

KAYAPÓ FUND

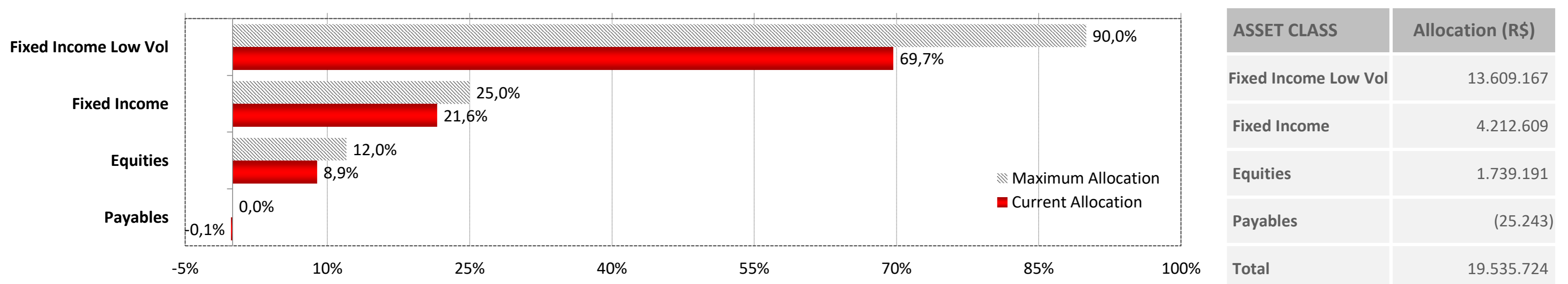
In the absence of major news regarding the international market, the local market maintained its positive performance. Highlights to important advances: (1) Social Security Reform approval in 1st shift at Lower House. The second round voting is going to take place after recess: in the first weeks of August; (2) 50-bps interest rate cut by COPOM in the end of the month. The market had already priced the cut, but the action consolidates the view that inflation is anchored; (3) The government's economic team has been discussing how to assist economic growth, such as the announcement of the release of part of the resources in the FGTS and PIS. Despite the limit on the withdrawal amount, it is expected to improve the temperature of economic activity in the country; (4) Finally, during recess, several projects for Tax Reform have been emerging, most of them aiming at simplification and unification of state taxes. Some of these projects are emerging from the Lower House / Senate, regardless of the Government.

July was a positive month for Kayapó portfolio, +1.0%, above its benchmark, +0.7% mtd. Most of asset classes recorded gains. As a positive highlight, Brazilian Equities returned 4.4%, above IBX, its benchmark that gained +1.2% mtd.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M	BENCHMARK	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,6%	3,6%	6,3%	6,7%	8,7%	CDI	0,6%	3,7%	6,3%	6,8%	8,7%
Fixed Income	1,1%	11,2%	19,0%	12,9%	13,7%	IRF Comp.	1,2%	11,5%	19,6%	13,5%	14,2%
Equities	4,4%	22,8%	35,1%	21,2%	19,3%	IBX	1,2%	16,9%	30,9%	25,0%	21,7%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	Inflation IPCA	0,2%	2,4%	3,2%	3,9%	3,5%
Total	1,0%	6,5%	10,5%	8,8%	10,3%	BENCHMARK	0,7%	6,1%	10,6%	9,4%	10,8%

ASSET ALLOCATION



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

GROWTH	2012	2013	2014	2015	2016	2017	2018	2019	ACC.
NOMINAL	8,4%	-1,1%	-1,5%	9,6%	13,6%	-0,8%	2,5%	2,5%	36,9%
REAL	3,6%	-6,6%	-7,5%	-1,0%	6,9%	-3,7%	-1,2%	0,0%	-9,8%

CURRENT ACCOUNT	2012	2013	2014	2015	2016	2017	2018	2019
INITIAL	1.248	15.469	15.295	15.060	16.509	18.756	18.598	19.067
Subscriptions	14.365	0	0	0	0	0	0	0
Withdrawals	0	-729	-1.681	0	0	-1.913	-620	-636
Account Costs	-144	-99	-254	-278	-348	-299	-180	-113
FINAL	15.469	15.295	15.060	16.509	18.756	18.598	19.067	19.536
ACCOUNT COSTS	-0,6%	-1,6%	-1,7%	-1,7%	-1,9%	-1,6%	-1,0%	-0,6%
SPENDING RATE	-4,7%	-10,1%	0,0%	0,0%	0,0%	-9,7%	-3,3%	-3,2%

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