

The risk perception regarding Brazil increased in July, with losses in stock and fixed income markets. As last year, the discussion around next year's budget and the spending cap, destabilizes confidence around the fiscal pillar. Now, not only the government would like to expand the income distribution program, but the increase in the volume of payment of court orders to be paid in 2022. The suggestion of splitting payments creates legal uncertainty and difficulties to the process. The flexibilization of the cap creates even more political difficulties.

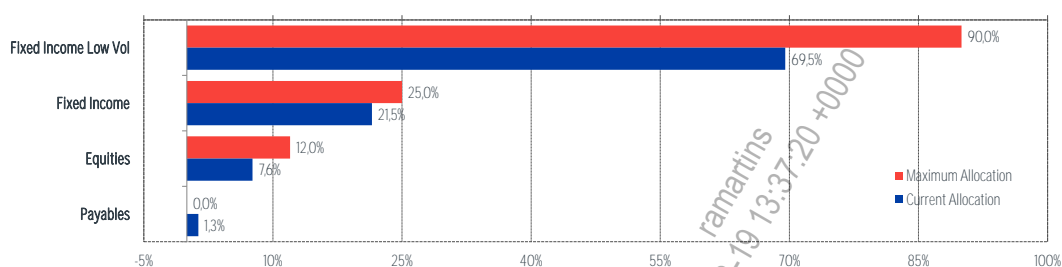
The Kayapó portfolio returned 0.0%, aligned with its benchmark. As a conservative portfolio that does not invest in International Equities and Hedge Funds, part of its return is mainly attributed to Fixed Income, which lost -0.6%. Despite the drop of -1.9%, the Brazilian Equities class performed better than its benchmark IBX, -4.0% and in the year to date, the class already surpasses the IBX, +5.3% vs +4.5%, respectively.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,4%	1,8%	2,5%	3,2%	4,2%
Fixed Income	-0,6%	-2,4%	0,2%	4,1%	8,9%
Equities	-1,9%	5,3%	20,1%	22,3%	26,5%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%
Total	0,0%	1,1%	3,7%	4,9%	6,7%

BENCHMARK	MTD	YTD	12M	24M	36M
CDI	0,4%	1,6%	2,4%	3,3%	4,3%
IMA_EX_C	-0,1%	-0,4%	1,0%	4,3%	9,2%
IBX	-4,0%	4,5%	20,7%	11,1%	17,4%
Inflation IPCA	1,0%	4,8%	9,0%	5,6%	4,8%
BENCHMARK	0,0%	1,5%	3,5%	4,5%	6,5%

ASSET ALLOCATION



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol	12.820.424
Fixed Income	3.966.746
Equities	1.406.458
Payables	247.445
Total	18.441.073

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

GROWTH	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	ACC.
NOMINAL	8,4%	-1,1%	-1,5%	9,6%	13,6%	-0,8%	2,5%	5,9%	-5,8%	-3,0%	29,3%
REAL	3,6%	-6,6%	-7,5%	-1,0%	6,9%	-3,7%	-1,2%	1,5%	-9,9%	-7,4%	-23,6%

CURRENT ACCOUNT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
INITIAL	0	15.469	15.295	15.060	16.509	18.756	18.598	19.067	20.185	19.017
Subscriptions	14.365	0	0	0	0	0	0	0	0	0
Withdrawals	0	-729	-1.681	0	0	-1.913	-620	-636	-1.897	-654
Account Costs	-144	-99	-254	-278	-348	-299	-180	-210	-157	-121
FINAL	15.469	15.295	15.060	16.509	18.756	18.598	19.067	20.185	19.017	18.441
ACCOUNT COSTS	-0,6%	-1,6%	-1,7%	-1,7%	-1,9%	-1,6%	-1,0%	-1,1%	-0,8%	-0,7%
SPENDING RATE	-4,7%	-10,1%	0,0%	0,0%	0,0%	-9,7%	-3,3%	-3,2%	-9,3%	-3,4%
Nominal Return	9,5%	4,4%	11,4%	11,5%	15,8%	11,6%	7,0%	10,6%	4,8%	1,1%
Inflation IPCA	5,7%	5,9%	6,4%	10,7%	6,3%	2,9%	3,7%	4,3%	4,5%	4,8%
Real Return	3,6%	-1,4%	4,7%	0,8%	9,0%	8,4%	3,1%	6,1%	0,2%	-3,5%

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