

Offshore  
0%



Local  
100%

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 last three months have been marked by the rise of the American Yield Curve. In addition to the hawkish stance of the Federal Reserve, supported by positive economic activity data and a low availability of labor, the U.S. Treasury has initiated an additional issuance of USD 1 trillion in Bonds. This increase in bond supply is part of a new phase in U.S. fiscal management, with deficits expected to exceed 7% of GDP in the coming years. The Yield Curve, which initially priced in declines in the interest rate at the beginning of 2023, has gradually risen. In October, for the first time since the Global Financial Crisis (GFC), the 10-year yield surpassed the 5% annualized mark, leading to the repricing of risk assets. The exception in the month was the Treasury 1-3Y, which, in addition to having a low duration, boasts a carry around 5% annually. Despite the negative market reaction in recent months, Equities remain in positive territory due to the recovery observed at the beginning of the year, recouping some of the losses suffered in 2022. The increase in geopolitical risk has also impacted all risk assets, with Gold experiencing the most significant price reaction. The metal appreciated by 7.3% in USD in October, in an environment where the USD itself strengthened against other major currencies. The Commodities index would have recorded a decline in the month if not for the impact of the Gold appreciation.

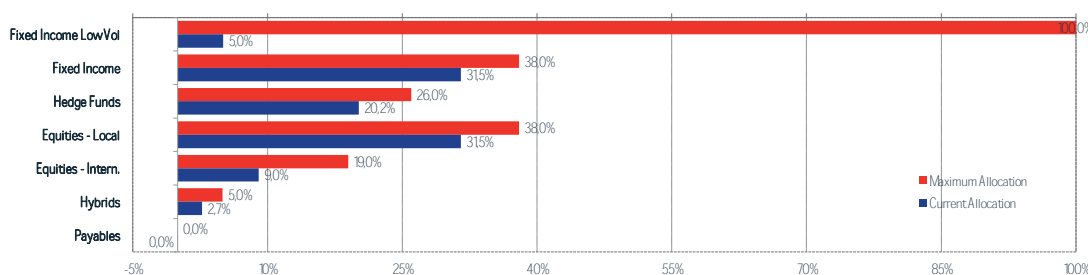
Amapá local portfolio returned -2.7% mtd, accumulating 4.6% in 2023. Despite the relatively positive year-to-date return, October witnessed significant repricing in risk assets. The asset class that suffered the most was Local Equities, with a return of -6.1%, bringing the year-to-date return to 2.2%. On the other hand, Fixed Income LowVol continues to show strong performance, with a 1.0% return for the month and an 11.2% 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 - LOCAL (in Brazilian Reals - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income LowVol	1.1%	11.2%	13.7%	13.0%	9.8%
Fixed Income	-0.4%	10.4%	9.7%	10.4%	6.0%
Hedge Funds	-1.3%	1.7%	-1.4%	9.9%	9.0%
Equities - Local	-6.1%	2.2%	-8.5%	-7.6%	-5.5%
Equities - Intern.	-2.8%	1.8%	5.8%	-10.0%	3.6%
Hybrids	-1.9%	-9.5%	-1.6%	-12.9%	-12.9%
Payables	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>-2.7%</b>	<b>4.6%</b>	<b>0.7%</b>	<b>1.8%</b>	<b>3.2%</b>

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%
IHF Comp.	-0.9%	3.9%	2.7%	8.7%	8.2%
IBX	-3.0%	2.3%	-3.5%	3.9%	6.0%
MSCI (BRL)	-2.8%	2.9%	7.7%	-10.8%	3.1%
Inflation IPCA	0.2%	3.7%	4.8%	5.7%	7.3%
<b>BENCHMARK</b>	<b>-1.5%</b>	<b>6.0%</b>	<b>4.7%</b>	<b>6.0%</b>	<b>7.1%</b>

ASSET ALLOCATION - LOCAL



ASSET CLASS	Allocation (R\$)
Fixed Income LowVol	314.127
Fixed Income	1.961.472
Hedge Funds	1.255.677
Equities - Local	1.962.138
Equities - Intern.	560.786
Hybrids	168.263
Payables	(1.072)
<b>Total</b>	<b>6.221.392</b>

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

GROWTH	2016	2017	2018	2019	2020	2021	2022	2023	ACC.
NOMINAL	4.5%	13.7%	6.8%	18.8%	16.1%	-4.0%	-13.3%	4.1%	51.8%
REAL	2.9%	10.5%	2.9%	13.9%	11.1%	-12.8%	-18.0%	0.4%	6.2%
IPCA	1.6%	2.9%	3.7%	4.3%	4.5%	10.1%	5.8%	3.7%	43.0%

CURRENT ACCOUNT	2016	2017	2018	2019	2020	2021	2022	2023
INITIAL	0	4.285	4.873	5.204	6.181	7.176	6.889	5.976
Subscriptions	4.099	0	0	0	0	0	0	0
Withdrawals	0	0	-8	0	0	0	-714	0
Account Costs	-29	-64	-44	-78	-34	-131	-64	-30
Return	215	652	383	1.055	1.029	-156	-135	276
FINAL	4.285	4.873	5.204	6.181	7.176	6.889	5.976	6.221
<b>ACCOUNT COSTS</b>	<b>-0.7%</b>	<b>-1.4%</b>	<b>-0.9%</b>	<b>-1.4%</b>	<b>-0.5%</b>	<b>-1.8%</b>	<b>-1.0%</b>	<b>-0.5%</b>
<b>SPENDING RATE</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-10.8%</b>	<b>0.0%</b>
Nominal Return	8.1%	20.8%	8.1%	20.8%	17.3%	-2.3%	-1.7%	4.6%
Inflation IPCA	1.6%	2.9%	3.7%	4.3%	4.5%	10.1%	5.8%	3.7%
Real Return	6.4%	17.4%	4.2%	15.8%	12.2%	-11.2%	-7.0%	0.8%

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