




POLICIES & INTERNAL STANDARDS

RISK MANUAL

	POLICIES & INTERNAL RULES MANUAL OF RISK	2022
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PRESENTATION

AGBI Real Assets ("AGBI"), is a company dedicated to the administration of third-party resources, through the management of investment vehicles available in the market in which it operates.

Resource management/management activities require the most complete credibility and trust relationship between us and our customers. It also requires a non-negotiable commitment to the legality and spirit of cooperation with the regulatory bodies of the markets in which we operate.

This Risk Manual (Manual) aims to discipline the procedures that will be applied by AGBI for the constant monitoring and management of risks inherent to the activity of securities portfolio management.

With the implementation of this Manual, AGBI intends to minimize the possibility of events that may compromise your credibility and trust.

I. INTRODUCTION

APPLICATION OF THE MANUAL

For the purposes of this Risk Manual ("Manual"), the term "AGBI" covers AGBI Real Assets Ltd. ("AGBI")

This Risk Manual applies to all AGBI members, collaborators and members of management or management positions.

Everyone must ensure that the laws and standards applicable to AGBI are fully understood, as well as the full content of this Manual. In case of doubts or need for advice, it will be essential to seek immediate assistance from the coordinator of the Risk Committee.

For the purposes of this Manual, all requests that depend on authorization, guidance, or express clarification of the coordinator of the Risk Committee shall be addressed to the said coordinator.


RISK AND COMPLIANCE AREA

AGBI's risk and compliance area is the internal bodies responsible for monitoring and managing the risks inherent to the securities portfolio management activity, ensuring compliance with the procedures of AGBI and its Collaborators with all legal and regulatory requirements and guidelines, as well as regulating and supervising compliance with the rules contained in this Risk Manual. In addition, the Directors hired by the Funds also perform, in a joint or isolated way, the procedures for monitoring and managing risks in relation to securities portfolios.

II. STRUCTURAL ASPECTS

STRUCTURE OF THE RISK MANAGEMENT AREA

AGBI has a risk committee coordinator who is responsible for the Risk Management area, in charge of monitoring and managing the risks involved in its activity. This structure was designed to ensure that controls are reported to the Executive Committee without any interference from those responsible for the management of securities portfolios, independently, avoiding

	<p style="text-align: center;">POLICIES & INTERNAL RULES MANUAL OF RISK</p>	<p style="text-align: center;">2022</p>
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interference in the outcome of risk management.

Despite the Management's diligence in implementing the investment policy outlined, the Fund's investments are, by their nature, subject to typical market fluctuations, credit risk, systemic risk, adverse liquidity conditions and atypical trading in the markets of operation and, even if the Manager maintains routines and risk management procedures, there is no guarantee of complete elimination of the possibility of losses to the Fund and the Shareholder.

The functions of the Risk and *Compliance Area* include:

- (i) Ensure that the procedures and practices adopted by professionals are in accordance with the pre-established internal limits and those recommended by regulatory bodies and the ethical principles of AGBI and the market;
- (ii) Risk monitoring of investments in securities;
- (iii) Monitoring of securities management *vis-à-vis* their respective mandates, rules, and guidelines;

III. RISKS AND RULES

MARKET RISK

Definition

Market Risk: consists of the risk of fluctuations in prices and the profitability of the Fund's assets, which are affected by various market factors, such as liquidity, credit, political, economic, and fiscal changes. This constant price fluctuation may cause certain assets to be valued at values other than the issue and/or accounting, which may result in volatility of shares and losses to shareholders.

LIQUIDITY RISK

Definition

Liquidity Risk: consists of the risk of reduction or non-existence of demand for the fund's member assets in the respective markets in which they are traded, due to specific conditions attributed to those assets or to the markets in which they are traded. Due to such risks, the Manager may encounter difficulties in liquidating positions or trading such assets at the desired price and time, in accordance with the management strategy adopted for the Fund, which will remain exposed, during the respective period of lack of liquidity, to the risks associated with those assets and positions assumed in derivatives markets, if applicable, they may even require the Manager to accept discounts on their respective prices in order to conduct their market trading. These factors may impair the payment of redemptions to the Fund's Shareholders, in the amounts requested and in the contracted deadlines.

CREDIT RISK

Definition

Credit Risk: consists of the risk of default or delay in the payment of interest and/or principal by the issuers of the assets or counterparties of the Fund's operations, including any tenants of properties held directly or indirectly by the Fund, and may cause, as the case may be, the reduction of gains or even financial losses up to the value of the operations contracted and not settled. Changes and misconceptions in the assessment of the issuer's credit risk may result in fluctuations in the trading price of the securities that make up the Fund's portfolio.

RISK OF DERIVATIVES

Definition

Derivative Risk: consists of the risk of price distortion between the derivative and its object asset, which may cause increased volatility of the Fund, limit the possibilities of additional returns on operations, not produce the intended effects, as well as cause losses to the Shareholders. Even for the Fund, which uses derivatives exclusively to protect spot positions, there is a risk that the position does not represent a perfect hedge or sufficient to avoid losses to the Fund.

RISK OF CONTRACEPTION

Definition

Counterparty risk is the risk that the counterparty of a business does not meet its contractual obligations.

The risk associated with the Fund's applications is directly proportional to the concentration of applications. The higher the concentration of the Fund's investments in a single Target Company or Company, the greater the vulnerability of the Fund in relation to the risk of such broadcaster.

Procedures for selecting and approving brokers and distributors for securities intermediation

To select and approve brokers and distributors for securities intermediation the manager must indicate the brokers with which he wants to work. The selection and pre-qualification process begins, where criteria such as credibility, size, research, and efficiency should be analyzed.

Procedures for selecting and approving counterparties for conducting committed operations

In the case of committed transactions, selection and approval are conducted with the administrator hired by the fund.

AGRIBUSINESS RISK

Definition

Agribusiness Risks: The Fund's assets are related to the agricultural and agro-industrial sector, being subject to specific risks of such sector, whose specificities are largely due to the strong dependence of the sector on climatic, biological and nature conditions in general, the submission of the sector's activities to production cycles that are usually relatively long and the perishable nature of the products. In this sense, among other risks, include (a) the risk of production (e.g. the difficulty in predicting, at the time of planting, what will occur throughout the process until

	POLICIES & INTERNAL RULES MANUAL OF RISK	2022
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harvest, such as adverse climatic conditions and possible pests and diseases that may plague production); (b) the price risk arising from changes in prices and price relations between the time at which the decision to produce is taken and the period in which the sale of production will be made; and (c) the risk caused by the deficiency of transport and storage logistics in Brazil that may compromise the flow of production to the main markets effectively or in the agreed manner. Additionally, the sector is still subject to risks arising from environmental legislation and land risks, including related to existing social movements in Brazil.

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