

KAYAPÓ FUND

The domestic market followed the result of the international market, with a positive performance in Fixed Income (flattening of the interest rate) and a correction in the stock market. After the strong performance in 2019, the return of -1.3% can be considered as quite moderate.

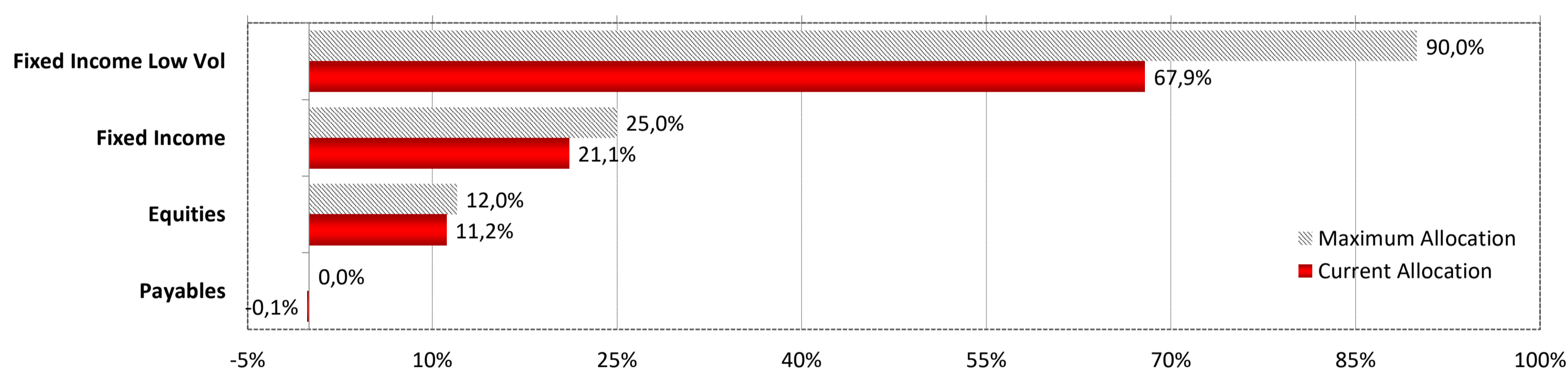
The data released over the month disappointed expectations showing that economic activity remains weak. On the other hand, the inflation that increased due to the price of meat in December/2019 has also detracted. January's data showed that inflation continues to behave according to the expected and there has been no price increase in the basket of goods. Despite the disappointment with the total industry capacity data, the growth revisions for Brazil's GDP remain between 2 - 3%. Confidence, labor market and credit data continue to show encouraging signs. In addition to this positive scenario, the projections of the Debt-to-GDP ratio trajectory for the country indicate stabilization and a probable decrease in the next years, due to the improvement of the economy, or due to the lower cost of debt (lower interest rates).

January was a positive month for Kayapó portfolio, which returned +0.9%, above its benchmark +0.3%. All asset classes recorded gains: as a positive highlight, Local Equities returned 5.1%, above its benchmark that lost -1.3% mtd.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M	BENCHMARK	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,4%	0,4%	5,7%	6,0%	7,2%	CDI	0,4%	0,4%	5,8%	6,1%	7,2%
Fixed Income	0,5%	0,5%	13,5%	12,4%	12,8%	IRF Comp.	0,6%	0,6%	14,3%	13,1%	13,4%
Equities	5,1%	5,1%	38,7%	24,5%	25,4%	IBX	-1,3%	-1,3%	19,0%	17,2%	22,0%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	Inflation IPCA	0,2%	0,2%	4,2%	4,0%	3,6%
Total	0,9%	0,9%	9,8%	8,6%	9,5%	BENCHMARK	0,3%	0,3%	8,1%	8,5%	9,7%

ASSET ALLOCATION



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol	13.066.198
Fixed Income	4.062.291
Equities	2.146.592
Payables	(26.464)
Total	19.248.617

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

GROWTH	2012	2013	2014	2015	2016	2017	2018	2019	2020	ACC.
NOMINAL	8,4%	-1,1%	-1,5%	9,6%	13,6%	-0,8%	2,5%	5,9%	-4,6%	34,9%
REAL	3,6%	-6,6%	-7,5%	-1,0%	6,9%	-3,7%	-1,2%	1,5%	-4,8%	-12,9%

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	20.185
Subscriptions	14.365	0	0	0	0	0	0	0	0
Withdrawals	0	-729	-1.681	0	0	-1.913	-620	-636	-1.106
Account Costs	-144	-99	-254	-278	-348	-299	-180	-210	-1
FINAL	15.469	15.295	15.060	16.509	18.756	18.598	19.067	20.185	19.249
ACCOUNT COSTS	-0,6%	-1,6%	-1,7%	-1,7%	-1,9%	-1,6%	-1,0%	-1,1%	0,0%
SPENDING RATE	-4,7%	-10,1%	0,0%	0,0%	0,0%	-9,7%	-3,3%	-3,2%	-5,5%
Nominal Return	9,5%	4,4%	11,4%	11,5%	15,8%	11,6%	11,6%	7,0%	9,8%
CPI	5,7%	5,9%	6,4%	10,7%	6,3%	2,9%	2,9%	3,7%	4,2%
Real Return	3,6%	-1,4%	4,7%	0,8%	9,0%	8,4%	8,4%	3,1%	5,4%

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