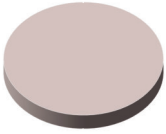


Offshore
0%

After four months of positive performance, local asset presented a negative return in August. Despite the cut in rates, the mood was driven by the new fiscal framework and skepticism regarding the tax reform. The main factor that led Fixed Income class to underperform the CDI (Interbank Deposit Certificate) was the steepening of the yield curve. The indexes with longer maturities were the ones with worst performance. In Equities, the negative highlights were Health Care (-15.1%) and Consumer Discretionary (-10.9%). Within these sectors, notable decreases were observed in Rede D'Or (-20.4%) and Via (-41.2%). On the other hand, the positive highlight was Energy (+2.3%), with Petrobras rising +6.5%.



August presented one of the worst performance of this year, surpassed only by February. The rise in interest rates with maturities longer than 5Y and the subsequent impact on economic activity expectations and debt trajectory were the most significant factors influencing this period. The interest rates reached levels only seen in 2007, pre-GFC. There is no consensus on **the reason for the increase in interest rates, but the most widely accepted explanation involves a combination of factors, including the FED's balance sheet reduction, the perspective of a higher debt issuance due to the suspension of the Debt Ceiling, higher structural inflation, and the new hybrid warfare with the weaponization of the USD.** This may be leading several central banks to gradually reduce the weight of American bonds in their reserves.

Local
100%

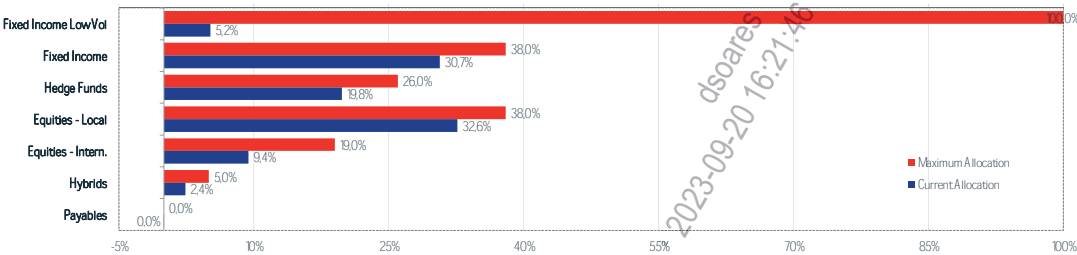
BA&ES local portfolio returned -2.0% mtd, accumulating 8.3% in 2023. The negative highlight of the month was Local Equities, which experienced a significant correction (-6.1%) during the period. However, it still performs well for the year (+9.5%). On the other hand, international asset classes benefited from the appreciation of the dollar in August, with International Equities and Hybrids classes rising by 1.4%

PORTFOLIO PERFORMANCE - LOCAL (in Brazilian Reals - R\$)

ASSET CLASS	MTD	YTD	12M	24M	36M
Fixed Income LowVol	1.2%	8.9%	13.8%	12.4%	9.1%
Fixed Income	-0.1%	11.7%	13.8%	9.0%	6.0%
Hedge Funds	-0.6%	3.0%	3.7%	10.2%	9.0%
Equities - Local	-6.1%	9.5%	6.9%	-13.2%	-4.3%
Equities - Intern.	1.4%	7.9%	8.9%	-2.7%	5.1%
Hybrids	1.4%	-3.9%	-8.0%	-10.4%	-10.4%
Payables	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-2.0%	8.3%	8.4%	0.8%	3.8%

BENCHMARK	MTD	YTD	12M	24M	36M
CDI	1.1%	8.9%	13.6%	11.9%	8.7%
IRF Comp.	0.0%	12.1%	14.5%	9.8%	6.8%
IHF Comp.	-0.7%	4.8%	6.5%	8.9%	7.7%
IBX	-5.0%	4.6%	4.2%	-2.2%	5.0%
MSCI (BRL)	2.0%	8.7%	9.9%	-3.7%	4.4%
Inflation IPCA	0.2%	3.2%	4.6%	6.7%	7.7%
BENCHMARK	-1.4%	7.9%	9.6%	4.6%	6.8%

ASSET ALLOCATION - LOCAL



ASSET CLASS	Allocation (R\$)
Fixed Income LowVol	232.450
Fixed Income	1.380.421
Hedge Funds	890.403
Equities - Local	1.469.391
Equities - Intern.	423.030
Hybrids	107.247
Payables	(460)
Total	4.502.481

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

GROWTH	2016	2017	2018	2019	2020	2021	2022	2023	ACC.
NOMINAL	0.1%	8.7%	7.0%	19.0%	-5.8%	-4.1%	-2.2%	7.8%	31.9%
REAL	-0.1%	5.5%	3.2%	14.1%	-9.9%	-12.9%	-7.5%	4.4%	-6.0%
IPCA	0.2%	2.9%	3.7%	4.3%	4.5%	10.1%	5.8%	3.2%	40.2%

CURRENT ACCOUNT	2016	2017	2018	2019	2020	2021	2022	2023
INITIAL	0	3.416	3.712	3.972	4.728	4.452	4.270	4.177
Subscriptions	3.415	0	0	0	0	0	0	0
Withdrawals	0	0	0	0	-952	0	0	0
Account Costs	0	-64	-32	-53	-48	-82	-33	-21
Return	1.7	360	293	808	724	-99	-60	346
FINAL	3.416	3.712	3.972	4.728	4.452	4.270	4.177	4.502
ACCOUNT COSTS	0.0%	-1.7%	-0.8%	-1.2%	-1.0%	-1.8%	-0.8%	-0.5%
SPENDING RATE	0.0%	0.0%	0.0%	0.0%	-18.5%	0.0%	0.0%	0.0%
Nominal Return	0.1%	10.5%	10.5%	8.0%	20.9%	17.4%	-1.4%	8.3%
Inflation IPCA	0.2%	2.9%	3.7%	4.3%	4.5%	10.1%	5.8%	3.2%
Real Return	-0.1%	7.4%	6.6%	3.5%	15.7%	6.6%	-6.8%	4.9%

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