

With only 2 months left to conclude the year, and excluding any tail events, it is possible to say that 2023 is on track to be a better year than originally anticipated. Thanks to the agribusiness sector, the GDP is expected to close the year near 3%. The BRL is one of the few currencies appreciating against the USD, and the unemployment rate of 7.7% is low by Brazilian standards. Inflation is expected to stay below the target ceiling of 4.75%, and interest rates continue to undergo a reduction process. Despite this backdrop, Fixed Income is the only asset class with reasonably positive results, in line with the CDI (Interbank Deposit Certificate). The local market is impacted by uncertainty regarding economic management, an increase in the tax burden, and the absence of strategic planning with reforms and development plans. **On the international market, there is also nothing positive to add - the last 3 months have been marked by the rise of the American Yield Curve, and there is a gradual deterioration in geopolitics.** The IBX in the month was heavily impacted by declines in the Health Care sector (-16.3%) and, once again, by Consumer Discretionary (-9.4%). For the second consecutive month, Magazine Luiza (-37.3%) and Casas Bahia (-28.6%) are among the notable decliners. In the case of Small Caps, the IT sector posted the worst performance (-12.7%). However, the Consumer Discretionary sector, which saw a decline of -10.9%, was responsible for -2.6% of the overall -7.4% index decline.

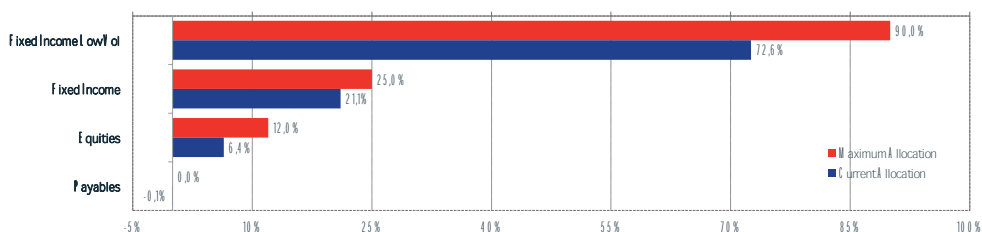
The Kayapo portfolio returned 0.2% mtd, accumulating 10.4% in 2023. Despite the relatively positive year-to-date return, October witnessed significant repricing in risk assets. The asset class that suffered the most was Local Equities, with a return of -6.1%, bringing the year-to-date return to 2.2%. On the other hand, Fixed Income LowVol continues to show strong performance, with a 1.1% return for the month and an 11.5% return for the year. The latter, along with Fixed Income (rising 10.4% in 2023), largely explains the positive performance of the portfolio for the year.

PORTFOLIO PERFORMANCE (in Brazilian Reals - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income LowVol	1.1%	11.5%	14.0%	13.2%	10.0%
Fixed Income	-0.4%	10.4%	10.1%	10.7%	6.4%
Equities	-6.1%	2.2%	-8.5%	-7.6%	-5.5%
Payables	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.2%	10.4%	11.2%	10.9%	8.2%

BENCHMARK	MTD	YTD	12M	24M	36M
CDI	1.0%	11.0%	13.4%	12.5%	9.4%
IRF Comp.	-0.3%	11.1%	10.6%	11.1%	6.8%
IBX	-3.0%	2.3%	-3.5%	3.9%	6.0%
Inflation IPCA	0.2%	3.7%	4.8%	5.7%	7.3%
BENCHMARK	0.5%	10.5%	11.7%	11.7%	8.8%

ASSET ALLOCATION



ASSET CLASS	Allocation (R\$)
Fixed Income LowVol	13,564,647
Fixed Income	3,941,564
Equities	1,201,983
Payables	(12,378)
Total	18,695,817

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

GROWTH	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	ACC.
NOMINAL	8.4%	-1.1%	-1.5%	9.6%	13.6%	-0.8%	2.5%	5.9%	-5.8%	-5.8%	1.3%	3.1%	31.0%
REAL	3.6%	-6.6%	-7.5%	-1.0%	6.9%	-3.7%	-1.2%	1.5%	-9.9%	-14.5%	-4.2%	-0.7%	-32.8%

CURRENT ACCOUNT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
INITIAL	0	15,469	15,295	15,060	16,509	18,756	18,598	19,067	20,185	19,017	17,905	18,141
Subscriptions	14,365	0	0	0	0	0	0	0	0	0	0	0
Withdrawals	0	-729	-1,681	0	0	-1,913	-620	-636	-1,897	-1,137	-1,156	-1,115
Account Costs	-144	-99	-254	-278	-348	-299	-180	-210	-157	-207	-265	-177
Return	1,248	654	1,701	1,727	2,595	2,054	1,269	1,964	886	231	1,657	1,847
FINAL	15,469	15,295	15,060	16,509	18,756	18,598	19,067	20,185	19,017	17,905	18,141	18,696
ACCOUNT COSTS	-0.6%	-1.6%	-1.7%	-1.7%	-1.9%	-1.6%	-1.0%	-1.1%	-0.8%	-1.1%	-1.5%	-0.9%
SPENDING RATE	-4.7%	-10.1%	0.0%	0.0%	0.0%	-9.7%	-3.3%	-3.2%	-9.3%	-6.0%	-6.2%	-5.8%
Nominal Return	9.5%	4.4%	11.4%	11.5%	15.8%	11.6%	7.0%	10.6%	4.8%	4.8%	9.7%	10.4%
Inflation IPCA	5.7%	5.9%	6.4%	10.7%	6.3%	2.9%	3.7%	4.3%	4.5%	10.1%	5.8%	3.7%
Real Return	3.6%	-1.4%	4.7%	0.8%	9.0%	8.4%	3.1%	6.1%	0.2%	-4.8%	3.7%	6.4%

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