

Monthly Report - Nest Total Return Ltd

August 2019



Investment Strategy

The primary investment objective of the Fund is to achieve long-term capital appreciation through a strategy that combines a top-down sector approach with an in-depth analysis of companies in Brazil. The Fund's investments will be focused on a global basis but with an emphasis in Brazil in a broad range of securities and financial instruments, including but not limited to, stocks, ETFs, bonds, currencies, commodities, futures, swaps, options and other derivative instruments.

Monthly Commentary

The markets registered a higher volatility in the last August. The S&P500 index drop by -0.90%, while MSCI Emerging Markets("MXEF") closed the month negative by -6.80%. The MSCI Brazil was down by -7.60%.

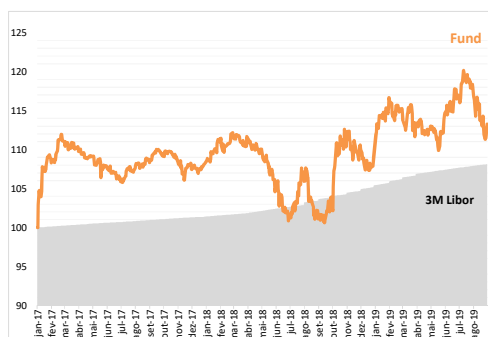
On the international stage, the intensification of the trade war between the United States and China brought down the markets again. Trump and Xi increased rhetoric and announced further tariff increases on imported goods. Meanwhile, the Fed was unwilling to intensify the interest rate cuts, which again strengthened the dollar and tore down emerging currencies. The strength of the opposition in the argentinian elections made Merval have the worst month in history, toppled the argentinian peso and increased pressure on emerging nations. At the end of the month the US Treasury's 10-year bond rate fell again, hitting 1.50% a.a. while the dollar appreciated by 2.1% against major global currencies.

In Brazil, the central bank cutted interest rates by 0.50% to 6.00% per year. The chamber has completed the second-round vote on pension reform, but the impact of these events on the market has been rather shy. Bolsonaro's declining popularity is not yet worrying, but marginally increases the risk in the medium term. The devaluation of the Real absorbed much of the impact, but the Bovespa index ended up following global markets and ended the month down by -0.7%.

The fund's main book presented a negative result, in line with market movements. The trading book had a bad month, ending it slightly negative. The external scenario is likely to remain quite volatile, while it is unclear whether the trade war will keep the Fed from continuing the cycle of interest rate cuts. The domestic environment has continued to develop positively, and we believe this should not change in the short term. In the midst of recent volatility, we have reduced exposure, even though we are above average levels, which should be maintained for some time to come.

Sector Attribution

| | Exposure | Contribution |
|------------|----------|--------------|
| Index | 43,38% | -2,77% |
| Financials | 1,19% | -0,21% |
| Other | 1,31% | -0,09% |
| Cash/Costs | 54,11% | -0,23% |



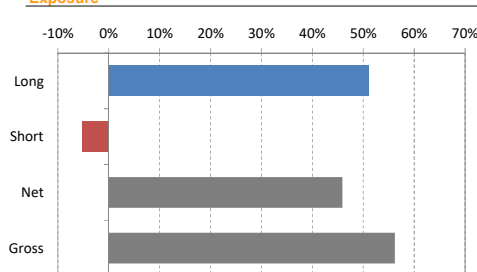
Performance

| | Fund | Libor |
|-----------------|---------------|--------------|
| Month | -3,30% | 0,21% |
| 3M | -1,25% | 0,66% |
| 6M | -1,30% | 1,38% |
| 12M | 11,39% | 2,85% |
| YTD | 4,04% | 1,93% |
| Since Inception | 13,26% | 6,07% |

Statistics

| | | |
|-----------------------|---------|-------|
| Annualized Volatility | 9,20% | 0,41% |
| Largest Drawdown | -10,29% | 0,00% |
| Positive Months | 16 | 32 |
| Negative Months | 16 | 0 |
| Average Net Exposure | 29,48% | |

Exposure



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|-------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|--------------|
| 2017 | 8,30% | 2,05% | -0,71% | -0,40% | -1,51% | -1,65% | 1,61% | 0,72% | 0,66% | -0,51% | -0,97% | 0,65% | 8,14% |
| 3M Libor | 0,13% | 0,12% | 0,11% | 0,11% | 0,13% | 0,10% | 0,12% | 0,12% | 0,11% | 0,13% | 0,11% | 0,09% | 1,39% |
| HFRI EH | 1,86% | 1,09% | 0,87% | 0,74% | 0,34% | 0,85% | 1,47% | 0,61% | 1,40% | 1,05% | 0,97% | 1,30% | 13,29% |
| 2018 | 2,63% | 0,49% | 0,16% | -1,51% | -4,37% | -3,67% | 4,50% | -4,00% | 0,84% | 8,46% | -1,14% | -0,98% | 0,67% |
| 3M Libor | 0,16% | 0,12% | 0,16% | 0,28% | 0,27% | 0,23% | 0,24% | 0,24% | 0,19% | 0,21% | 0,21% | 0,28% | 2,63% |
| HFRI EH | 2,84% | -1,84% | -0,63% | 0,33% | 1,34% | -0,81% | 0,51% | 0,42% | -0,61% | -4,67% | -0,19% | -3,83% | -7,14% |
| 2019 | 6,84% | -1,33% | -1,31% | -0,22% | 1,50% | 1,51% | 0,60% | -3,30% | | | | | 4,04% |
| 3M Libor | 0,29% | 0,26% | 0,22% | 0,25% | 0,25% | 0,23% | 0,22% | 0,21% | | | | | 1,93% |
| HFRI EH | 5,14% | 1,88% | 0,42% | 1,67% | -3,06% | 3,06% | 0,23% | -1,63% | | | | | 7,73% |

Fund Details

| | | | |
|--------------------|---|--|--|
| Legal Structure | LLC | Inception Date | January 1, 2017 |
| Fund Domicile | Bahamas | Management Fee | 2,00% p.a. |
| Bloomberg Ticker | NESTRU Equity | Performance Fee | 20% of what exceeds 3M Libor, with high water mark |
| Investment Manager | Nest Asset Management | Min. Investment | 100.000 USD |
| Auditor | T.B.D | Redemptions | Monthly |
| Banker & Custodian | Credit Suisse - Nassau Branch - WM | Administrator & RTA | |
| | The Bahamas Financial Centre, 4th floor | Credit Suisse, Nassau Branch - Wealth Management | |
| | Shirley & Charlotte Streets | The Bahamas Financial Centre, 4th floor | |
| | P.O. Box N-4801 | Shirley & Charlotte Streets | |
| | Nassau, The Bahamas | P.O. Box N-4801 | |
| | | Nassau, The Bahamas | |
| | | Email : fundsops.csnb-wm@credit-suisse.com | |
| | | Tel : +1 242 302 6360 | |