

## KAYAPÓ FUND

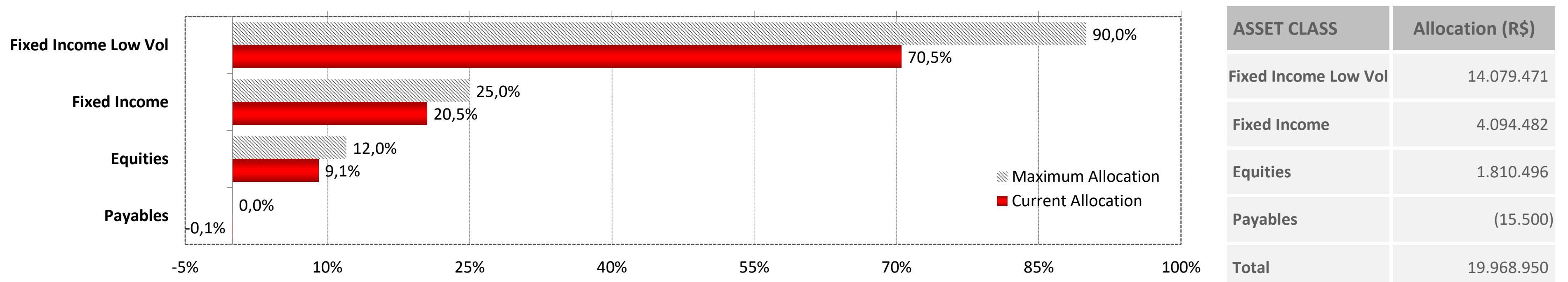
The local market presented a positive result, contributing to the good performance over the year. The highlight was the Long Duration Fixed Income (IMA-B5 +), up +4.7% in the month. In the local scenario, several factors helped drive prices up: (i) Approval of the Pension Reform in the Senate paved the way for further government reforms, such as the Administrative Reform, (ii) Central Bank's decision to cut 50 bps in interest rates, led to new low levels rates, and (iii) Signaled that further cuts should occur, setting the nominal interest rates in 4.5% pa., (iv) Total industry capacity presented a slightly improvement, such as jobs creation and credit market. The domestic asset market is starting to adapt to a new scenario: low interest rates.

October was a positive month for Kayapó portfolio, which returned +0.9%, and extended its year-to-date gain to +8.9%. All of asset classes recorded gains: as a positive highlight, Fixed Income returned 2.5%, aligned with its benchmark that gained also 2.5% mtd.

### PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M	BENCHMARK	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,5%	5,1%	6,2%	6,4%	7,9%	CDI	0,5%	5,2%	6,2%	6,4%	8,0%
Fixed Income	2,5%	16,2%	18,7%	13,9%	14,0%	IRF Comp.	2,5%	16,6%	19,2%	14,4%	14,6%
Equities	1,0%	27,8%	31,4%	19,0%	18,2%	IBX	2,2%	23,2%	24,8%	20,9%	18,9%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	Inflation IPCA	0,1%	2,6%	2,5%	3,6%	3,3%
<b>Total</b>	<b>0,9%</b>	<b>8,9%</b>	<b>10,3%</b>	<b>8,6%</b>	<b>9,7%</b>	<b>BENCHMARK</b>	<b>1,0%</b>	<b>8,3%</b>	<b>9,7%</b>	<b>9,3%</b>	<b>10,3%</b>

### 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%	4,7%	40,0%
REAL	3,6%	-6,6%	-7,5%	-1,0%	6,9%	-3,7%	-1,2%	2,1%	-7,9%

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	-115
FINAL	15.469	15.295	15.060	16.509	18.756	18.598	19.067	19.969
<b>ACCOUNT COSTS</b>	<b>-0,6%</b>	<b>-1,6%</b>	<b>-1,7%</b>	<b>-1,7%</b>	<b>-1,9%</b>	<b>-1,6%</b>	<b>-1,0%</b>	<b>-0,6%</b>
<b>SPENDING RATE</b>	<b>-4,7%</b>	<b>-10,1%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>-9,7%</b>	<b>-3,3%</b>	<b>-3,2%</b>
Nominal Return	9,5%	4,4%	11,4%	11,5%	15,8%	11,6%	7,0%	8,9%
CPI	5,7%	5,9%	6,4%	10,7%	6,3%	2,9%	3,7%	2,6%
Real Return	3,6%	-1,4%	4,7%	0,8%	9,0%	8,4%	3,1%	6,1%

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