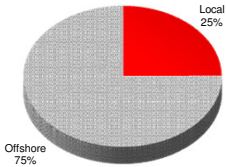


Markets recovered in July, especially Fixed Income, which was posting negative results since last April. Both Emerging and High Yield bonds ended July in with gains. This good performance materialized following less volatility in the currency markets (after a strong USD depreciation against Emerging currencies) and US treasuries yield shifts. It's worth mentioning, however, that tensions between USA – China and also Europe kept rising, mainly around trade wars and accusations of currency manipulation. Trump and Juncker (President of the European Commission) even ended the month signing a mutual cooperation agreement, but this matter may remain on the radar, once it's giving strength to the Republican campaign in the Midterm Elections. Finally, the Bank of England (BoE) has raised the country's interest rate by 25 bps to 0.75%. The market was already expecting this movement, since the BoE was already signaling it. However, the economy's loss of strength in the first half of 2018 and Brexit's threat could affect this decision.



Brazilian markets posted results in line with expectations, following the improvement of international markets. Nonetheless, the definition of political alliances for the presidential elections dominated the news flow. Geraldo Alckmin was the big winner, reaching agreements with centrist parties, which will guarantee to him not only more tv exposure, but also congress majority. The definition of vice president candidates was also troublesome, due to a lot of competition between candidates around the same names (like Josué Alencar). Finally, it is also worth mentioning economic data releases throughout this month. Despite the more negative sentiment with activity and inflation caused by the truckers' strike in June, data showed a lesser decline in activity and a significant inflation decline, signaled by the IPCA-15 (from 1.1% to 0.64%).

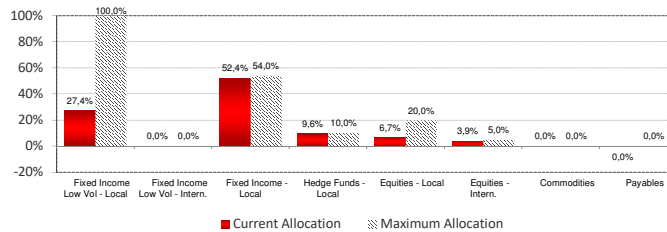
After posting weak results since the end of April, the FT domestic portfolio showed some recovery in July, going up 1.3%. This recovery was due to local asset classes: The Fixed Income class went up 1.5%, and Equities raised 6.6% (in a month when the IBX climbed 8.8%). The only class that detracted performance was International Equities (down -0.4% in July), reflecting the USD devaluation against the BRL that gave back the gains of developed markets in dollars - nonetheless, this class remains posting expressive gains of 16,2% year to date. In real terms, the international portfolio is up 1,4% in 2018. The international portfolio also recovered in July, posting gains of 1,8% (in line with its benchmark). This performance is majorly explained by the Equities allocation (up 3,0%), while Fixed Income investments showed more modest gains. The international portfolio is up 0.8% in real terms year to date.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	Allocation (R\$)
Fixed Income Low Vol - Local	0,5%	3,7%	31.282.363
Fixed Income Low Vol - Intern.	0,0%	17,2%	-
Fixed Income - Local	1,5%	4,5%	59.717.325
Hedge Funds - Local	0,7%	4,9%	10.962.888
Equities - Local	6,6%	-2,2%	7.623.529
Equities - Intern.	-1,2%	16,2%	4.447.911
Commodities	0,0%	0,0%	-
Payables	0,0%	0,0%	(51.850)
<b>Total</b>	<b>1,3%</b>	<b>3,9%</b>	<b>113.982.165</b>

BENCHMARK	MTD	YTD
CDI	0,5%	3,7%
USD/BRL	0,0%	17,2%
IRF Comp.	1,8%	3,8%
IFM	0,8%	3,6%
IBX	8,8%	3,1%
MSCI World Unh. (BRL)	0,0%	17,8%
DJUBS Comm.	0,0%	0,0%
<b>Benchmark</b>	<b>1,7%</b>	<b>4,4%</b>
Inflation IPCA	0,3%	2,9%

ASSET ALLOCATION



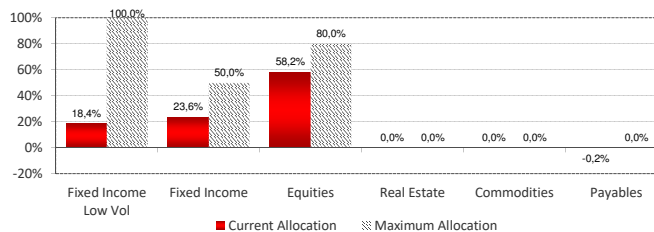
PORTFOLIO PERFORMANCE - OFFSHORE

ASSET CLASS	MTD	YTD	Allocation (US\$)
Fixed Inc. Low Vol	0,2%	0,9%	16.802.870
Fixed Income	0,3%	0,5%	21.644.931
Equities	3,0%	3,3%	53.290.741
Real Estate	0,0%	0,0%	-
Commodities	0,0%	0,0%	-
Payable	0,0%	0,0%	(183.110)
<b>Consolidado</b>	<b>1,8%</b>	<b>2,0%</b>	<b>91.555.433</b>

BENCHMARK	MTD	YTD
RF LV COMP	0,1%	0,9%
Barclays Global	0,0%	0,3%
MSCI World	3,1%	3,6%
Global Index TR	0,0%	0,0%
Cmdty Comp.	0,0%	0,0%
<b>Benchmark</b>	<b>1,9%</b>	<b>2,4%</b>
CPI*	0,0%	1,2%

The benchmark of the offshore portfolio is based on weighted average of international benchmarks for each asset class, considering the average allocation (between the minimum and maximum expected allocation) expressed on its investment policy. To calculate the benchmark, the MSCI World Unhedged was employed, since it is the only \*Using mtd forecast

ASSET ALLOCATION



## TOTAL PORTFOLIO - LOCAL + INTERNATIONAL

ASSET CLASS	MTD	YTD	12M	Total Amount
PORTFOLIO in BRL	1,1%	0,6%	2,3%	253.957.134
PORTFOLIO in USD	0,6%	23,2%	25,9%	78.188.773

## GROWTH AND CURRENT ACCOUNT - LOCAL PORTFOLIO (In R\$ Thousands)

GROWTH	2015	2016	2017	2018	ACC.
NOMINAL	3,5%	7,8%	-8,6%	-15,2%	-13,6%
REAL	0,7%	1,4%	-11,2%	-17,7%	-25,4%
IPCA	2,8%	6,3%	2,9%	2,9%	15,8%

CURRENT ACCOUNT	2015	2016	2017	2018
INITIAL	0	122.126	145.839	134.468
Subscriptions	118.175	13.419	1.760	0
Withdrawals	0	-7.900	-29.700	-25.011
Account Costs	-342	-1.724	-1.189	-325
FINAL	122.126	145.839	134.468	113.982
ACCOUNT COSTS	0,0%	-1,2%	-0,8%	-0,3%
SPENDING RATE	0,0%	-5,8%	-18,9%	-18,2%

## GROWTH AND CURRENT ACCOUNT - OFFSHORE PORTFOLIO (In US\$ Thousands)

GROWTH	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	ACC.
NOMINAL	0,5%	4,7%	13,9%	14,2%	-5,0%	9,8%	6,6%	1,0%	5,8%	1,6%	1,4%	-1,4%	8,0%	13,6%	2,0%	106,6%
REAL	-0,9%	1,3%	11,0%	9,7%	-5,0%	6,8%	5,1%	-1,9%	4,0%	0,1%	0,7%	-2,0%	5,8%	11,2%	0,8%	55,5%
CPI	1,5%	3,3%	2,5%	4,1%	0,0%	2,8%	1,4%	3,0%	1,8%	1,5%	0,7%	0,7%	2,1%	2,1%	1,2%	32,8%

CURRENT ACCOUNT	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
INITIAL	0	1.503	8.608	11.766	16.817	24.387	26.779	28.538	28.824	30.496	30.991	31.412	31.095	67.678	89.578
Subscriptions	1.500	6.980	1.859	3.134	8.808	0	0	0	0	0	0	111	33.745	11.689	149
Withdrawals	0	0	0	0	0	-9	0	0	0	0	0	0	0	0	0
Costs / Taxes	-1	-20	-43	-64	-65	-9	0	0	0	0	0	0	0	0	0
FINAL	1.503	8.608	11.766	16.817	24.387	26.779	28.538	28.824	30.496	30.991	31.412	31.095	67.678	89.578	91.555
COSTS / TAXES	-0,7%	-0,4%	-0,4%	-0,5%	-0,3%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
SPENDING RATE	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

The difference between the portfolio performance and the portfolio growth is that the latter considers the impacts of transactions and taxes.

