MANAGER'S REPORT JANUARY 2026

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MACRO OUTLOOK

In January, the global macroeconomic backdrop was characterized by still-resilient activity in major economies and early signs of transition in monetary policy, with central banks signaling potential rate easing conditional on incoming data. The environment combined moderate growth, more contained inflation dynamics, and a persistent balance of risks, particularly on the fiscal and geopolitical fronts. Below, we present our macro assessment for the United States, Europe, China, and Brazil.

In the United States, the Fed kept interest rates unchanged at its January meeting, in line with expectations. During the press conference, Chair Powell maintained a dovish bias but indicated that, under the baseline scenario, the next rate cut is likely to occur around mid-year, when the Committee expects further progress on inflation. Elevated risks to the labor market could bring this move forward.

Although the labor market remains in a fragile equilibrium — with low levels of hiring and layoffs — the year began with relative optimism regarding U.S. growth. Third-quarter 2025 data surprised to the upside, and early fourth-quarter indicators suggest that consumption continues to expand at a solid pace. Optimism is also supported by expectations surrounding Artificial Intelligence and its potential productivity gains. Finally, 2026 should benefit from a moderate positive fiscal impulse stemming from the "One Big Beautiful Bill" approved in 2025.

In Europe, GDP growth remained firm in the fourth quarter, rising 0.3% quarter-over-quarter, in line with the ECB's projection when Ireland is excluded from the calculation. On inflation, January data suggest that core inflation may have come in slightly below the ECB's estimates.

Looking ahead, developments in key drivers have been mixed. Higher energy prices pose an upside risk to short-term inflation, while euro appreciation represents a downside risk to both inflation and growth. The ECB's first meeting in early February is expected to signal continuity, maintaining guidance that the current monetary stance remains appropriate. Communication should therefore focus on the balance of risks, with particular attention to exchange rate developments and, to a lesser extent, rising geopolitical and trade uncertainty.

In China, GDP expanded by 1.2% in the final quarter, bringing full-year 2025 growth within the 5% target. At the margin, the pace of expansion has exceeded the post-Covid trend. In December, industrial production and retail sales came in broadly as expected. Output of iron, steel, and cement continues to slow. Automobile production remains strong on a year-to-date basis, and sectors aligned with the anti-involution agenda continue to show healthy output levels. In retail, vehicle sales remain the main negative highlight. It is worth noting that retail could become a headwind to growth in 2026 should trade-in quotas decline over the course of the year. National data also suggest some stabilization in the decline of property sales and housing starts.

In Brazil, economic activity continued to slow modestly based on November and December data. Our high-frequency GDP tracking indicator declined and is likely to continue moving lower as December data are released in early February. The labor market has shown accelerating wage growth, introducing an upside bias to our 2026 labor income projection. An additional highlight is the sharp increase in household delinquency toward year-end, which — despite low unemployment and stronger wages — signals a high degree of income commitment to debt servicing.

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On the fiscal front, final 2025 figures were released, with the central government delivering a primary result at the lower bound of the target range, while total spending increased 3.4% in real terms — broadly in line with expectations. Over the year, revenues surprised positively, driven by higher taxation on financial transactions and closed-end funds, as well as solid labor market performance. Nonetheless, Brazil continues to run a nominal deficit close to 10% of GDP and faces a debt trajectory that requires meaningful primary adjustment, as highlighted in the Treasury's latest projections report. While the government seeks additional revenues to secure the lower bound of the primary target, initiatives to relax the fiscal framework and spending cap have increased, raising the magnitude of the adjustment required to stabilize debt.

The start of 2026 has continued to show well-behaved inflation dynamics. Food prices came in below the usual January seasonal pattern, contributing to a more benign monthly IPCA (Brazil's official consumer price index).

We also observed some moderation in services inflation, reflecting lower inertia following a softer inflation outcome in 2025. Looking ahead, we project inflation below 4% this year, supported by a relatively stable exchange rate and the expected deceleration in economic activity.

In the external accounts, there was a marked improvement in the trade balance during the second half of 2025, driven by accelerating exports and stable imports. For 2026, we expect a slight further improvement in current account dynamics, with the deficit declining to below 3% of GDP, supported by still-favorable terms of trade and weaker domestic demand.

At its latest meeting, the Central Bank opened the door to a rate cut in March, should the expected scenario materialize. While our pre-meeting baseline already anticipated the start of the easing cycle around that period, the explicit forward guidance came as a surprise. The statement indicated that the calibration of interest rates, conducted with prudence, should maintain an adequate degree of restriction to ensure inflation convergence to target.

POSITIONS

Interest Rates

We maintained long positions in the United States, the Eurozone, Sweden, and Canada, as well as tactical positions in Mexico. We also maintained positions in both nominal and real rates in Brazil.

Commodities

We increased long positions in gold and reduced short positions in oil. We maintained long positions in uranium and aluminum, and short positions in corn, silver, zinc, and coffee.

Equities

We maintained long and relative value positions in Brazilian equities, as well as long positions in global equities.

Currencies

We increased short positions in the U.S. dollar and long positions in the Mexican peso, the Chinese renminbi, and the Brazilian real. We maintained long positions in the South African rand, Chilean peso, Turkish lira, Japanese yen, Indian rupee, and Canadian dollar, and short positions in the Swiss franc, Australian dollar, and Thai baht.

PERFORMANCE ATTRIBUTION

Regarding performance attribution, positions in equities, interest rates, and currencies contributed positively, while positions in commodities detracted. In Brazilian equities, positive contributions came from positions in the following sectors: Metals & Mining, Transportation & Logistics, Banks, Oil & Gas, Telecom, Financial Services, Consumer, and Technology. Negative contributions came from positions in Construction, Pulp & Paper, Utilities, Capital Goods, Education, Healthcare, and Shopping Malls.

KAPITALO GLOBAL FUND SP

ZETA USD

	JAN/26	2026	12M	24M	60M	SINCE INCEPTION
Fixed Income	1.12%	1.12%	4.36%	-1.04%	13.58%	19.75%
FX	0.90%	0.90%	0.67%	-1.13%	1.93%	-1.65%
Equities	1.81%	1.81%	14.45%	28.67%	44.89%	66.29%
Commodities	-0.15%	-0.15%	2.84%	3.57%	7.24%	10.11%
Fees	-0.66%	-0.66%	-4.90%	-7.18%	-22.32%	-37.04%
Performance	3.02%	3.02%	17.41%	18.58%	45.32%	57.45%

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(in Brazilian Reais)

	JAN/26	2025	12M	24M	60M	120M
Fixed Income	0.99%	0.99%	3.95%	-3.67%	20.47%	96.36%
FX	0.82%	0.82%	0.54%	-1.71%	1.91%	-16.83%
Equities	1.22%	1.22%	7.74%	19.60%	28.13%	126.94%
Commodities	-0.13%	-0.13%	3.40%	4.46%	11.05%	22.48%
Fees	-0.81%	-0.81%	-4.11%	-7.90%	-28.72%	-61.79%
CDI	1.16%	1.16%	14.49%	26.99%	69.79%	144.44%
Performance	3.25%	3.25%	26.00%	37.77%	102.63%	311.60%
% Benchmark (CDI)	279.07%	279.07%	179.47%	139.93%	147.06%	215.72%

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Autorregulação ANBIMA

Gestão de Recursos

kapitalo investimentos

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