MANAGER'S REPORT OCTOBER 2025

K10

MACRO OUTLOOK

The Kapitalo **K10** Fund delivered a 1.56% return in October. The equities book contributed positively, while the interest rate, currencies, and commodities books detracted from performance.

From a macro perspective, the global economic cycle remains supportive of risk assets. The combination of a loosening labor market and disinflation over recent quarters has allowed central banks to continue their monetary easing cycles. In addition, the trade agreement between the United States and China led to a marginal reduction in trade tariffs, reducing the risk of disruption in global supply chains.

The S&P 500 earnings season was strong, with revenue growth above historical averages, suggesting that technological advancements continue to drive productivity.

The K10 portfolio remains selectively receiving rates and long global equities. We tactically reduced our long exposure to gold and increased our exposure to receivers in Brazilian fixed income.

ARGENTINA:
A BRIEF UPDATE

In Argentina, President Milei's government achieved a decisive victory in the national legislative elections, far exceeding expectations. The ruling coalition received a vote share seven percentage points higher than the Kirchnerist bloc, securing a sufficient majority to block impeachment proceedings and maintain presidential vetoes. In addition, it came close to the threshold needed to approve economic reforms — a situation entirely different from the first half of the administration.

A victory of this magnitude signals strong approval ratings, low risk of a Kirchnerist comeback, and a higher probability of reelection in 2027. This combination reduced uncertainty in the investment outlook and led to a substantial rally in Argentine assets.

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MACRO OUTLOOK

The first half of the administration was marked by a major macroeconomic adjustment: the fiscal balance improved from -4% to +1% of GDP, inflation fell from 250% to 25% per year, there was a partial liberalization of the FX market, a significant current account adjustment, and an accumulation of international reserves.

The next two years represent a unique opportunity for Argentina to reestablish itself on the global investment map. To achieve that, two key challenges must be addressed: i) liberalizing the FX market, which would reduce external vulnerability; and ii) passing economic reforms that enhance competitiveness and enable sustained economic growth.

For now, the managed float regime with FX bands and capital controls remains in place, but both are expected to be gradually eased in the coming months. We believe this process will unlock global capital flows seeking to capture investment opportunities, enable Argentina's inclusion in global equity and sovereign bond indices, facilitate external debt issuance by local entities, and ultimately lead to further reserve accumulation by the Central Bank.

On the reform front, the agenda appears more advanced. In his victory speech, President Milei adopted a more conciliatory and inclusive tone, seeking broader support for structural reforms. The combination of a politically stronger government, greater openness to dialogue, a favorable global backdrop, and strong goodwill from international organizations and the United States government should allow the approval of important economic reforms in the coming months.

Despite the strong appreciation of Argentine assets, we believe there is further upside potential as the positive agenda advances. We remain long Argentine equities and external sovereign debt.

POSITIONS

Commodities

We maintain short positions in coffee, corn, zinc, and oil, and remain long gold and natural gas. We closed our short position in soybeans.

Equities

We remain long equities in the United States and China and short in Brazil. We added new long positions in Argentina and Chile and a new short position in Europe.

Currencies

We remain long in the Japanese yen, Turkish lira, and Indian rupee versus the U.S. dollar. We added a new long position in the Chilean peso.

Interest Rates

We continue receiving rates in Brazil, Europe, and Sweden. We added new receivers in Canada and Mexico and increased our receivers in Brazil.

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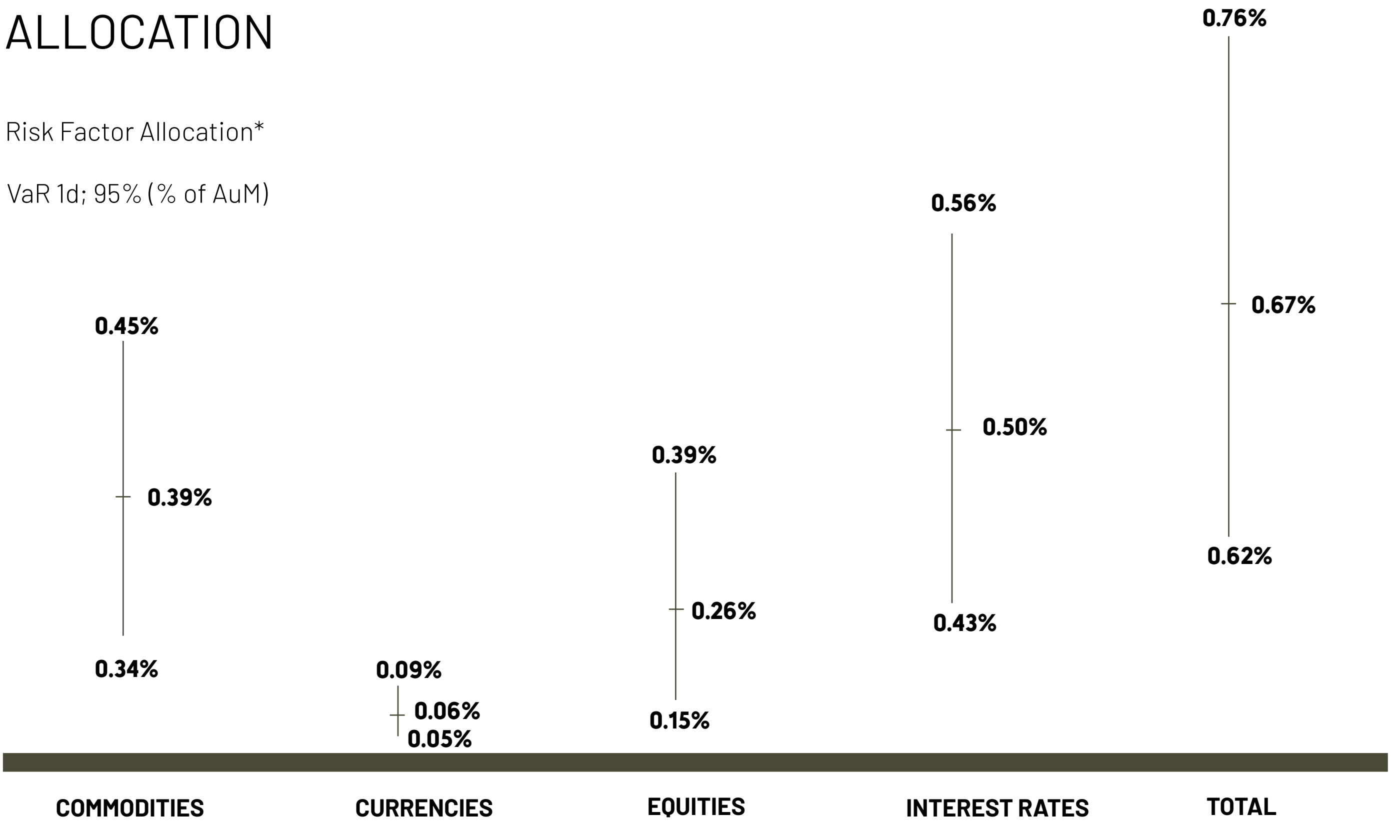
RISK FACTOR ALLOCATION

Risk Factor Allocation*

VaR 1d; 95% (% of AuM)



PERFORMANCE ATTRIBUTION

K10 FIQ	OCT/25	2025	12M	24M	60M	SINCE INCEPTION
Interest Rates	-0.23%	1.65%	1.96%	2.41%	10.66%	23.75%
Currencies	-0.18%	0.91%	2.89%	2.55%	6.39%	4.81%
Equities	0.98%	3.21%	4.05%	5.22%	32.14%	44.17%
Commodities	-0.09%	3.60%	4.00%	9.97%	40.72%	65.03%
Fees	-0.20%	-3.30%	-4.02%	-7.44%	-35.13%	-58.78%
Benchmark (CDI)	1.28%	11.76%	13.69%	26.17%	64.85%	86.00%
Performance	1.56%	17.83%	22.57%	38.87%	119.64%	164.98%
%Benchmark	122.46%	151.63%	164.90%	148.54%	184.49%	191.83%

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Autorregulação ANBIMA

Gestão de Recursos

KAPITALO INVESTIMENTOS LTDA
Av. Brigadeiro Faria Lima, 3144
11º andar - Itaim Bibi
01451-000 – São Paulo, SP
(11) 3956-0600
kapitalo.com.br