

Announcing a new partnership with the municipal sovereign wealth fund of Niterói, Brazil

JFI partners with the Municipal Treasury of the city of Niterói and the Federal Fluminense University to offer tools and analysis in support of the city's sovereign wealth fund, the Fundo de Equalização da Receita (Budget Stabilization Fund)

Press Release

New York, NY, September 24, 2021 — The Jain Family Institute announced today a partnership with the Municipal Treasury of Niterói, Brazil. A city of more than 515,000 residents located adjacent to Rio de Janeiro, Niterói has established a pathbreaking sovereign wealth fund, the Fundo de Equalização da Receita (FER, or Budget Stabilization Fund). Working in collaboration with researchers at Niterói's Federal Fluminense University (UFF) and the Euclides da Cunha Foundation, JFI staff and fellows will collaborate with the Niterói Treasury to develop tools and analysis in support of the FER.

An intergenerational savings and budget stabilization fund, the FER was launched in February of 2019 amid an influx of royalties from oil production in the pre-salt layer of the Santos Basin in southeastern Brazil. Capitalized from the city's "special participation" royalty stream, the FER seeks to convert a natural resource windfall into a foundation for inclusive economic development. The fund has a current total value of more than 207 million Brazilian reais (approximately 35 million USD) and is projected to have 3.1 billion Brazilian reais (582 million USD) under management by 2040.

The partnership between JFI, UFF, and the Niterói Treasury will contribute to the management of the FER through the joint development of tools and resources, including stochastic modeling software for portfolio analysis and risk management. It will also serve as the impetus for a new forum of Brazilian sovereign wealth funds. Housed at UFF and advised by JFI, this forum will serve as a center of research and exchange for subnational royalty funds in Brazil.

Marília Ortiz, Secretary of the Treasury of Niterói, Brazil, said:

"It is an honor for the Secretary of the Treasury of Niterói to embark on this partnership with the Jain Family Institute in cooperation with the Federal Fluminense University. The partnership will contribute to the development of technical capacity for the management of our financial

resources, by way of software to analyze investment funds as well as the mobilization of a national Forum of Sovereign Wealth Funds composed of entities that receive significant volumes of oil royalties. I am certain that this partnership will help us to maximize the profitability of our royalty fund.”

Michael Stynes, Executive Director of JFI, said:

“We at the Jain Family Institute are thrilled to be collaborating with the outstanding municipal leaders of the Niterói Treasury as they embark on a new phase of innovation in subnational resource stewardship. Together with our close partners at the University Federal Fluminense, we believe that the efforts of Niterói’s forward-thinking Treasury staff will galvanize new strategies to create a permanent foundation for sustainable growth, in Brazil and far beyond.”

About the Jain Family Institute (JFI):

[The Jain Family Institute](#) is a 501(c)(3) nonprofit applied research organization founded in 2014 by Bob Jain. Our mission is to address pressing social problems by identifying and implementing high-impact interventions that will translate to real world progress. At the intersection of economics, politics, information technology, finance, and culture, JFI brings promising ideas from theory to practice. A nonpartisan organization, JFI is focused on building proofs of concept, pilots, and actionable knowledge.

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