

KAYAPÓ FUND

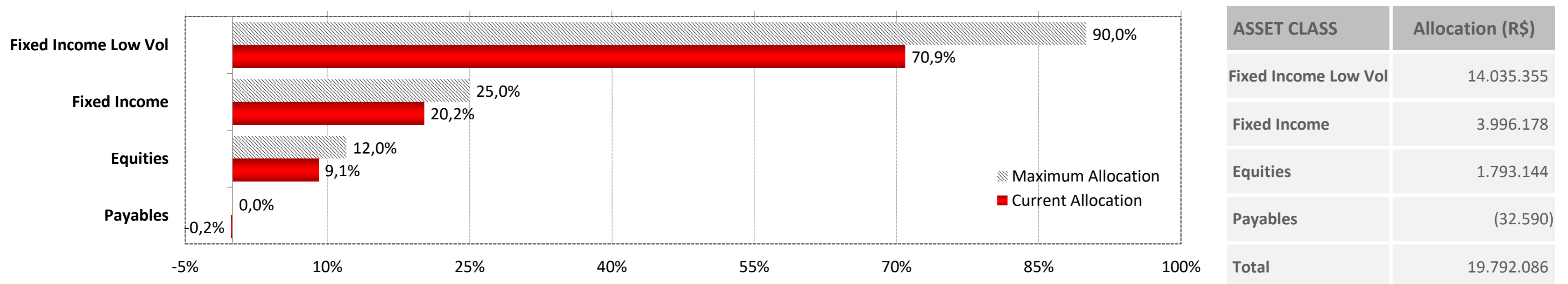
The Local markets recorded strong gains in September, even the Fixed Income class ended the month with good returns. During this month, we had important news: (i) BCB's decision to cut interest rates in 50 bps to 5.50% per year. In its report, the Brazilian Central Bank outlined the scenarios for inflation that may collaborate to further cuts. The market adjusted its estimates and now considers (according to Focus report) that rates may reach 5.0% or less; (ii) recent economic data indicate signs of economic recovery - still at lower levels, but more consistently, with improvements in retail, employment, construction, total industry capacity and confidence, and (iii) the government finally managed to draw the project that will allow the pre-salt mega auctions in November. Although the political climate in Latin America continues to deteriorate (Argentina, Ecuador, Peru), Brazil seems to be straying from the rest of the region, as it has slightly improved its economic.

September was a positive month for Kayapó portfolio, which returned +0.9%, and extended its year-to-date gain to +7.9%. All of asset classes recorded gains: as a positive highlight, Brazilian Equities returned 1.6%, but still below IBX, its benchmark that gained 3.2% mtd.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M	BENCHMARK	MTD	YTD	12M	24M	36M
Fixed Income Low Vol	0,5%	4,6%	6,3%	6,5%	8,2%	CDI	0,5%	4,7%	6,3%	6,5%	8,2%
Fixed Income	2,1%	13,4%	21,3%	12,6%	13,5%	IRF Comp.	2,1%	13,8%	21,9%	13,1%	14,0%
Equities	1,6%	26,6%	40,7%	18,1%	20,1%	IBX	3,2%	20,5%	34,8%	19,6%	22,3%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	Inflation IPCA	0,0%	2,6%	3,0%	3,8%	3,4%
Total	0,9%	7,9%	11,2%	8,4%	9,9%	BENCHMARK	1,0%	7,2%	10,8%	9,0%	10,6%

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%	3,8%	38,7%
REAL	3,6%	-6,6%	-7,5%	-1,0%	6,9%	-3,7%	-1,2%	1,2%	-8,7%

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	19.792
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%	7,9%
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%	5,2%

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