

FCL *Capital*
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www.fclcapital.com

FCL Equities FIA

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FCL *Capital*

FCL Equities FIA

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Investment Philosophy

We are value investors, using a *long-biased* strategy, thus creating a concentrated portfolio of solid assets with great ability to generate operating cash flow.

We seek deep understanding of the invested companies and have a partner mentality. We look for opportunities that are not obvious.

We do not try to time the market, we invest in assets that we consider far from their fair price. With long term investment horizon.

Conviction and concentration: we seek great value opportunities that enable us to generate differentiated returns.

Long-Biased Strategy

We can have up to 120% of the fund's equity invested in long positions, and up to 20% invested in short positions.

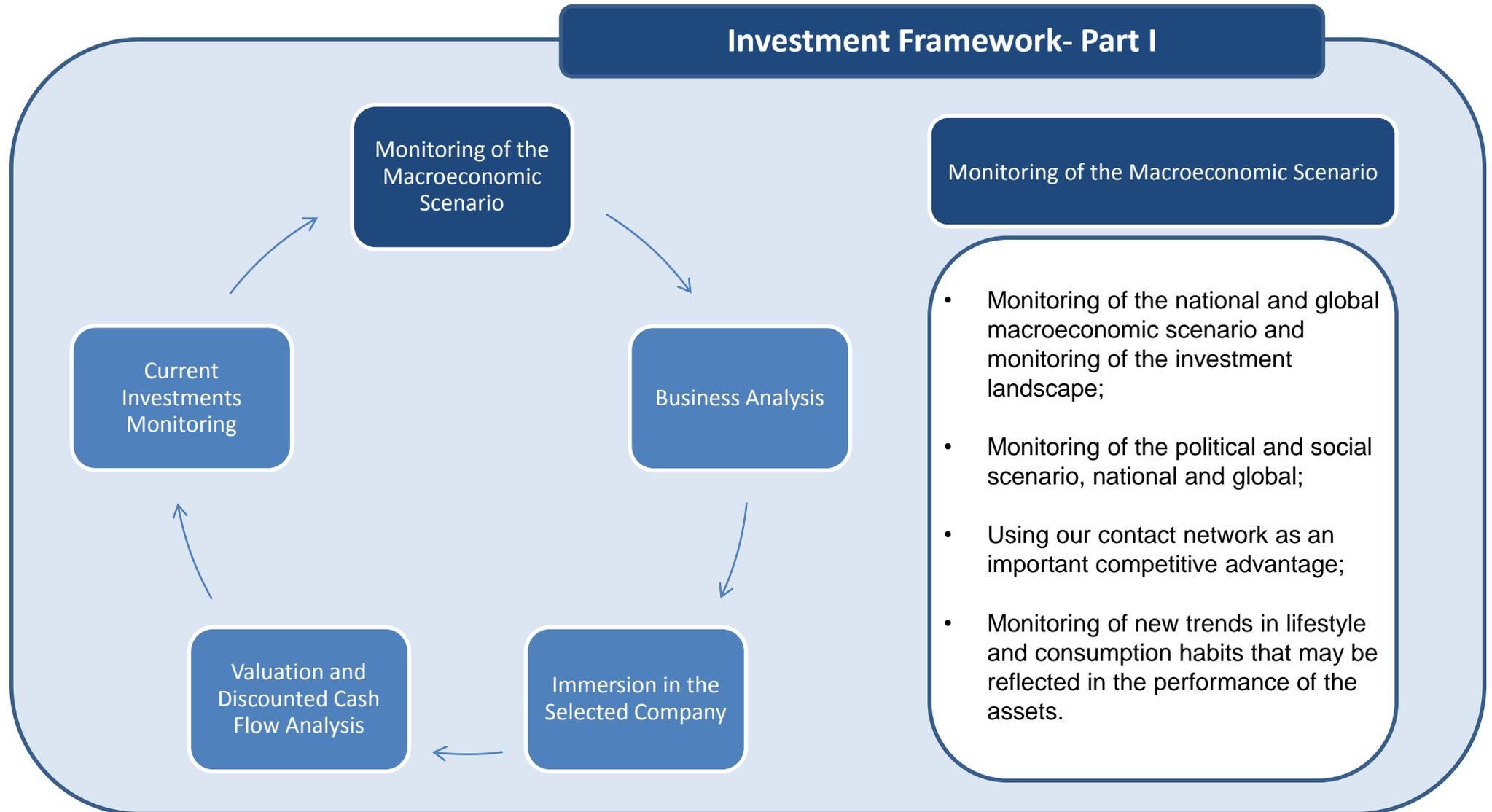
The strategy allows us to identify opportunities in stocks both above and below their fair price, expanding our array of possibilities.

In periods of "Bear market", we are able to lower our long exposure, managing risk and increasing the safety of our investments.

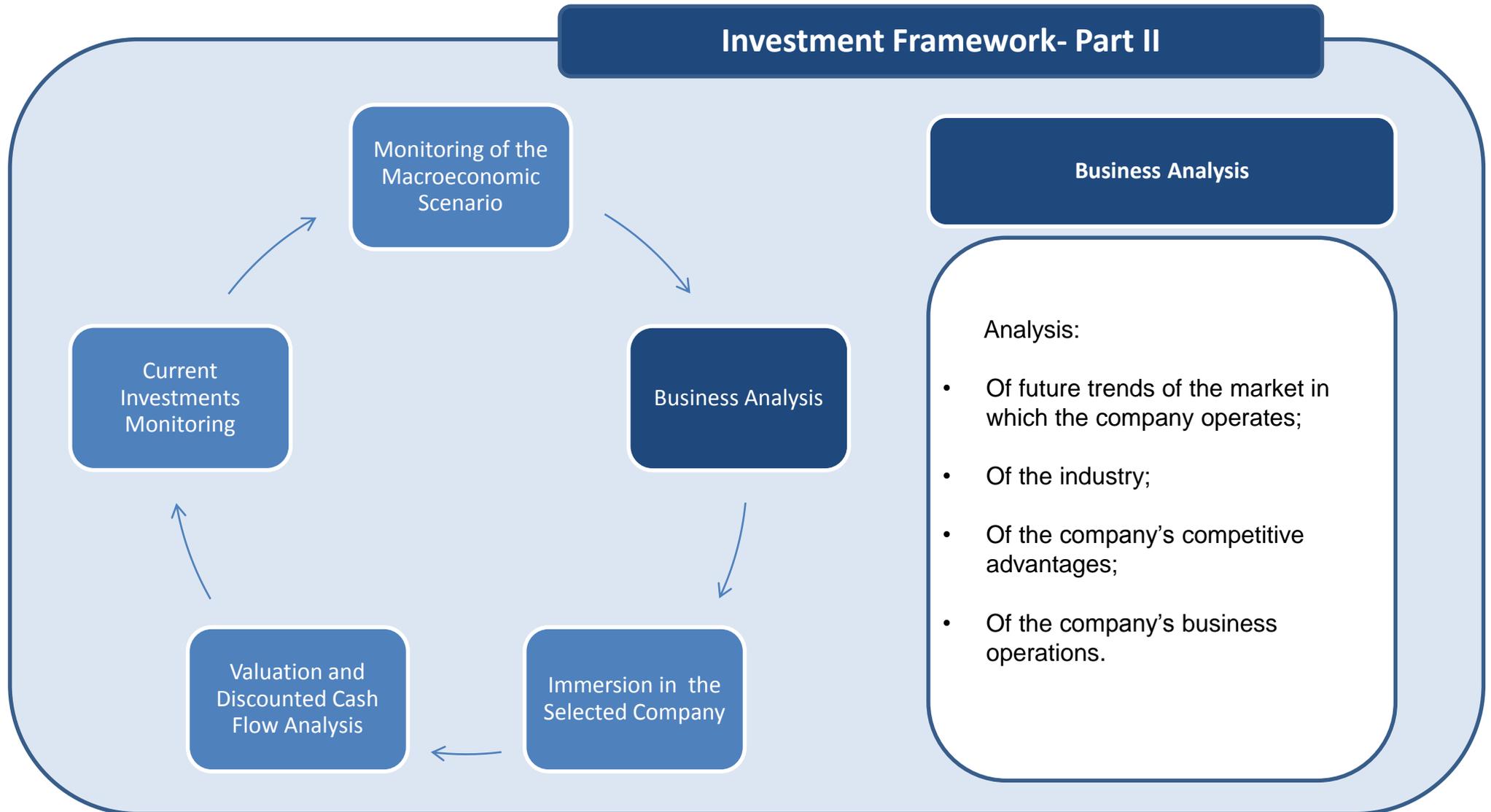
Enables us to find opportunities and implement strategies with long and short positions, also to arbitrate pairs of stocks, allowing us to manipulate the exposure to market beta.

Ability to better position our portfolio through different market scenarios.

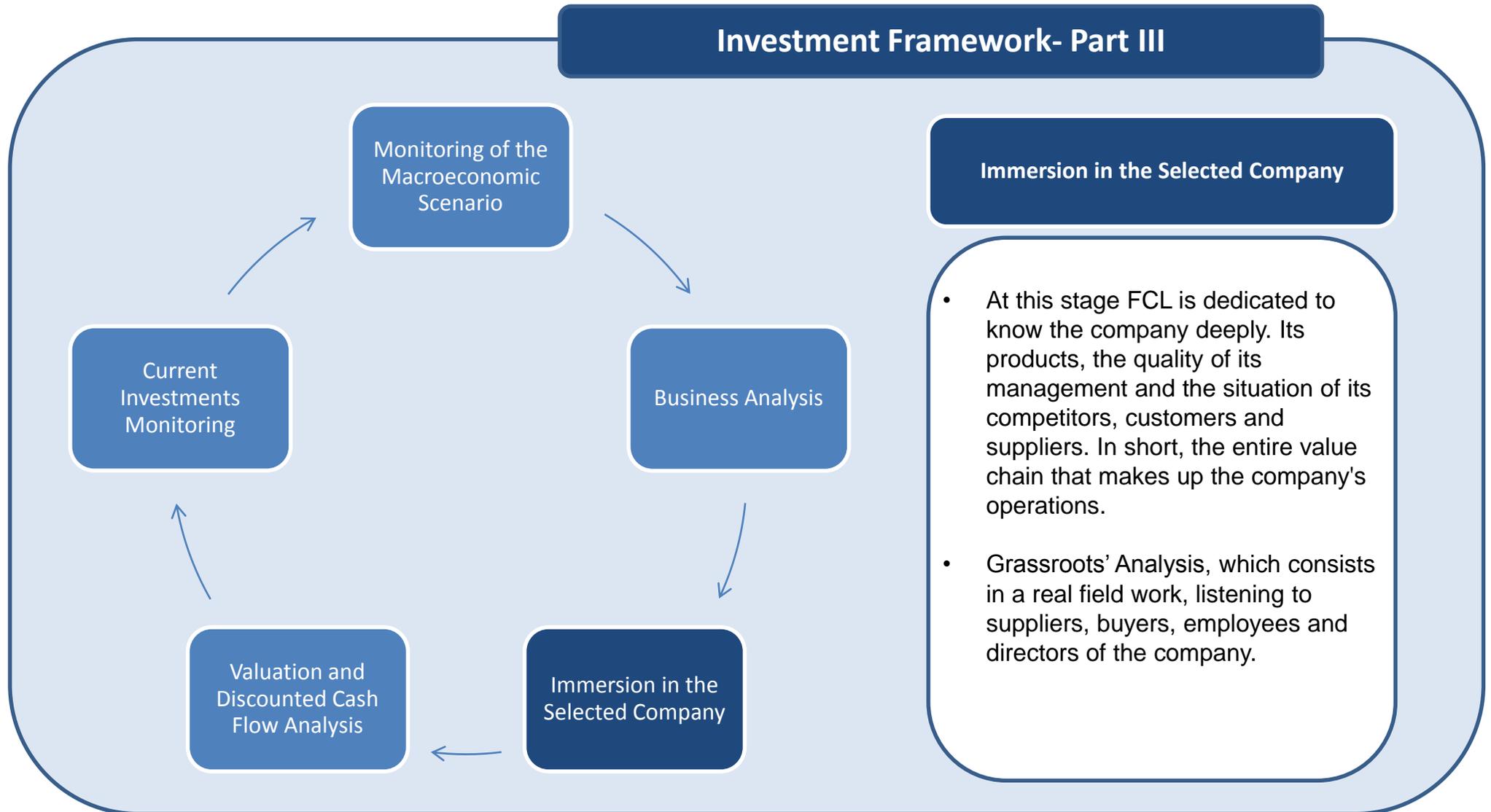
Investment Framework- Part I



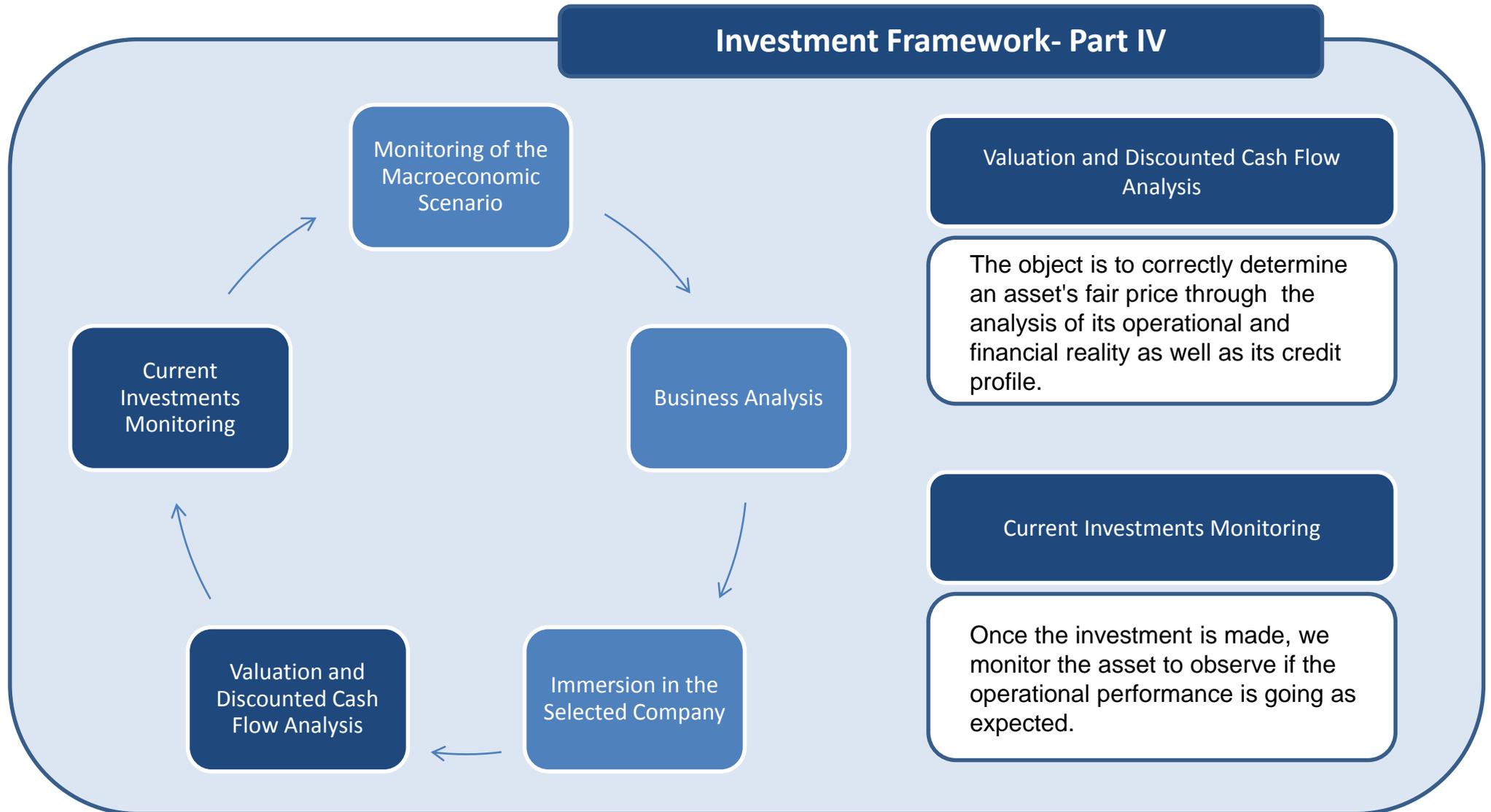
Investment Framework- Part II



Investment Framework- Part III



Investment Framework- Part IV



Risk Management

Our greatest tool of risk management is the value investing philosophy itself, that forbids us from buying overly expensive shares.

Constant search for comprehensive understanding of the risks involved in the asset in question.

Mapping of the impact of macroeconomic variables in the operations of the companies in our portfolio.

Monitoring and constant contact with the management of the companies in our portfolio, the constant flow of information avoids unpleasant surprises.

We do not seek gains from short-term speculations; Instead, we seek solid , cheap companies with strong generation of operating cash flow.

Technical Information

| | |
|---------------------------------------|--|
| Management Fee | 2% per year paid monthly |
| Performance Fee | 20% of what exceeds the Ibovespa index |
| Subscription | T+1 (until 14:00) |
| Withdraw | Share conversion: T+9 / Payment: Three days after share conversion |
| Minimum Initial Investment | R\$ 50.000,00 |
| Minimum Remaining Amount | R\$ 50.000,00 |
| Minimum Amount per Transaction | R\$ 5.000,00 |
| Anbima Classification | “Ações Livre” |
| Anbima Code | 31971-6 |
| Management | FCL Capital |
| Custody | BNY Mellon |
| Auditing | KPMG |
| Administration | BNY Mellon |
| Target Investors | Public in General |

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Expansion Plan

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Expansion Plan - FCL Equities

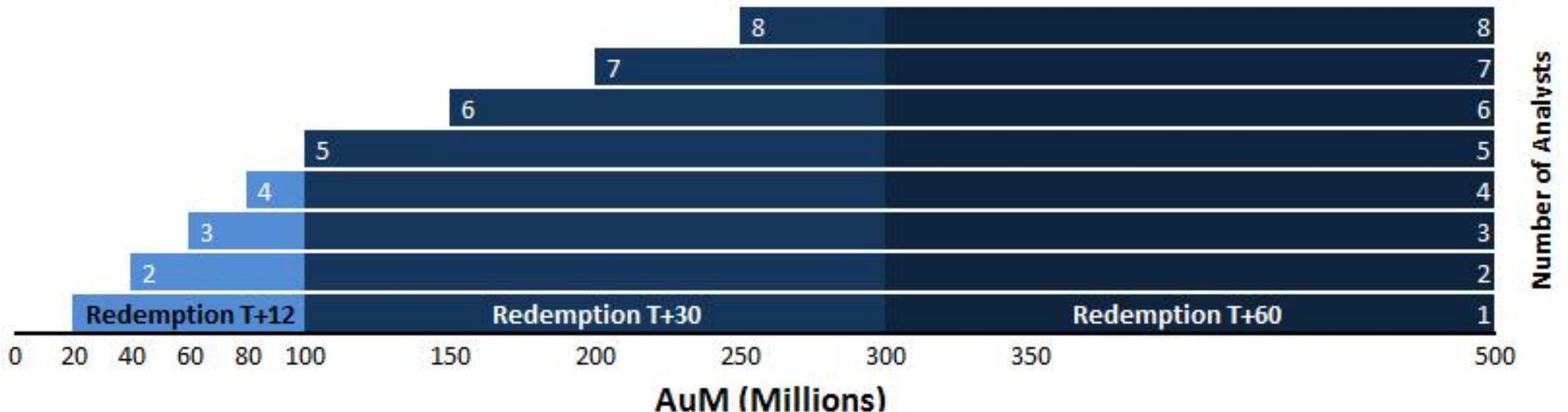
We believe that our ability to maintain a differentiated historical performance for our product will be decided by five factors, which we call the 5 drivers for consolidation of the fund:

- 1 • Team building
- 2 • Fund structure
- 3 • Aligned investor base
- 4 • Our ability to generate differentiated investment ideas
- 5 • A motivated team

Expansion Plan - Drivers 1 and 2

Driver 1 - Team building: To build a solid team of analysts dedicated to analyze companies and positions for the FCL Equities fund, focusing on both internal training and the hiring of people with experience and know-how.

Driver 2 – Fund structure: To structure the fund, thus creating a platform that allows flexibility and manageability.



Expansion Plan - Drivers 3 and 4

Driver 3 – Aligned investor base: The quality of our investor base is a key ingredient to the quality of our management. We seek investors that are aligned with our management philosophy and goals, who believe in the discipline of value investing and are able to look beyond the financial and economic cycles.

An aligned investors base allows us to pursue long-term goals. Investment houses of success in Brazil and abroad were able to create an investor base in line with its investment philosophy, which proved to be a relevant source of competitive advantage in the industry.

Driver 4 - Our ability to generate differentiated investment ideas: A structure in which we organize our team of analysts in terms of ideas and projects for investment analysis, and not by the traditional sector based analyst division.

Maximum impact of the time spent by our team on projects of possible relevance to the fund, cross information, greater possibility of collaboration, creativity, insights out of the "commonplace" among other advantages.

Expansion Plan - Driver 5

Driver 5 - A motivated team:

A meritocratic culture, with a long-term vision that encourages creativity and the “owner” mindset.

The members of our team will be a relevant part of the project and not mere employees.

A structure based on ideas, which enables the time of our team to be fully dedicated to possibly relevant ideas for both long and short investments.

Alignment of interests between founders and staff, since we distribute a big part of our performance fee for the staff.

An environment to stimulate knowledge and personal improvement.

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Company Overview

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History

FCL Capital is an independent investment company, focused on asset management, free from conflicts of interest and multiple objectives that has for a mission the preservation and multiplication of its investor's capital, through a thorough financial analysis. Our goal is to generate absolute returns, staying solid and consistent through good and bad periods of the economic cycle.

In 2011, four years after the inception of our first financial product, an investment club called Clube de Investimentos FCL Capital, on the 3rd of April 2007, we still use the same winning investment strategy that helped us achieve a distinct track record in the Brazilian asset management industry.

Continuing our improvement process, in 2011, we invested in our infrastructure, forming alliances with solid companies and hiring the best asset management support services the market has to offer. Our focus is always to strive to provide an even better product to our investors, which is and will ever be our biggest commitment.

Our improvement process culminated, in 2012, with the creation of the investment fund FIA FCL Equities, that gives continuity to our first product, which returned over eight times its benchmark performance, the index Ibovespa, a return of 189,36% compared to the 21,50% of Ibovespa and an average annual return of 20,67%.

Managers

Fernando Araujo

Fernando holds a law degree and a MBA in Finance. Actively participated from 2003 to 2007 as board member of a notable real estate company, specialized in building and managing shopping centers. Such experience, as well as his academic formation, based in law and finance, helped in shaping Fernando's distinguished abilities as a company and economic analyst. This foundation explains the success of the investment club established in 2007 that precedes FCL Equities FIA. Currently works as FCL Capital's CIO.

Besmar Lino

Graduated in economics, also holds an MBA in Finance and a Masters Degree in Corporative Governance, Besmar has over 20 years of experience in the Brazilian capital markets. He worked as manager of fundamental analysis for Banco do Brasil and PREVI, as well as board member of many companies. Besmar brings to FCL Capital, where he works as a Co-Manager, the experience and knowledge of someone who has worked for decades with the Brazilian stock markets.

Alignment of Interests

The majority of the partners and their families' wealth is invested in the fund.

FCL Capital has only one product, the fund FCL Equities FIA. There are no multiple objectives.

We will only be successful and consequently compensated by generating value for our shareholders.

The bonus of the management team is tied in its entirety to the fund's performance and is designed to be cumulative, creating a long-term vision and ensuring not only performance, but preservation of investors' capital.

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Investor Relations

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Auditor



Custodian



Bradesco

Regulation



Administration and Distribution

