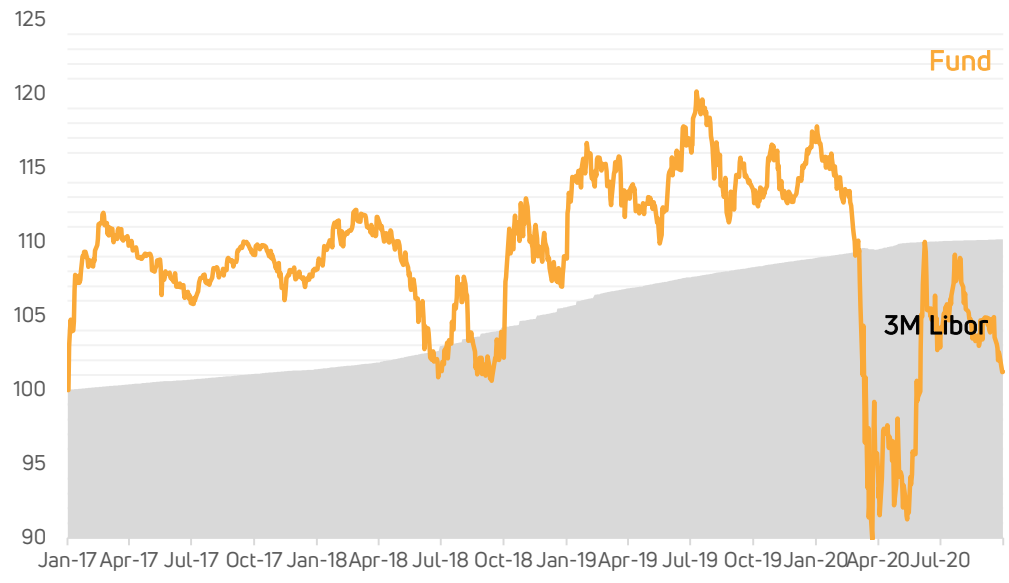
nest total return fund

Monthly Report
September 2020

nest asset management

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

In September, the global markets interrupted the sequence of gains from the prior months and posted losses, with the S&P 500 and the MSCI Emerging Markets declining -3,80% and -1,62%, respectively. The MSCI Brazil was down -7,07%, extending August's losses.

In the global scenario, there was no agreement on the new stimulus package in the US, and the FED confirmed it's stimulative stance, in line with the Forward Guidance announced in Jackson Hole as expected by the market. The presidential dispute intensified during the month, with the first debate. Although there was no clear winner on the debate, Biden is clearly ahead on betting markets and opinion polls as well. In Europe, the possibility of a second wave of contamination on the continent has risen again.

In the local scenario, there is still discomfort with the country's fiscal trajectory and the difficult reform agenda. Throughout the month, the government tested different financing alternatives for its cash-transfer program but failed to go forward with any of the proposals. The Economy Ministry suffered another defeat by failing to lead the discussions, culminating in the departure of another important member of the ministry. The weakening of Guedes and the pressure to violate the spending cap has worsened the country's risk perception. In addition, the government funding need increased substantially due to the higher fiscal deficit caused by the pandemic expenses. In this troubled scenario, the Treasury held the largest auction in its history, and the government bond market began to show signs of deterioration, including short term cash instruments. Reinforcing the fiscal worries, the COPOM conditioned the maintenance of the monetary policy on the perception of the fiscal trajectory and that possible uncertainties could elevate interest rates.

The fund posted a negative return for the month, in line with the market's decline. The directional positions were responsible for the largest part of the losses, followed by the sector positions. The trading book had a positive return. We continue with a low net exposure in line with the deterioration of the scenario.

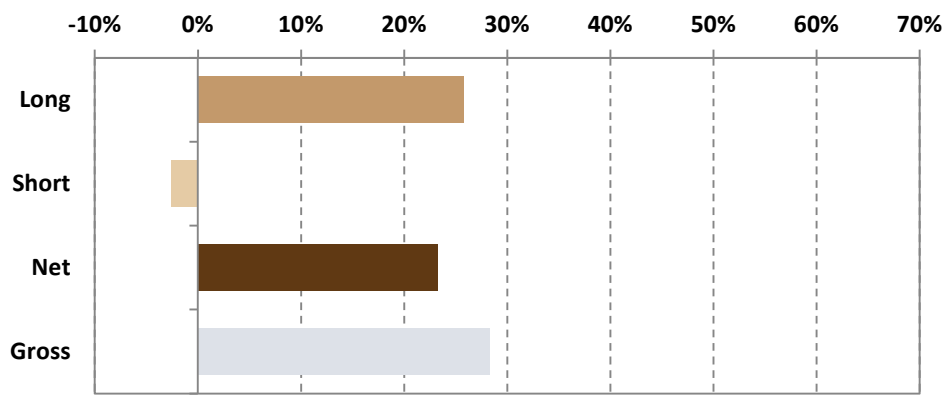
PERFORMANCE

	FUND	LIBOR
Month	**-2,11%**	**0,03%**
3M	-1,62%	0,11%
6M	7,28%	0,62%
12M	-10,87%	1,74%
YTD	-13,31%	1,16%
Since Inception	1,20%	8,13%

STATISTICS

Annualized Volatility	13,36%	0,35%
Largest Drawdown	-25,17%	-0,12%
Positive Months	23	45
Negative Months	22	0
Average Net Exposure	31,52%	

EXPOSURE



SECTOR ATTRIBUTION

	Exposure	Contribution
Index	20,11%	-1,61%
Financials	1,17%	-0,13%
Other	1,94%	-0,02%
Cash/Costs	76,78%	-0,35%

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2017	**FUND**	**8,30%**	**2,05%**	**-0,71%**	**-0,66%**	**-1,25%**	**-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%
2018	**FUND**	**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%
2019	**FUND**	**6,84%**	**-1,33%**	**-1,31%**	**-0,22%**	**1,50%**	**1,51%**	**0,60%**	**-3,30%**	**0,25%**	**1,71%**	**-2,30%**	**3,46%**	**7,24%**
	3M Libor	0,29%	0,26%	0,22%	0,25%	0,25%	0,23%	0,22%	0,21%	0,20%	0,22%	0,17%	0,19%	2,73%
2020	**FUND**	**-2,72%**	**-3,77%**	**-13,68%**	**1,53%**	**3,62%**	**3,66%**	**4,25%**	**-3,59%**	**-2,11%**				**-13,31%**
	3M Libor	0,20%	0,21%	0,12%	0,35%	0,11%	0,05%	0,05%	0,03%	0,03%				1,16%

FUND DETAILS

Legal Structure	LLC
Fund Domicile	Bahamas
Bloomberg Ticker	NESTTRU Equity
Investment Manager	Nest Asset Management
Auditor	T.B.D
Banker & Custodian	Credit Suisse - Nassau Branch - WM The Bahamas Financial Centre, 4th floor Shirley & Charlotte Streets P.O. Box N-4801 Nassau, The Bahamas
Inception Date	January 1, 2017
Management Fee	2,00% p.a.
Performance Fee	20% of what exceeds 3M Libor, with high water mark
Min. Investment	100,000 USD
Redemptions	Monthly
Administrator & RTA	Credit Suisse, Nassau Branch - Wealth Management The Bahamas Financial Centre, 4th floor Shirley & Charlotte Streets P.O. Box N-4801 Nassau, The Bahamas Email : fundsops.csnb-wm@credit-suisse.com Tel : +1 242 302 6360