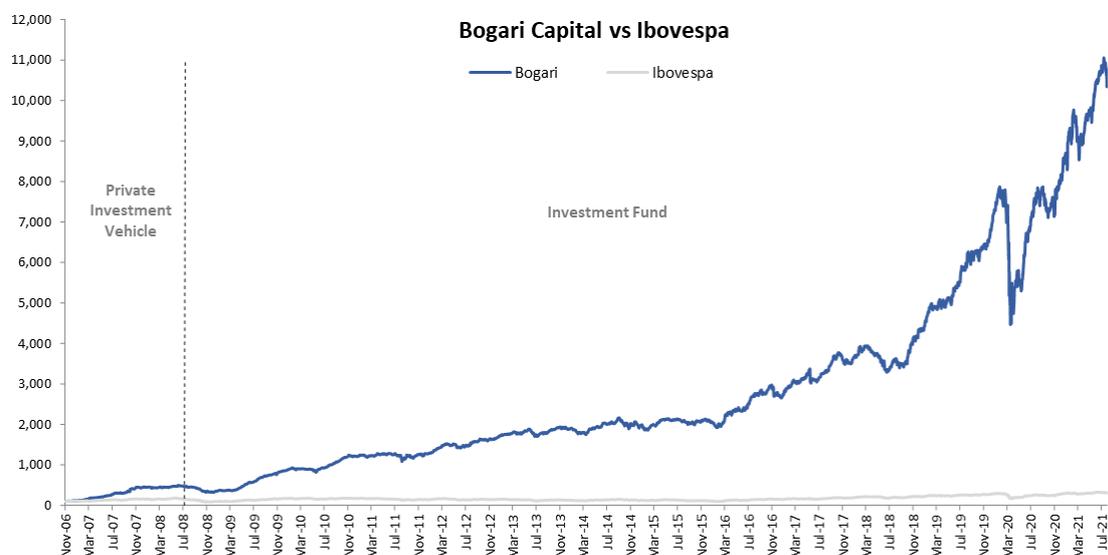
Finally, we conclude our letter with hopes that the population will be vaccinated as soon as possible, therefore reducing the number of deaths attempting to regain “normality”. Take care of your families and those close to you. We shall speak again when this sad situation has passed.

Thank you for your trust.

BOGARI CAPITAL

Performance Variation

		Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Set	Out	Nov	Dec	Year
2021	Bogari	4.0%	-0.5%	1.7%	6.6%	6.0%	3.8%	-3.5%						19.1%
	Ibov	-3.3%	-4.4%	6.0%	1.9%	6.2%	0.5%	-3.9%						2.3%
2020	Bogari	4.0%	-6.4%	-28.5%	11.1%	9.0%	12.4%	11.4%	0.2%	-6.6%	-0.8%	11.3%	9.4%	19.3%
	Ibov	-1.6%	-8.4%	-29.9%	10.3%	8.6%	8.8%	8.3%	-3.4%	-4.8%	-0.7%	15.9%	9.3%	2.9%
2019	Bogari	11.8%	-1.3%	2.1%	3.0%	4.6%	3.0%	7.1%	6.0%	0.5%	1.4%	3.0%	10.6%	64.5%
	Ibov	10.8%	-1.9%	-0.2%	1.0%	0.7%	4.1%	0.8%	-0.7%	3.6%	2.4%	0.9%	6.8%	31.6%
2018	Bogari	6.7%	0.2%	-1.9%	-2.0%	-7.2%	-3.6%	5.9%	-1.9%	1.9%	15.0%	6.3%	1.8%	21.1%
	Ibov	11.1%	0.5%	0.0%	0.9%	-10.9%	-5.2%	8.9%	-3.2%	3.5%	10.2%	2.4%	-1.8%	15.0%
2017	Bogari	6.2%	4.3%	1.5%	3.9%	-3.2%	0.6%	4.2%	5.8%	5.4%	-0.5%	-3.2%	4.1%	32.5%
	Ibov	7.4%	3.1%	-2.5%	0.6%	-4.1%	0.3%	4.8%	7.5%	4.9%	0.0%	-3.1%	6.2%	26.9%
2016	Bogari	-1.8%	3.5%	9.7%	2.9%	-1.3%	7.5%	9.2%	1.9%	-1.2%	8.3%	-6.3%	-1.2%	34.3%
	Ibov	-6.8%	5.9%	17.0%	7.7%	-10.1%	6.3%	11.2%	1.0%	0.8%	11.2%	-4.6%	-2.7%	38.9%
2015	Bogari	-6.7%	7.1%	3.4%	3.4%	-1.5%	1.4%	-1.4%	-3.1%	-0.8%	2.3%	1.1%	-1.5%	2.9%
	Ibov	-6.2%	10.0%	-0.8%	9.9%	-6.2%	0.6%	-4.2%	-8.3%	-3.4%	1.8%	-1.6%	-3.9%	-13.3%
2014	Bogari	-5.7%	-0.3%	3.6%	1.9%	1.7%	4.4%	0.4%	6.7%	-7.5%	1.3%	2.0%	-3.4%	4.3%
	Ibov	-7.5%	-1.1%	7.1%	2.4%	-0.8%	3.8%	5.0%	9.8%	-11.7%	0.9%	0.2%	-8.6%	-2.9%
2013	Bogari	2.1%	2.3%	0.1%	1.9%	1.6%	-6.0%	2.0%	1.2%	3.4%	3.9%	-0.1%	-1.3%	11.3%
	Ibov	-2.0%	-3.9%	-1.9%	-0.8%	-4.3%	-11.3%	1.6%	3.7%	4.7%	3.7%	-3.3%	-1.9%	-15.5%
2012	Bogari	6.8%	6.4%	3.3%	1.1%	-5.1%	1.6%	4.7%	2.3%	2.5%	0.5%	2.1%	3.8%	33.9%
	Ibov	11.1%	4.3%	-2.0%	-4.2%	-11.9%	-0.2%	3.2%	1.7%	3.7%	-3.6%	0.7%	6.1%	7.4%
2011	Bogari	-1.8%	0.9%	2.7%	1.3%	0.7%	-1.0%	-2.7%	-1.9%	-1.7%	4.4%	1.0%	1.8%	3.4%
	Ibov	-3.9%	1.2%	1.8%	-3.6%	-2.3%	-3.4%	-5.7%	-4.0%	-7.4%	11.5%	-2.5%	-0.2%	-18.1%
2010	Bogari	1.1%	-0.1%	-0.8%	-0.5%	0.1%	3.4%	8.9%	6.1%	6.9%	5.6%	1.5%	1.7%	39.2%
	Ibov	-4.6%	1.7%	5.8%	-4.0%	-6.6%	-3.3%	10.8%	-3.5%	6.6%	1.8%	-4.2%	2.4%	1.0%
2009	Bogari	-1.0%	5.8%	-0.8%	22.1%	15.9%	7.1%	17.5%	8.4%	3.2%	3.8%	8.9%	4.9%	145.4%
	Ibov	4.7%	-2.8%	7.2%	15.6%	12.5%	-3.3%	3.1%	8.9%	0.0%	8.9%	2.3%	82.7%	
2008 ⁽¹⁾	Bogari	-3.6%	3.9%	-1.2%	3.1%	2.5%	2.2%	-7.2%	-0.6%	-12.8%	-12.8%	-0.4%	8.0%	-19.2%
	Ibov	-6.9%	6.7%	-4.0%	11.3%	7.0%	-10.4%	-8.5%	-6.4%	-11.0%	-24.8%	-1.8%	2.6%	-41.2%
2007 ⁽¹⁾	Bogari	9.4%	25.7%	14.4%	9.7%	16.3%	13.9%	11.3%	3.3%	8.8%	28.6%	0.6%	2.4%	278.8%
	Ibov	0.4%	-1.7%	4.4%	6.9%	6.8%	4.1%	-0.4%	0.8%	10.7%	8.0%	-3.5%	1.4%	43.7%
2006 ⁽¹⁾	Bogari											5.1%	12.9%	18.7%
	Ibov											5.0%	6.1%	11.4%



- Note (1): Bogari Investment Club inception was in November 1, 2006. In July 8, 2008, the investment club was converted into Bogari Value FIC FIA.
 Note (2): On February 21, 2018 Bogari Capital started a new fund with same investment strategy but free of pension funds regulation restrictions.
 Note (3): Returns are gross of fees.

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