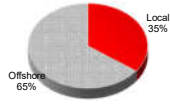


The highlight of August on the international front was the intensification of geopolitical tensions, especially the threats between the United States and North Korea. In addition to the economic sanctions imposed on Chinese groups and individuals who continue to do business with North Korea, Trump threatened this country with "fire and fury" regarding a possible attack to Guam. President Trump's isolation from his administration and party deepened later this month, after fumbling statements in response to Charlottesville protests. This isolation worries, as the government is increasingly close to a shutdown, once the debt ceiling is approaching. At the end of the month, Trump gained some visibility after his visit to areas affected by Hurricane Harvey. The Jackson Hole meeting also took place this month, when policymakers from around the globe come together to discuss monetary policies. At these meetings in the past, former Fed chairman Ben Bernanke has signaled important policy changes as forward guidance and tapering start. This time, however, both Yellen and Draghi kept a neutral tone, talking about regulatory changes and economic openness, respectively.



In the local political environment, there were several highlights in August: Temer's government victory in the Congress in voting on the inadmissibility of his impeachment process; the approval of the TLP (a new interest rate methodology for BNDES loans); the announcement of new fiscal targets for 2017 and 2018 by the government (though not yet approved by Congress); the announcement of a privatization program, starting with Eletrobrás; and the approval of a Political Reform text bill to be voted in Congress and already valid for 2018 elections. Despite the volatility of political news, the government and the economic team have maintained the reform proposals and have managed to keep an atmosphere of optimism in the country. On the economic front, despite the certainty that fiscal challenges remain present, the country's activity data begins to show a recovery. The GDP of the 2nd quarter grew 0.2% against the previous quarter, driven by household consumption. The recovery can be explained by lower inflation, lower interest rates and the release of resources from the FGTS inactive accounts.

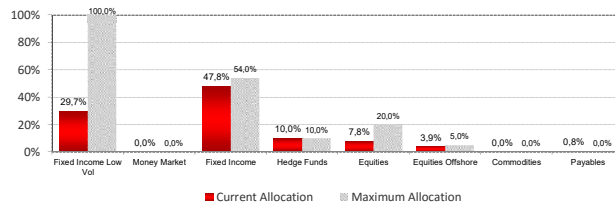
FT portfolio was up 1.3% in August/17. August was another month with very good performance for the portfolio risk classes. Equities ended last month up 4.1% (however below its benchmark IBX, which was up 7.3% in the same period). The Hedge Funds portfolio continued to perform well in 2017 and closed August yielding +1.3%, aligned with IFM benchmark, which accumulated +1.4% (in 2017, the result of this asset class surpasses its benchmark in 2.8%). It was also a positive month for Fixed Income, up 1.3%, which led the year to date return to 11.0%. International Equities (measured in Reals), was up +0.9 in August, driven by the dollar's appreciation (+0.7%), and also by the result of the class in dollars, which yielded +0.1%. In real terms, it is worth mentioning that inflation measured by the IPCA piled up 1.6% in 2017, making the portfolio accumulate a real gain of 8.5% in 2017. The international portfolio was up 0.3% in August. This performance was mainly due to the positive performance of Fixed Income (1.0%), which ended up the month in line with its benchmark Barclays Multiverse (+1.0%). Equities, in turn, closed the month with a small high, standing at 0.1% (also aligned with its benchmark MSCI World). Regarding its benchmark, the portfolio is even, as the benchmark was up 0.3% mtd, driving the year to 8.3% (against 9.8% of the portfolio in 2017).

PORTFOLIO PERFORMANCE (in Brazilian Reals - R\$)

ASSET CLASS	MTD	YTD	Allocation (R\$)
Money Market - Local	0,8%	7,3%	42.896.868,23
Money Market - Intern.	0,7%	-3,2%	15.841,81
Fixed Income - Local	1,3%	11,0%	69.118.911,64
Hedge Funds - Local	1,3%	11,2%	14.486.805,15
Equities - Local	4,1%	19,8%	11.305.074,15
Equities - Intern.	0,9%	9,8%	5.566.258,93
Commodities	0,0%	0,0%	-
Payables	0,0%	0,0%	1.133.044
<b>Total</b>	<b>1,3%</b>	<b>10,2%</b>	<b>144.522.803,78</b>

BENCHMARK	MTD	YTD
CDI	0,8%	7,3%
USD/BRL	0,7%	-3,2%
IRF Comp.	1,2%	11,0%
IFM	1,4%	8,2%
IBX	7,3%	18,7%
MSCI World Unh. (BRL)	0,9%	9,8%
DIJBS Comm.	0,0%	0,0%
<b>Benchmark</b>	<b>1,5%</b>	<b>10,2%</b>
Inflation IPCA	0,2%	1,6%

ASSET ALLOCATION



PORTFOLIO PERFORMANCE - OFFSHORE

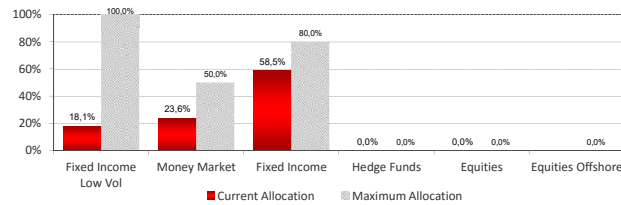
ASSET CLASS	MTD	YTD	Allocation (R\$)
Fixed Inc. Low Vol	0,1%	0,5%	15.446.617
Fixed Income	1,0%	4,2%	20.164.276
Equities	0,1%	13,3%	49.875.911
Real Estate	0,0%	0,0%	-
Commodities	0,0%	0,0%	-
Payable	0,0%	0,0%	(175.438)
<b>Consolidado</b>	<b>0,3%</b>	<b>8,3%</b>	<b>85.311.367</b>

BENCHMARK	MTD	YTD
Libor 12M	0,1%	1,2%
BARCLAYS MULT	1,0%	7,4%
MSCI World	0,1%	13,5%
FTSE Nareit Global	0,0%	0,0%
Cmnty Comp.	0,0%	0,0%
<b>Benchmark</b>	<b>0,3%</b>	<b>9,8%</b>
CPI*	0,0%	0,5%

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 investable.

\*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	ACC.
NOMINAL	7,9%	-1,0%	10,7%
REAL	1,6%	-2,5%	-0,3%
IPCA	6,3%	1,6%	11,1%

CURRENT ACCOUNT	2015	2016
INITIAL	0	145.839
Subscriptions	13.214	100
Withdrawals	-7.900	-14.909
Account Costs	-1.724	-643
FINAL	145.839	144.523
ACCOUNT COSTS	-1,2%	-0,4%
SPENDING RATE	-5,8%	-9,8%

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

GROWTH	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	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%	8,3%	93,1%
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%	7,8%	49,4%
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%	0,5%	29,2%

CURRENT ACCOUNT	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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
Subscriptions	1.500	6.980	1.859	3.134	8.808	0	0	0	0	0	0	111	33.745	11.689
Withdrawals	0	0	0	0	0	-9	0	0	0	0	0	0	0	0
Costs / Taxes	-1	-20	-43	-64	-65	-9	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	85.311
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%
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%

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

