

KAYAPÓ FUND

The domestic market was not immune to the volatility of international ones. The Brazilian performance, however, was emphasized by the crisis in Argentina, motivated by the results of the primary elections, which showed victory of Alberto Fernández and Cristina Kirchner. This victory was a major defeat for Macri government and initiated a strong correction in the Argentine market, which dropped 50% in just one day (Merval + Argentine Peso). The problems faced by Argentina had repercussions in the Brazilian market, with the yield curve opening, the stock market falling and the exchange rate devaluation.

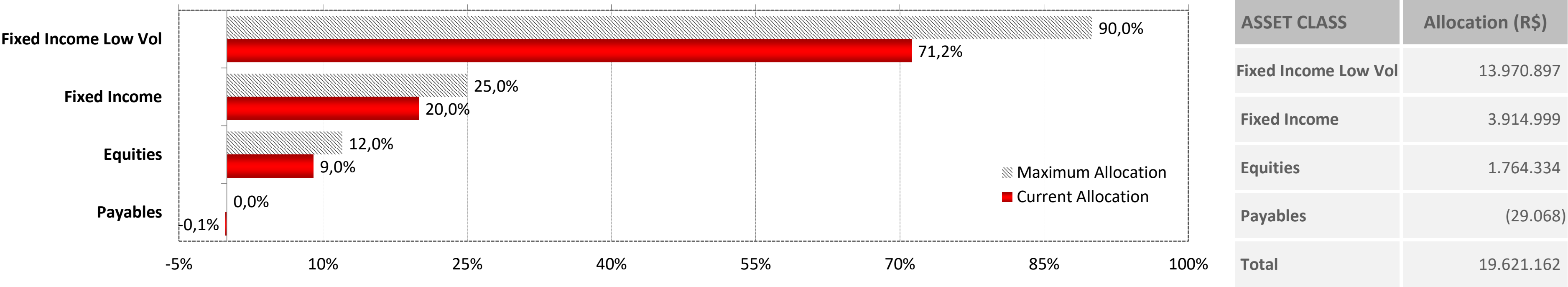
Political noise throughout the month was also intense, motivated by fears of attrition on the relationship between Minister Sergio Moro and President Bolsonaro. Towards the end of the month, however, the GDP figures for the 2nd quarter was the highlight: a +0.4% increase, with positive signs coming from investments, construction and household consumption.

August was a positive month for Kayapó portfolio, which returned +0.4%, and extended its year-to-date gain to +7.0%. Most of asset classes recorded gains: as a positive highlight, Brazilian Equities returned 1.4%, above IBX, its benchmark that lost -0.2% mtd. Finally, the Local Fixed Income class returned close to its benchmark, -0.1% 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%	4,2%	6,3%	6,6%	8,5%	CDI	0,5%	4,2%	6,3%	6,6%	8,4%
Fixed Income	-0,1%	11,1%	19,6%	12,2%	13,3%	IRF Comp.	-0,1%	11,4%	20,1%	12,8%	13,8%
Equities	1,4%	24,6%	41,2%	19,6%	19,7%	IBX	-0,2%	16,7%	34,9%	20,5%	21,2%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	Inflation IPCA	0,1%	2,5%	3,4%	3,8%	3,4%
Total	0,4%	7,0%	10,9%	8,5%	10,1%	BENCHMARK	0,4%	6,5%	10,9%	8,9%	10,5%

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%	2,9%	37,5%
REAL	3,6%	-6,6%	-7,5%	-1,0%	6,9%	-3,7%	-1,2%	0,4%	-9,5%

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	19.621
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%
Nominal Return	9,5%	4,4%	11,4%	11,5%	15,8%	11,6%	7,0%	7,0%
CPI	5,7%	5,9%	6,4%	10,7%	6,3%	2,9%	3,7%	2,5%
Real Return	3,6%	-1,4%	4,7%	0,8%	9,0%	8,4%	3,1%	4,3%

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