MANAGER'S REPORT DECEMBER 2025

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INTRODUCTION

First, we would like to thank our investors and collaborators for their trust throughout 2025 and wish everyone a prosperous 2026. We also take this opportunity to reaffirm our continued focus on our mandate — to preserve and compound capital for our investors — and our enthusiasm for the challenges and opportunities ahead in 2026.

The **K10** fund closed the year with a return of 20.59%, compared to 14.31% for its benchmark. The Commodities book was the largest contributor to performance. In Equities, we spent most of the year long the U.S. technology sector. In Currencies, we pursued a short U.S. dollar theme for most of the year, generating positive returns. In Interest Rates, we maintained receiving positions throughout the year, primarily in international markets, which did not generate a material contribution to performance.

MACRO OUTLOOK

Following Donald Trump's election to the presidency of the United States at the end of 2024, there was a profound shift in economic policy, alongside a more assertive foreign policy stance. The implementation of deregulation agendas in the energy and technology sectors, tax cuts, and efforts to increase public-sector productivity provided a positive backdrop for the economy and the private sector. On the other hand, the imposition of tariffs on trading partners, heightened institutional uncertainty, and a stronger U.S. stance on globally relevant issues introduced meaningful tail risks.

From a micro perspective, a secular force continues to dominate private-sector focus and investment: the development of artificial intelligence technology and the infrastructure required for its deployment. All available data points so far suggest a technological revolution likely to deliver significant productivity gains.

Looking ahead to 2026, we see a combination of factors that should remain supportive of risk assets and emerging markets. Global growth is expected to remain close to potential, driven by fiscal impulses and monetary stimulus implemented over the past year. Labor markets are softer, with weak job creation across several regions, allowing the disinflation process to continue. Central banks have policy rates close to neutral and have signaled a willingness to keep rates at current levels. However, the existence of room for additional monetary stimulus reduces the risk of a global recession.

We remain long global equities, short the U.S. dollar against a basket of currencies, short oil, and receiving rates in economies that are further along in the economic cycle.

BRAZIL: START OF A MONETARY EASING CYCLE AND ELECTIONS

Since the end of 2024, the Central Bank of Brazil has implemented a significant tightening of monetary conditions, raising policy rates by 450 basis points.

This was accompanied by meaningful disinflation, driven in part by a strong appreciation of the Brazilian real, and inflation expectations have continued to converge. The labor market remains tight, with unemployment at historic lows, but has begun to show signs of cooling, while economic growth has recently run slightly below potential. With inflation projections close to target over the relevant horizon, the Central Bank is likely to initiate a recalibration cycle of monetary tightening in the coming meetings.

The potential outcomes of the 2026 presidential elections imply completely divergent paths for Brazilian assets over the coming years.

The continuation of current economic policies does not lead to long-term equilibrium. Maintaining a mix of expansionary fiscal policy and restrictive monetary policy would result in continued rapid growth in public debt, which is expected to reach 84% of GDP by the end of 2026 (an increase of 12 percentage points since December 2022), alongside further deterioration in macroeconomic conditions.

Conversely, a reform-oriented government that delivers a credible path toward expenditure reduction and public debt stabilization would open the door to a significant decline in domestic interest rates, which would be highly supportive of local assets.

Our ability to assign probabilities to electoral outcomes remains limited. It is still too early, and polling data have low informational content at this stage. That said, the current president's low approval ratings and voter priorities — particularly public security — suggest a higher likelihood of political alternation. The key question is whether the opposition will present a candidate with low rejection rates capable of capturing this dissatisfaction.

Nonetheless, we conduct scenario analyses to simulate asset pricing contingent on electoral outcomes. What has drawn our attention is that risk premia — across FX, implied inflation, credit spreads, and equity risk premia — remain very low, significantly underestimating the risks associated with the continuation of current economic policies. On the other hand, partly due to heavy public and private issuance, forward real interest rates are cheap and are likely to undergo a meaningful repricing under a political alternation scenario. As a result, we have concentrated our positive exposures in this instrument.

POSITIONS

Currencies

We continue long in the Japanese yen, Turkish lira, Chilean peso, South African rand, and Indian rupee versus the U.S. dollar. We added a new short position in the British pound and closed our long position in the Hungarian forint, both versus the U.S. dollar.

Commodities

We continue short coffee, corn, zinc, and oil, and long gold, aluminum, and natural gas. We closed our long position in copper.

Interest Rates

We continue receiving rates in Brazil, Europe, Sweden, Canada, Mexico, and South Africa. We added new payers in Chile and in the long end of the U.S. yield curve.

Equities

We maintain long equities in the United States, Argentina, and China. We closed our short position in Brazil.

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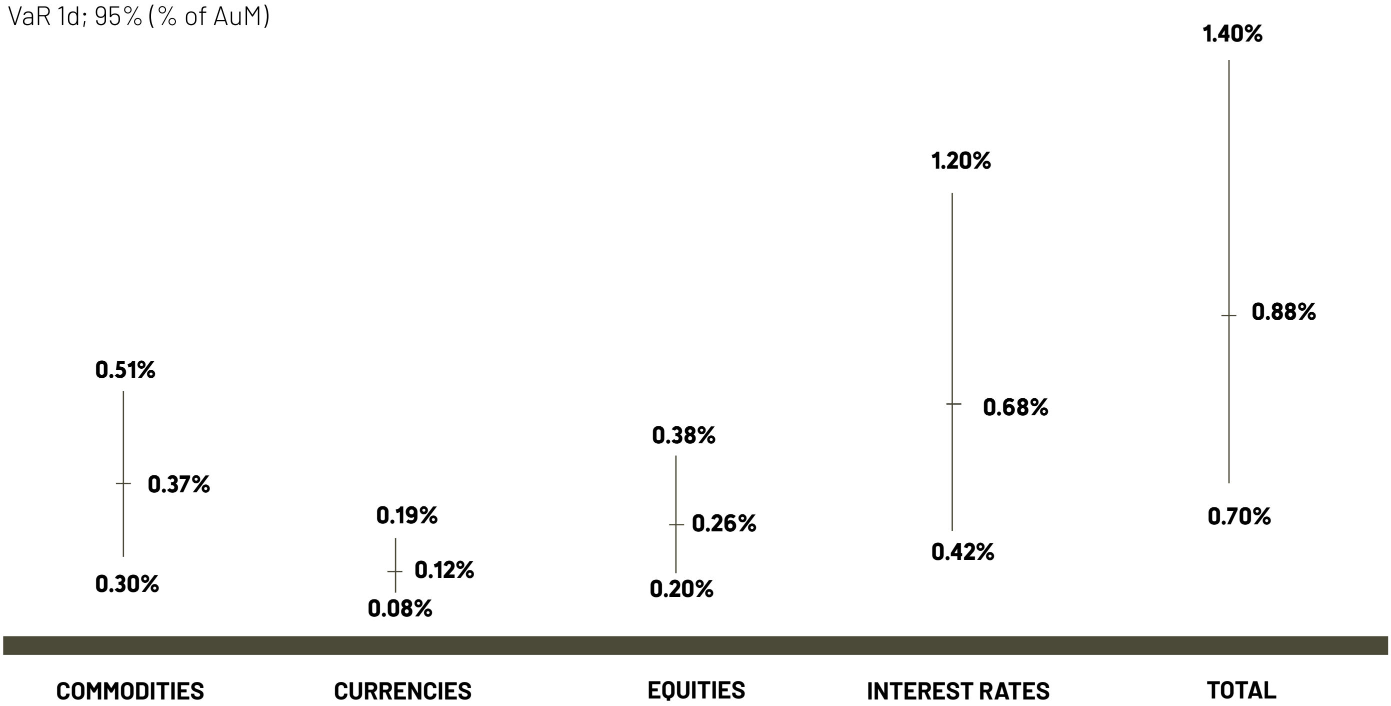
RISK FACTOR ALLOCATION

Risk Factor Allocation*

*Minimum, average, and maximum throughout the month.

VaR 1d; 95% (% of AuM)



PERFORMANCE ATTRIBUTION

K10 FIQ	DEC/25	2025	12M	24M	60M	SINCE INCEPTION
Interest Rates	**-1.35%**	**0.07%**	**0.07%**	**-3.44%**	**6.10%**	**20.65%**
Currencies	**0.23%**	**1.10%**	**1.10%**	**1.43%**	**5.26%**	**5.31%**
Equities	**0.07%**	**2.49%**	**2.49%**	**3.50%**	**24.63%**	**43.39%**
Commodities	**1.68%**	**6.41%**	**6.41%**	**12.69%**	**37.44%**	**72.64%**
Fees	**-0.20%**	**-3.78%**	**-3.78%**	**-7.13%**	**-31.18%**	**-61.05%**
Benchmark (CDI)	**1.22%**	**14.31%**	**14.31%**	**26.74%**	**68.09%**	**90.25%**
Performance	1.64%	20.59%	20.59%	33.79%	110.33%	171.18%
%Benchmark	**134.31%**	**143.86%**	**143.86%**	**126.36%**	**162.04%**	**189.67%**

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Autorregulação ANBIMA

Gestão de Recursos

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