Quarterly Report

First Quarter / 2012

Investidor Profissional
Desde 1988

INDEX

"It's easier to stay out of trouble than it is to get out of trouble" – Warren Buffett

During 2011, the stocks of many companies that we consider of low quality plummeted while those we really admire hardly fell.

Our reaction was to allocate more capital only to those businesses that we deem excellent and were available briefly at inviting prices. The result so far? Our performance would have been better during the quarter had we bought worse businesses.

This leads us to the quote at the start of this report.

We are not willing to buy assets that burn shareholder capital and provide low returns and margins, just because they have taken a beating and therefore may surge if prices recover across the board. We are not interested in making bets, buying "lottery tickets" of pre-operational companies in an effort to make a quick buck. Neither are we willing to buy assets – regardless of price – whose controllers have repeatedly disrespected shareholders, or have given signs that they allocate capital with public policies in mind, in detriment to business value.

Our shareholders and ourselves can rest assured, knowing that we have shares in a "holding" (VBF Portfolio) that has interests in quality, cash-generating businesses with good governance, a loyal audience and years of growth ahead of them.

As far as we can see, people will not stop drinking Budweiser, Skol or Brahma (Ambev) neither will they stop going to the Barra Shopping mall (Multiplan). Women will continue to care about beauty and well being, and will buy cosmetics and perfumes whose brands, after decades of investments and consistency, managed to seize an important share of mind (Natura). Shopkeepers will still need to be paid in a safe and practical fashion (Redecard). And if anything, people will need a safe bank to watch their resources and be accessible on a comprehensive branch network (Itaú/Bradesco).

We believe that by owning businesses of this caliber, our return will be high and safer than if we had opted for making risky bets that would then drag us to an uphill battle to dispose of them.

Of course, there are many ways to profit in capital markets. Our approach is just a reflex of our appetite for risk and our belief that in order to build capital at attractive rates, it is essential to be constantly concerned with its preservation.

The past quarter saw net sales in VBF Portfolio. Unfortunately, we have not been able to reinvest our capital in reasonably-priced assets featuring the qualities we seek dearly.

It is worthless to buy great assets at excessive prices. In a contest for who bids higher, the smart move is to lose.

Portfolio

The variation in the market prices of VBF Portfolio in the 1st quarter of 2012 was 10.7%.

During the quarter, we increased only two investments that were already in the Fund: Natura and Duratex. The reductions seen elsewhere happened more horizontally, with varying degrees depending on the asset. We reduced our investments in Ambev, Totvs, Aliansce, Multiplan, Porto Seguro, Lojas Renner and Itaúsa after these stocks rose. We also sold our entire position in Dasa, given that the stock saw a reasonable appreciation and our analysis lacked sufficient grounds for maintaining the position.

Cash accounted for approximately 32% of the

VBF Portfolio at the end of the quarter. Net sales amounted to approximately 12% of the VBF Portfolio, considering the return in the period – a high ratio according to our standards. It is important to make it clear that this does not reflect an opinion about what will happen with the market in general. We would not be surprised if prices went up or down. Our concern is to maintain the Fund invested in shares whose prices are attractive enough to provide us with a margin of safety.

On April 2, we hard closed our domestic vehicle IP-Participações for new investments. As we see a general lack of quality opportunities in the market and our cash holdings are close to our 33% local regulatory limit, we are also soft closing our vehicle for foreign investors. Nevertheless, we are confident with the current structure and allocation of our portfolio. Our goal is to maintain management flexibility in order to find compelling opportunities in excellent large or small companies, with liquid shares or not. We are prepared to move quickly to reduce our cash position and to take more capital when we feel the right conditions are in place.

In the Investments section, this quarter, we discuss in more detail the shopping mall companies Aliansce and Multiplan, which have been part of our portfolio for a few years.

SHOPPING MALLS: ALIANSCE AND MULTIPLAN

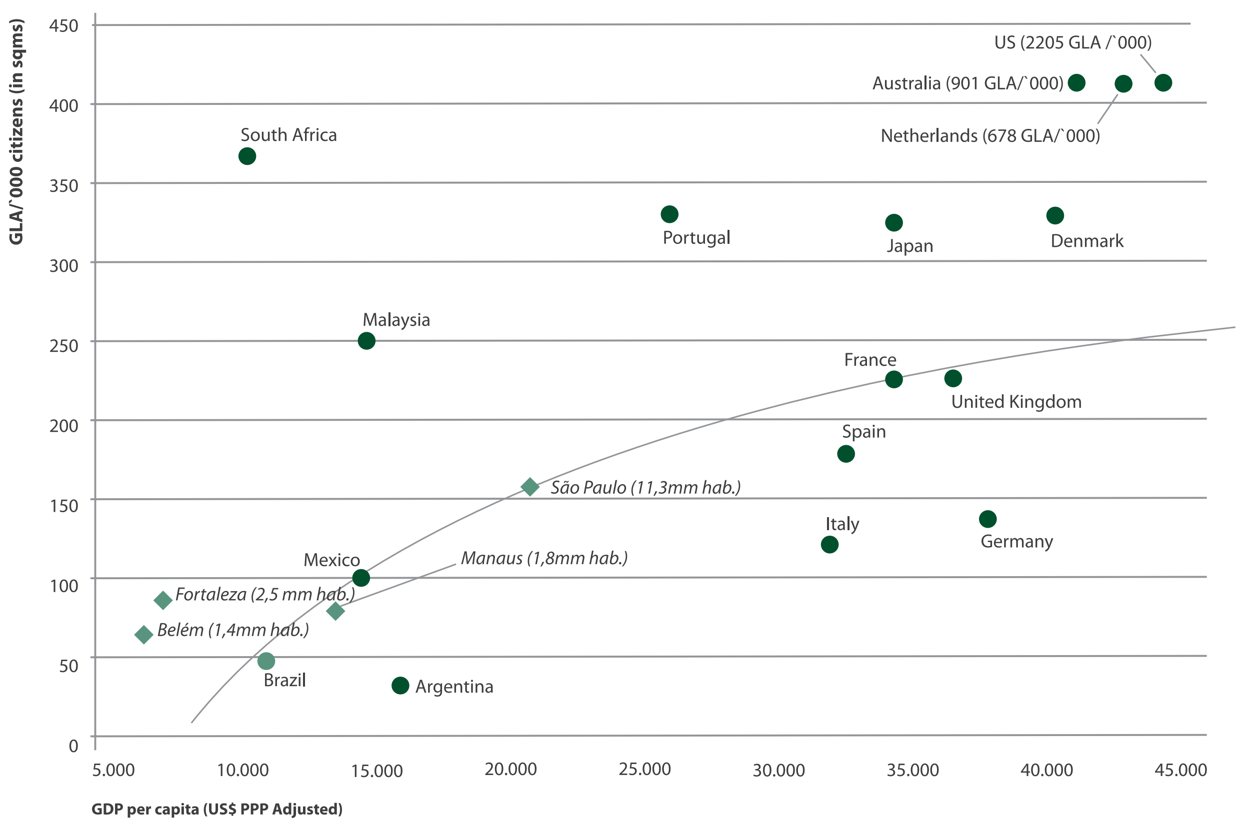
The Brazilian shopping mall industry, which had historically expanded at timid rates mainly as a result of a high cost of capital, has been quickening its development. In the past decade, as new sources of capital became available and consumption rose, the industry enjoyed stronger growth. From 2005 to 2010, the Gross Leasable Area (GLA) in Brazilian shopping malls rose 46% and by the end of 2012 this area is slated to expand another 40% compared with 2010.

Despite the fast growth recorded recently, we still believe that the industry has attractive features and that there is room for some companies to grow in a profitable and safe fashion, creating considerable value in the coming years. Next, we will comment on some of these features, beginning with growth potential.

When we analyze the chart below, it is evident that Brazil remains behind several other countries in terms of per capita GLA.

However, it is important to take a closer look in order to understand how growth will unfold. The shopping mall business is essentially regional. Each market has its own competitive dynamic, opportunities and risks. In the large capitals in the Southeast and South regions, there is already a significant presence of shopping malls, with per capita GLA near that of several developed countries. On the other hand, we see good potential in medium-sized cities, where there is concentration of unattended

GLA penetration vs. GDP per capita



Sources: ABRASCE, UN, Credit Suisse and IP consumers whose disposable incomes are rising. The metropolitan areas of some large cities such as Rio de Janeiro also bear opportunities.

The collection model in the shopping mall business is also attractive. The leading revenue source is the monthly rent paid by hundreds of shopkeepers, whose contracts are pegged to inflation and sales growth. This allows the shopping mall owner to obtain rising revenue as the property matures, cashing in on the effects of the retailers' financial leverage and also benefiting from risk dispersion across the several retail segments in the mall.

The Brazilian shopping mall model also features additional revenue that is not seen in other countries. The main example is the parking fee, an extremely profitable activity that may account for more than 10% of the property's revenue.

Another interesting characteristic of the industry is that certain malls are so dominant in their regions that they become lasting vectors of value creation. These assets have seen consolidation throughout many years and due to their size, variety of stores and flow of people, have become full-fledged destinations, wielding great attraction power on consumers and retailers. This allows the owner to charge expensive lease rates and benefit from profitable expansions. A classic example is Barra Shopping, a Multiplan property in Rio de Janeiro that is 35 years old and still boasts sales growth of 10% per year.

As for risks, one criticism that can be leveled at this business has to do with the absence of defenses should any competitor advance in the influence area of an established mall. In such a case, we believe two major scenarios must be noted.

When pent-up demand exists, the best defense is to seize it via expansions because it usually brings high returns and blocks the entry of competitors. When demand exists but for some reason the incumbent cannot meet it, we see situations in which the new mall can coexist with the existing one without losses. That is the case of Iguatemi Salvador, owned by Aliansce, which sits less than 1 kilometer away from Salvador Shopping, owned by JCPM. Both shopping malls are huge, with over 70 thousand m^2 of GLA, but the pent-up retail demand in the city of Salvador gives room for both despite their proximity. Both properties still present good returns with healthy sales growth.

When demand is lower and two projects are announced in the same region, generally the anchor stores – central to the initial success of a mall – end up sticking with just one mall, which leads to the cancellation or postponement of the other one. Usually, the winner is the developer and mall operator who exerts greater bargaining power and has better a relationship with the anchor stores.

As a result, we seek to invest in companies that have top quality malls in their portfolios, as well as the expertise to build new ones capable of swiftly gaining critical mass. We seek managers with proven experience in project development, as well as in choosing the areas and concepts with higher probability of success and capable of reinvesting in the assets rationally in order to make them even stronger.

We also prefer in-house development, which brings superior return rates to shareholders, in detriment to acquisitions. Good greenfield projects may reach 15% of real return[1], while expansions fetch returns hovering 20% as these benefit from the flow of existing visitors and are paid higher rent per square meter.

Some companies in the sector also carry out developments that are integrated to the shopping mall. These so-called mixed projects, with residential or office condos developed in the area, benefit from having the shopping mall as an anchor and vice-versa, sharing clear synergies.

[1] Leveraged, after taxes and excluding expansions.

Another lure of the inflation-pegged, recurring cash flow business is the potential effects of the gradual decline in Brazilian interest rates. This will eventually allow the companies to replace their debts with cheaper instruments, directing more of their cash flows from creditors to shareholders. Moreover, it is likely that the lower interest rates will be followed by greater demand and growth, bringing even more significant results to shopping mall owners.

As we have already seen, the mall business has nuances that hamper the arbitrage of returns as more capital is available. While other capital intensive businesses, like steelmakers and petrochemical companies, sell commodities and require guzzling investments to remain competitive, good shopping malls can become real cash cows. The intensive use of capital in shopping malls, however, makes the presence of competent and watchful controlling shareholders fundamental so that resources are adequately employed.

Therefore, we prefer companies where executives and controllers have most of their net worth invested in the business, which helps align them with the other shareholders. Given the long cycles of projects, we believe it is unhealthy to see intensive use of capital, fast growth and leverage potential combined with executives tied to just stock options that can be exercised and sold in a few years.

Therefore we picked Aliansce and Multiplan as our investments in the shopping mall industry. Though very different in terms of asset portfolio and growth vectors, each company presents an attractive combination of (i) good assets, (ii) good track record of capital allocation, (iii) good growth outlook, (iv) experience in developing winning assets, (v) good position and relationship with the main retailers and (vi) alignment with shareholders.

Renato Rique of Aliansce and José Isaac Peres of Multiplan are the controlling shareholders and main decision makers of both companies. With over 30 years' experience in shopping malls in Brazil, their stories are intertwined with the inception of this industry – having developed projects at a time when capital was scarce and difficulties were rife. Both have the bulk of their net worth invested in the companies: Rique has nearly 13% of Aliansce and Peres accounts for about 31% of Multiplan.

The profile of the malls in Aliansce's portfolio is one of accelerated growth. Roughly 35% of the portfolio is exposed to Brazil's emerging middle class and the company's shopping malls are younger than the industry average, which means that the maturation of these assets will by itself fetch good growth. The projects being developed at Aliansce are located primarily in the North and Northeast regions of Brazil and should add 50% of GLA by 2013. With about R$2.4 billion in market value, the company has a number of assets that can potentially generate more than R$200 million in cash flow per year.

Multiplan, on the other hand, has a more consolidated and mature portfolio, being more exposed to the middle and upper classes and to the Southeast region, with several malls enjoying regional dominance. If Multiplan has less to gain from the maturation of its current malls, on the flip side the company has a differential in the development of new projects. We estimate that the GLA growth at Multiplan should top 60% by the end of 2013 with five new malls (most of them entirely owned by Multiplan) and some office condos for rent. One of the value generation vectors at Multiplan is the execution of mixed projects near the company's consolidated properties. With R$7.4 billion market value, we are buying a strong portfolio of properties with more than R$500 million of potential cash generation (only the announced projects) together with significant growth expected from the expansion of these assets.

During the past five years, we calculated that both companies generated a marginal return on invested capital of about 15% in nominal terms, excluding financial leverage. It must be considered that many of their malls were built in recent years and have not yet fulfilled their maturation potential. Also, the companies have expansion projects in almost all the shopping malls in their portfolios, which should generate even greater marginal returns in the future.

The fact that the two companies have responsible capital allocators, in addition to the growth prospects for the shopping mall industry, makes the joint investment in Aliansce and Multiplan, a good alternative to capture the expansion of retail in Brazil – be it via exposure to unattended regions basking in fast income growth or via growing returns on top tier assets. In addition to growth vectors, we have predictable revenues, high barriers to entry in several assets and healthy rates of return on invested capital.

We made our first investments in the industry about three years ago and the position was raised during 2010 and 2011. Recently, we reduced both investments slightly, only adjusting our exposure to stock prices. We remain optimistic about the prospects of these companies and we will keep monitoring them closely, with an eye on opportunities.

Performance

The change in the market price of IP Global's positions resulted in a 10.2% variation in the NAV per share for the 1st quarter of 2012. Since the Fund's inception in 2001, the cumulative return of the IP-Global portfolio has reached 102.2%[1].

The Great Race

An issue that we consider relevant these days can be put in a simple way:

c/p,

in that "c" represents the aggregate consumption of the human species and "p" accounts for its productivity. Both tend to infinity.

The point is the relative speed at which "c" and "p" evolve. If we assume that consumption growth will outstrip productivity growth, we have the Malthusian[2] scenario. Otherwise, we have the Kurzweilian[3] scenario.

Our view? We stick with the Kurzweilian scenario for a few reasons.

First, because productivity feeds back into itself, leading to an increasingly faster expansion with a final result that is exponential. This hypothesis is confirmed empirically and can be easily identified in the communications and computer industries.

Second, because a few factors limit aggregate consumption. Starting with the natural restrictions, which are often widely discussed and checked in empirical situations in several geographies and species. Also, consumption ("c") is a function of productivity ("p") being therefore limited by it.

Third, because if we are to live the Malthusian scenario, in practical terms, there is nothing to be done.

For the Fund's management, such reasoning leads us to analyze productivity-inducing companies that pass through our filters of business quality, governance and price.

Portfolio

The major changes seen in the quarter were the increases in HP, Amazon and Itaúsa. On the other hand, we disposed of the Oracle position and raised the short position (via call sales) of Apple. The volatility sale operations covering approximately 20% of the portfolio (in general 10% of calls and 10% of puts) continued to contribute positively.

We continued the process of concentrating the portfolio on technology companies and added modest positions in smaller and lesser known companies such as Homeaway, BMC, Level3, Equinix, Velt, WebMD and Marvell.

In a nutshell, our view is that the relevance to the economy of spending on and investing in technology has been growing and that should continue for years. In fact, despite the usual reservations, we identified data indicating that the percentage of consumption of technology items grew from 2% of GDP at the start of the 1990s to more than 3% presently, despite (or maybe due to) the plunge in prices.

Tesco + internet. In January, Tesco announced its profits would miss estimates because of fierce competition at the end of last year. The market quickly sent the stock tumbling 15%, reducing the company's market value by approximately 5 billion pounds. A line by Philip Clarke, the current CEO who succeeded the venerable Sir Terry Leahy, hinting about the company's strategic

[1] Net of management fee and gross of performance fee.
[2] For a description of Thomas Malthus we suggest a link: http://en.wikipedia.org/wiki/Thomas_Robert_Malthus
[3] For information on the ideas of Ray Kurzweil, we suggest a video: http://www.ted.com/talks/ray_kurzweil_on_how_technology_will_transform_us.html

direction caught our attention:

"Do we need to continue to build large hypermarkets in the UK when the internet is taking much of the growth in clothing and electronics? You can reach your own conclusions."

We took the opportunity and bought the stock.

Microsoft. We cut the position a little given the price increase in comparison with the alternatives. We were paid dividends and some option premium. But the position remains relevant.

Berkshire. Another excellent year. We raised our investment a bit. It looks even cheaper on a relative basis after the recent bull market. It doesn't hurt to once again recommend reading the company's annual report.

Gold basket. We reduced the gold basket considerably, sold calls at the money and also received some dividends. The cost fell sharply and we are about to unwind the position.

Lastly, our focus on technology is increasingly evident. It is worth remembering, however, that this focus is ample. We believe in companies that use technology well in order to leverage their relative position selling software, hardware, cloud services, financial products or commodities. All of this, naturally, with the alignment of interests and strong execution capacity (both always underestimated).

Growth

The Global portfolio managed by Investidor Profissional has grown gradually during the past 10 years.

As we have already mentioned, we have no emphasis nor are we in a hurry to expand.

Our effort lies only in managing the portfolio, which fortunately remains free of the usual restrictions. The size of the portfolio (today at US$70 million) has not created any significant limitation on the liquidity of assets in which we invest.

Regarding prices, the Global portfolio is almost fully invested given the abundance of opportunities.

For all the above reasons, the Global portfolio at IP remains open for investors.

***

Choose your partners well

After more than two decades managing portfolios we can say that picking good partners is vital and challenging. A recent piece in "Vanity Fair" on the imbroglio caused by Michael Ovitz at IMG is a detailed picture of the damage that shareholder misalignment can cause. Therefore we would like to share it.

http://www.vanityfair.com/society/features/2012/01/teddy-forstmann-201201.print

Dictators and democracies

In the current form of capitalism, large companies seek to strengthen corporate governance with the aim of avoiding a harmful concentration of power in the hands of leaders who are often controversial. However, when we analyze our portfolio, the large positions (and those that have contributed the most to IP during these 23 years) are exactly those that have a "benign dictator". The most extreme case seems to be Warren Buffett at Berkshire Hathaway, but companies such as Microsoft and Itaúsa leave no doubt as to whom, in fact, is in charge (although this may be politely denied). And the reverse is true. Making money in the long run on companies that lack a strong, continuous and enlightened leadership is indeed a "5 sigma event."

Investidor Profissional Art Prize 1st quarter of 2012

Given PIPA's long-term nature and seasonality, no metric can gauge the results seen in the first quarter. The team involved in the Prize, however, was intensely dedicated to planning and execution. We can highlight some relevant milestones in the development of the project:

Initiated at the end of last year, the presentation of three "special" videos, created to stimulate the debate and reflection on art, was concluded in February. On January 22, the "Inabilistas" video was launched and on February 22, "Percepções de um artista residente" followed suit. The first one, "A fantástica fábrica de...," was unveiled on December 22.

One of the goals of this action was to foster audience interaction – which is more accustomed to using social networks such as Facebook – with the Prize's website. This goal was fulfilled and the quality of the discussion on the channel came as a good surprise. On March 22, the winners who contributed the best comments about the special videos were announced.

Also on March 22, PIPA 2012 was launched. A few changes were introduced compared with the previous edition. PIPA Online will have two rounds and the runner-up will also be awarded. As with the other editions, all the nominated artists will be able to participate in this internet-based poll. In another new development, three critics specializing in Brazilian contemporary art will write essays about the work of the four PIPA finalists at the MAM-Rio museum.

At the end of the quarter, on March 26, the members of the Nomination Committee were announced to invite the artists to participate in PIPA 2012.

Announcement of Nominated Artists

The artists nominated to PIPA 2012 were disclosed from April 9-13. As usual, the announcement was made on www.pipaprize.com in four daily bulletins, allowing a detailed savoring of the list. The names of the four finalists of PIPA 2012 will be announced on June 15.

At the start of the 2nd quarter, PIPA topped 50,000 friends on Facebook.

Schedule

As usual, PIPA's organizing team strives to observe the set dates. This year the exhibit will start exceptionally on October 6, not in September. The date was picked mainly because of the postponement of the Rio+20 Conference to be held at the MAM-Rio museum, which ended up delaying the Giacometti retrospective and consequently PIPA 2012 as well. *C'est pas grave*, as the French would say.

For more details, the PIPA 2012 schedule is available on www.pipaprize.com/pipa-2012/timetable-2012/.

Wikipedia - an example

Wikipedia is one of the leading examples we try to follow at PIPA: the reach, third-party contribution, efficient organization and, above all, the overwhelming passion for the cause. Below we present the thank-you letter that they usually send to donors. There are many noteworthy points, but in a nutshell the letter is so well written that the only addition we could offer is that the effectiveness of the email's proposed virality, at least in our case, was enormous.

Dear ___,

Here's how the Wikipedia fundraiser works: Every year we raise just the funds that we need, and then we stop.

Because you and so many other Wikipedia readers donated over the past weeks, we are very close to raising our goal for this year by December 31 -- but we're not quite there yet.

You've already done your part this year. Thank you so much. But you can help us again by forwarding this email to a friend who you know relies on Wikipedia and asking that person to help us reach our goal today by clicking here and making a donation*.*

If everyone reading this email forwarded it to just one friend, we think that would be enough to let us end the fundraiser today.

Of course, we wouldn't turn you down if you wanted to make a second donation or a monthly gift*.*

Google might have close to a million servers. Yahoo has something like 13,000 staff. We have 679 servers and 95 staff.

Wikipedia is the #5 site on the web and serves 470 million different people every month – with billions of page views.

Commerce is fine. Advertising is not evil. But it doesn't belong here. Not in Wikipedia. Wikipedia is something special. It is like a library or a public park. It is like a temple for the mind. It is a place we can all go to think, to learn, to share our knowledge with others.

When I founded Wikipedia, I could have made it into a for-profit company with advertising, but I decided to do something different. We've worked hard over the years to keep it lean and tight. We fulfill our mission, and leave waste to others.

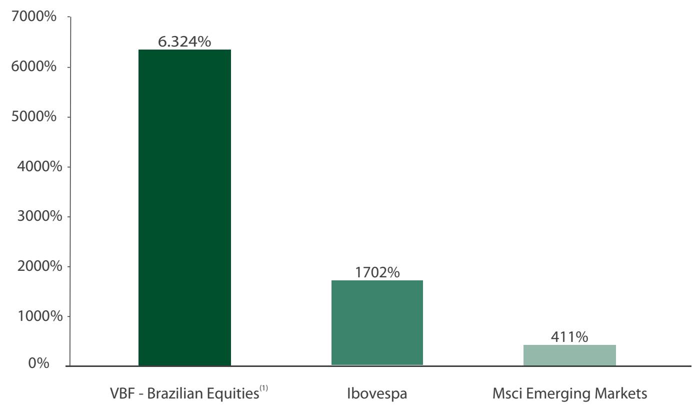
Thanks again for your support this year. Please help spread the word by forwarding this email to someone you know.

Jimmy Wales
Wikipedia Founder

Performance - VBF Portfolio Brazilian Equities Class

Performance (US$)

Since February 26th, 1993



Equity Holding Characteristics

	% of total equities
Overlap with the Ibovespa portfolio	51%
Small Caps (smaller than US$ 1bi)	16%
Mid Caps (between US$ 1bi and US$ 5bi)	29%
Large Caps (larger than US$ 5bi)	55%

Concentration and Monthly Attribution

	%	Monthly Attribution
Top 5	40%	-4.13%
Next 5	16%	-0.79%
Other	12%	-0.36%
Cash	32%	-0.92%

Objective

The investment objective of the VBF Segregated Portfolio is to provide sophisticated investors with substantial long-term returns comprised of capital appreciation (capital gains, dividends and interest income) by investing in companies listed on the São Paulo Stock Exchange ("BOVESPA"), which in the Investment Manager's opinion are trading at a substantial discount to their intrinsic value.

Strategy

The strategy of the VBF Segregated Portfolio is to identify and invest in companies whose prevailing share prices, in the Investment Manager's judgment, do not reflect their intrinsic values, and to hold such investments until such fair value is reflected in their market prices. While the VBF Segregated Portfolio may invest in any securities that in the Investment Manager's judgment meets the underlying objective of long-term capital appreciation.

Structure

IP Brazil Fund SPC, VBF Segregated Portfolio is an exempted company registered as a segregated portfolio company, incorporated under the provisions of the Companies Law of August 3rd, 2006 of the Cayman Islands.

Investment Manager: Investidor Profissional Gestão de Recursos Ltda.

Net Asset Value Calculator: Mellon Serviços Financeiros DTVM S.A.

Brazilian Custodian: Banco Bradesco S.A

Bank: UBS AG, Stamford Branch, CT (USA)

Registrar and Transfer Agent: UBS Fund Services (Cayman) Ltd.

Auditor: KPMG

Inception Date of VBF-Brazilian Equities Class: April 1st, 2010

Last 12 months returns (US$)

Period	VBF-Brazilian Equities(1)	Ibovespa	MSCI EM
March 12	-6.20%	-7.65%	-3.32%
February 12	7.29%	6.33%	6.01%
January 12	9.96%	18.57%	11.36%
December 11	0.05%	-3.28%	-1.20%
November 11	-4.12%	-8.71%	-6.66%
October 11	13.71%	22.07%	13.26%
September 11	-13.34%	-20.73%	-14.56%
August 11	-1.68%	-5.83%	-8.90%
July 11	-3.19%	-5.45%	-0.38%
June 11	-0.89%	-2.27%	-1.50%
May 11	-1.35%	-2.70%	-2.58%
April 11	2.42%	-0.18%	3.12%
Last 12 months	-0.27%	-15.92%	-8.52%

Annual returns (US$)

Period	VBF-Brazilian Equities(1)	Ibovespa	MSCI EM
2012 (YTD)	10.67%	16.42%	14.14%
2011	-9.41%	-26.88%	-17.77%
2010	26.91%	6.23%	19.69%
2009	151.58%	143.95%	77.42%
2008	-54.98%	-55.52%	-53.18%
2007	61.41%	73.43%	39.78%
2006	53.41%	46.41%	32.59%
2005	34.94%	44.09%	34.54%
2004	41.49%	28.16%	25.95%
2003	96.16%	141.04%	56.36%
2002	-28.31%	-46.01%	-6.05%
2001	-6.97%	-23.98%	-2.37%
2000	2.88%	-18.08%	-30.71%
1999	105.66%	69.55%	66.85%
1998	-25.54%	-38.44%	-25.43%
1997	-10.81%	34.47%	-11.19%
1996	35.97%	53.23%	5.55%
1995	3.34%	-13.77%	-5.21%
1994	142.54%	58.97%	-7.32%
1993	50.54%	63.95%	71.13%

Annualized returns (US$)

Period	VBF-Brazilian Equities (1)	Ibovespa	MSCI EM
Last 5 years	14.56%	9.51%	4.83%
Last 10 years	24.88%	19.95%	14.48%
Last 15 years	17.07%	9.96%	7.51%
Since February 26th, 1993 (2)	29.69%	19.79%	10.72%

(1) For the period before VBF-Brazilian Equities inception, on April 2010, for reference, we show the Brazilian investment vehicle (IP-Participações) performance in dollar terms. The returns up to April 2010 are net of all fees and after that, gross of performance fee.
(2) Inception of IP-Participações.

Terms and Conditions

Subscription: Daily

Minimum Initial: USD 1,000,000

Redemption Day: The Redemption Day shall be the last Business Day of the second subsequent month following receipt by the Registrar and Transfer Agent of the Redemption Form. Payment of redemption proceeds shall generally be made within 10 business days following the Redemption Day.

Minimum: USD 100,000

Minimum Balance Left: USD 1,000,000

Management Fee: 2.0% per annum of the Net Asset Value of the VBF Segregated Portfolio.

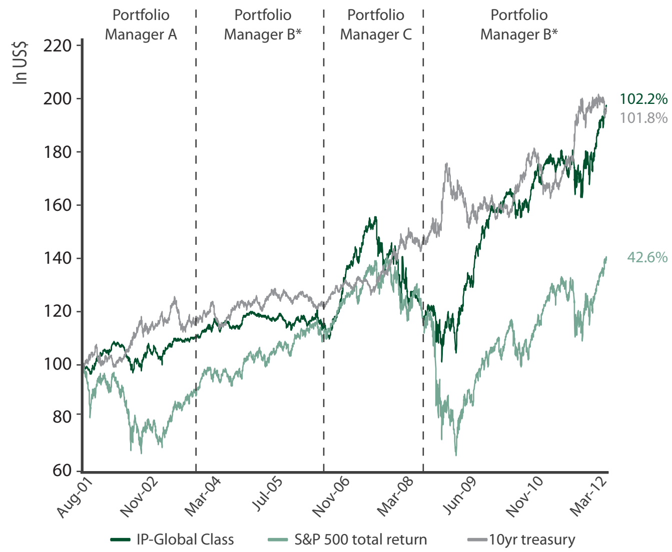
Performance Fee: 20% computed on returns in excess of Libor+6%, accrued daily and paid semi-annually or on redemption, subject to a high-water mark. The Incentive Fee will be paid through the automatic redemption of a number of Shares of each subscription in respect of which an Incentive Fee is payable, corresponding to the value of the accrued and unpaid Incentive Fee.

Additional Information

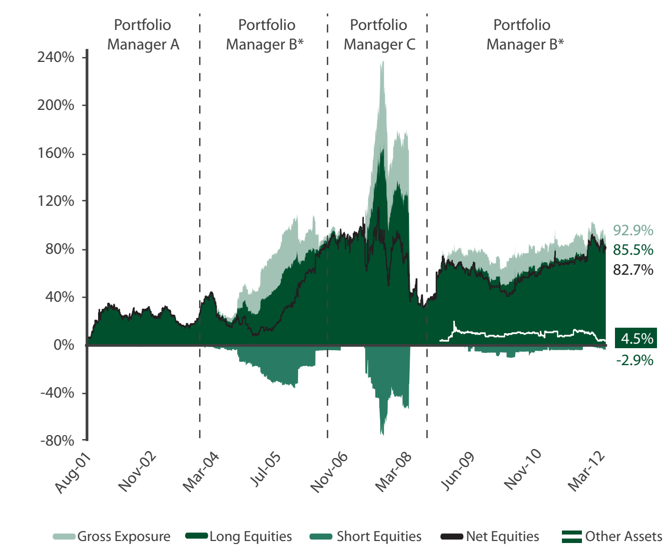
For additional information regarding of VBF, please contact us by phone at (55 21) 2104-0506 or by e-mail at contactus@investidorprofissional.com

Performance - IP-Global Class

Performance



Exposure



* Roberto Vinháes, IP´s founding partner

Objective

Provide sophisticated investors with substantial medium to long-term absolute returns by investing globally with no restrictions regarding geographic or asset class exposure levels and with strong focus on capital preservation.

Strategy

Investing among strategies, asset classes and geographies based on opportunities for medium to long-term value creation with limited use of leverage. Given our history and equity expertise, it is expected that over time the fund will have a relevant equity exposure and investments in other asset classes will be done mostly for hedging purposes.

Structure

IP-Global Class is a Class of IP Investment Fund Ltd, which is an open-ended investment fund organized as a limited liability exempted company, incorporated under the provisions of the Companies Law (2001 revision) of the Cayman Islands.

Investment Manager: Investidor Profissional Gestão de Recursos Ltda.

Net Asset Value Calculator: BNY Mellon Serviços Financeiros DTVM S.A.

Registrar and Transfer Agent: UBS Fund Services (Cayman) Ltd.

Auditor: KPMG

Last 12 months returns (US$)

Period	IP-Global[1]	S&P 500 Total Return[2]	10 Yr Treasury[3]	Libor 3 months
March 12	2.28%	3.29%	-2.12%	0.03%
February 12	2.58%	4.32%	-0.89%	0.03%
January 12	5.05%	4.48%	0.95%	0.03%
December 11	0.04%	1.02%	2.40%	0.03%
November 11	0.30%	-0.22%	0.35%	0.03%
October 11	7.54%	10.93%	-1.35%	0.02%
September 11	-5.47%	-7.03%	3.29%	0.02%
August 11	-1.01%	-5.43%	6.31%	0.02%
July 11	0.76%	-2.03%	3.67%	0.01%
June 11	-1.68%	-1.67%	-0.85%	0.02%
May 11	-1.29%	-1.13%	2.73%	0.01%
April 11	3.31%	2.96%	1.92%	0.01%
Last 12 months	12.42%	8.54%	17.34%	0.27%

Annual returns (US$)

Period	IP-Global[1]	S&P 500 Total Return[2]	10 Yr Treasury[3]	Libor 3 months
2012 (YTD)	10.22%	12.59%	-2.06%	0.09%
2011	1.67%	2.09%	20.12%	0.24%
2010	11.82%	13.93%	7.68%	0.24%
2009	38.31%	27.75%	-10.64%	0.48%
2008	-17.93%	-37.00%	23.09%	2.09%
2007	1.83%	5.49%	10.00%	3.79%
2006	18.46%	15.79%	2.21%	3.70%
2005	-2.89%	4.91%	3.30%	2.53%
2004	7.24%	10.88%	4.84%	1.15%
2003	8.12%	28.76%	1.01%	0.86%
2002	-1.29%	-22.15%	15.58%	1.26%
2001	6.04%	-5.00%	1.88%	0.76%

Annualized returns (US$)

Period	IP-Global[1]	S&P 500 Total Return[2]	10 Yr Treasury[3]	Libor 3 months
Last 5 years	6.81%	2.02%	8.62%	1.19%
Last 10 years	6.51%	4.19%	7.41%	1.63%
Since Inception[4]	6.95%	3.45%	6.93%	1.63%

(1) Gross of performance fee
(2) Dividends are assumed reinvested in the S&P 500 Index.
(3) Assumes an investment continually reinvested into a 10 years constant maturity security (Bloomberg: F08210YR Index)
(4) Inception: August 1st, 2001

Terms and Conditions

Subscription: Daily

Minimum Initial: US$ 1,000,000

Minimum Additional: US$ 100,000

Redemption: The Redemption Day shall be the Wednesday (or if such day is not a Business Day, the Business Day immediately following such day) of the calendar week following the calendar week during which the Registrar and Transfer Agent receives the signed Redemption Form for the Shares being redeemed. Payment of redemption proceeds shall generally be made within 5 business days following the redemption day.

Minimum: US$ 100,000

Minimum Balance Left: US$ 1,000,000

Management Fee: Up to 1.5% p.a. on the Net Asset Value per Share, accrued daily and paid monthly.

Performance Fee: 15% of the increase of the Net Asset Value per Share, accrued daily and paid semi-annually or on redemption, subject to a high-water mark. The Incentive Fee will be paid through the automatic redemption of a number of Shares of each subscription in respect of which an Incentive Fee is payable, corresponding to the value of the accrued and unpaid Incentive Fee.

Additional Information

For additional information regarding IP-Global Class, please contact us by phone at (55 21) 2104-0506 or by e-mail contactus@investidorprofissional.com

MISCELLANEOUS

"Expensive are things that can still be bought. Rare..." - Anonymous

"When you see that trading is done, not by consent, but by compulsion - when you see that in order to produce, you need to obtain permission from men who produce nothing - when you see that money is flowing to those who deal, not in goods, but in favors - when you see that men get richer by graft and by pull than by work, and your laws don't protect you against them, but protect them against you - when you see corruption being rewarded and honesty becoming a self-sacrifice - you may know that your society is doomed." - Ayn Rand

"Follow your moral, have the best results with the least effort and have fun." - Anonymous

"Life isn't about finding yourself; it's about creating yourself." - George Bernard Shaw.

"BELIEVE IN LIFE! BELIEVE IN HOPE!" - Spencer dos Santos Ferreira, http://www.pipaprize.com/2012/02/inabilismo-watch-the-second-special-video-leave-your-comment-and-win-two-pipa-catalogs/

Av. Ataulfo de Paiva, 255 / 9º andar   Leblon
Rio de Janeiro   RJ   Brasil   22440-032
Tel. (55 21) 2104 0506   Fax (55 21) 2104 0561
faleconosco@investidorprofissional.com.br
www.investidorprofissional.com.br