

May was a positive month for the local assets: political and economic scenarios were key factors to this appreciation. Among the political factor, we highlight the approval of the fiscal framework, a more positive attitude regarding Brazilian Central Bank and the recent political decisions shows that Brazilian institutions are still independent and strong. On the economic side, the highlights were the inflation data below the expectation, signaling of convergence of the IPCA to the target range and release of activity indicators (Services PMI at 54.5, Retail Sales at +8.8% YoY) and unemployment data consistent with a "soft landing," despite high real interest rates. The strong performance of Small Caps (+13.5%), is mainly due to the Consumer sector, which rose 26.4% in the month. On the equities benchmark, IBX, the Financial sector which represents 24.1% of the index, rose 8.0%, but the main highlights were Yduqs (+73.3%) and Azul (+55.2%). The flattening of the yield curve contributed to the strong performance of the Fixed Income assets: the IMA-B 5+ (Public inflation linked bonds, with maturity longer than 5 years) decreased from 5.93% to 5.63%.

The negative performance of indexes in May was motivated by economic and political factors. The increase in interest rates from 5.00% to 5.25% at the beginning of the month was already expected. Despite that, the resilient inflation (CPI: 4.9% in April vs. 5.0% in March; PCE 4.4% vs. 4.2% in March), the hawkish speech of the FED and the discussion between Republicans and Democrats over the Debt Ceiling have led to the steepening of yield curve and higher probability of a Hard Landing. The increase in interest rate (from 3.0% to 3.25%) and the lack of perspective regarding the economic recovery in Europe and China contributed negatively to the performance in May. The performance of the Fixed Income market reflected the Duration effect of rising interest rates, while credit spreads had no significant impact during the period. The expectation of higher interest rates for a longer period led to the appreciation of the USD against other currencies and the depreciation of Gold. Most commodities (energy and base metals) were affected by the potential decline in demand due to economic activity. Equities performance was impacted by the Consumer and Energy Sector, with a negative highlight for Exxon (-12.9%), P&G (-8.9%) and Chevron (-9.8%). On the other hand, the positive highlights were Tech companies: Nvidia (+36.3%), Microsoft (+7.1%) and Amazon (+14.4%), with Nvidia becoming the latest company to surpass a market capitalization of USD 1 trillion.

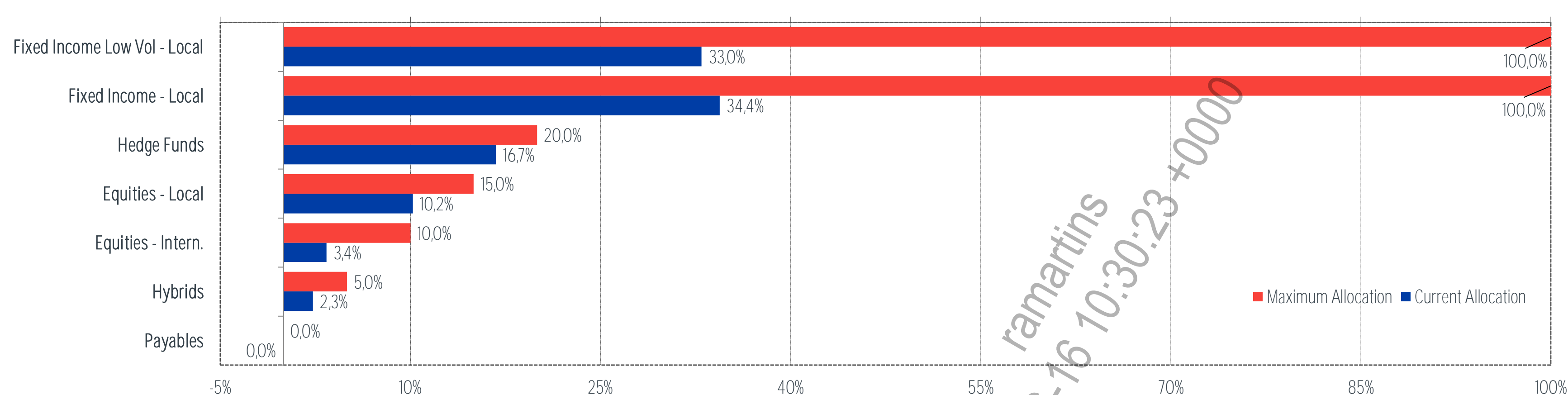
FT portfolio returned 2.4% mtd, accumulating 5.3% in 2023. The positive highlight of the month was Local Equities, with +10.1% performance, while the benchmark IBX rose +3.6%. In addition, Fixed Income continues with good performance, with +2.6% mtd and 8.4% ytd.

PORTFOLIO PERFORMANCE (in Brazilian Reais - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M	60M
Fixed Income Low Vol - Local	1,2%	5,3%	13,8%	11,3%	8,2%	7,0%
Fixed Income	2,6%	8,4%	13,3%	8,0%	7,3%	8,5%
Hedge Funds	1,4%	1,7%	5,5%	8,9%	10,4%	8,6%
Equities - Local	10,1%	4,2%	1,3%	-16,5%	1,0%	7,5%
Equities - Intern.	0,9%	4,4%	9,3%	-2,2%	9,5%	14,5%
Hybrids	-2,6%	-2,2%	-6,0%	-13,2%	-13,2%	-13,2%
Payables	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total	2,4%	5,3%	10,1%	5,5%	7,1%	8,1%

BENCHMARK	MTD	YTD	12M	24M	36M	60M
CDI	1,1%	5,4%	13,5%	10,7%	7,8%	6,9%
IRF Comp.	2,5%	8,5%	12,6%	7,3%	6,7%	9,1%
IHF Comp.	0,8%	2,5%	7,1%	7,3%	8,6%	7,6%
IBX	3,6%	-2,1%	-4,5%	-8,6%	7,3%	7,6%
MSCI (BRL)	0,8%	4,3%	9,2%	-3,4%	8,4%	14,4%
Inflation IPCA	0,2%	2,9%	3,9%	7,8%	7,9%	6,0%
BENCHMARK	1,8%	5,1%	10,1%	6,1%	7,3%	8,5%

ASSET ALLOCATION



ASSET CLASS	Allocation (R\$)
Fixed Income Low Vol - Local	49.862.015
Fixed Income	52.026.989
Hedge Funds	25.312.549
Equities - Local	15.414.875
Equities - Intern.	5.114.942
Hybrids	3.479.177
Payables	(42.599)
Total	151.167.949

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

GROWTH	2015	2016	2017	2018	2019	2020	2021	2022	2023	ACC.
NOMINAL	3,5%	7,8%	-8,6%	-22,5%	-17,6%	-16,1%	-19,6%	5,8%	5,1%	-51,2%
REAL	0,7%	1,4%	-11,2%	-25,3%	-21,0%	-19,7%	-27,0%	0,0%	2,1%	-68,0%
IPCA	2,8%	6,3%	2,9%	3,7%	4,3%	4,5%	10,1%	5,8%	2,9%	52,5%

CURRENT ACCOUNT	2015	2016	2017	2018	2019	2020	2021	2022	2023
INITIAL	0	122.126	145.839	134.468	141.707	152.231	169.205	135.981	143.877
Subscriptions	118.175	13.419	1.760	39.485	40.733	46.801	0	0	0
Withdrawals	0	-7.900	-29.700	-40.500	-48.500	-45.060	-31.000	-55	0
Account Costs	-342	-1.724	-1.189	-455	-556	-151	-3.629	-669	-397
Return	4.293	19.917	17.758	8.709	18.846	15.384	1.405	8.619	7.689
FINAL	122.126	145.839	134.468	141.707	152.231	169.205	135.981	143.877	151.168
ACCOUNT COSTS	0,0%	-1,2%	-0,8%	0,0%	-0,4%	-0,1%	-2,4%	-0,5%	-0,3%
SPENDING RATE	0,0%	-5,8%	-18,9%	0,0%	-27,0%	-23,5%	-18,2%	0,0%	0,0%
Nominal Return	3,9%	16,0%	13,6%	7,8%	13,2%	9,8%	0,7%	6,3%	5,3%
Inflation IPCA	2,8%	6,3%	2,9%	3,7%	4,3%	4,5%	10,1%	5,8%	2,9%
Real Return	1,0%	9,1%	10,4%	4,0%	8,5%	5,1%	-8,5%	0,5%	2,3%

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