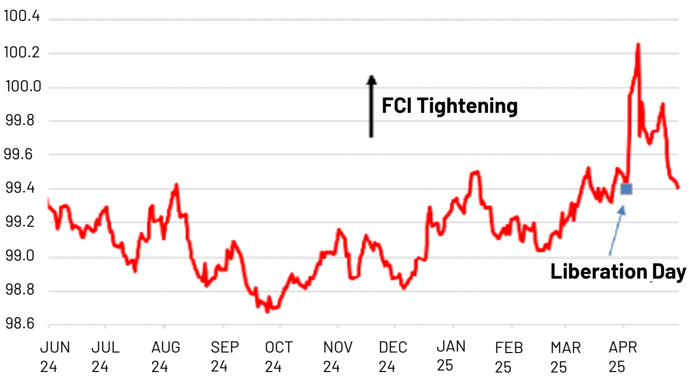
MANAGER'S REPORT APRIL 2025

K10

MACRO OUTLOOK

The month of April was marked by a sharp tightening in U.S. financial conditions (see chart). Markets reacted strongly to the Trump administration's announcement on "Liberation Day," leading to a significant sell-off in equities, widening of credit spreads, and a rise in long-term interest rates. Shortly after, the administration – led by Treasury Secretary Scott Bessent – was forced by market and business pressures to backtrack and revise the process for negotiating trade tariffs.

USA: Financial Conditions Index (FCI)



It is becoming increasingly clear that the government acknowledged its misstep and is now seeking bilateral solutions with various countries. However, the final outcome of the tariff negotiations remains highly uncertain. In any case, we believe the process will end with a significant increase in the average import tariff rate (a shock analogous to a consumption tax hike), which should drive prices higher in the U.S. and lead to a deceleration in global economic activity. Additionally, the gap between tariff rates on Chinese goods and those on imports from other countries is likely to persist, affecting relative competitiveness and encouraging a realignment of global manufacturing. Some Asian countries may benefit from this new configuration.

On the other hand, tax cut and deregulation agendas are expected to become clearer in the coming months. Depending on the format and speed of approval, these measures could help offset part of the negative impact caused by tariffs.

The fund delivered strong results in April, with positive contributions across all four asset classes. Throughout the month, we gradually reduced some allocations but maintained a portfolio with long positions in interest rates and short positions in commodities – both of which stand to benefit from a global slowdown. In equities, we remained long in the technology and AI-related sectors.

Natural Gas Update: In mid-April, we closed our short position in summer 2025 natural gas contracts.

Despite the need for higher prices in the medium term to support growing export capacity, we believed that the $4.0–$4.5/mmbtu range would lead to excessive inventory accumulation by the end of October. This was due to the expected activation of coal-fired power plants (reducing gas burn) and increased producer injections delayed from 2024. Following strong injections in March and April, summer 2025 gas prices fell to around $3.3/mmbtu, prompting us to close the short.

The correction in the front end of the curve also impacted calendar year 2026 prices, where we see a high probability of supply deficits. We took the opportunity to establish a long position in summer 2026 contract.

POSITIONS

Currencies
We closed our long position in the U.S. dollar. We remain long the Japanese yen and Turkish lira, and short the Chinese renminbi. We added long positions in the Indian rupee, Canadian dollar, and Australian dollar versus the renminbi. We closed short positions in the British pound and Swedish krona.

Commodities
We maintained short positions in coffee, aluminum, zinc, and PGMs, and a long position in gold. We closed long positions in sugar and copper, as well as the short position in natural gas. We added a long position in calendar 2026 natural gas contracts and a short position in oil.

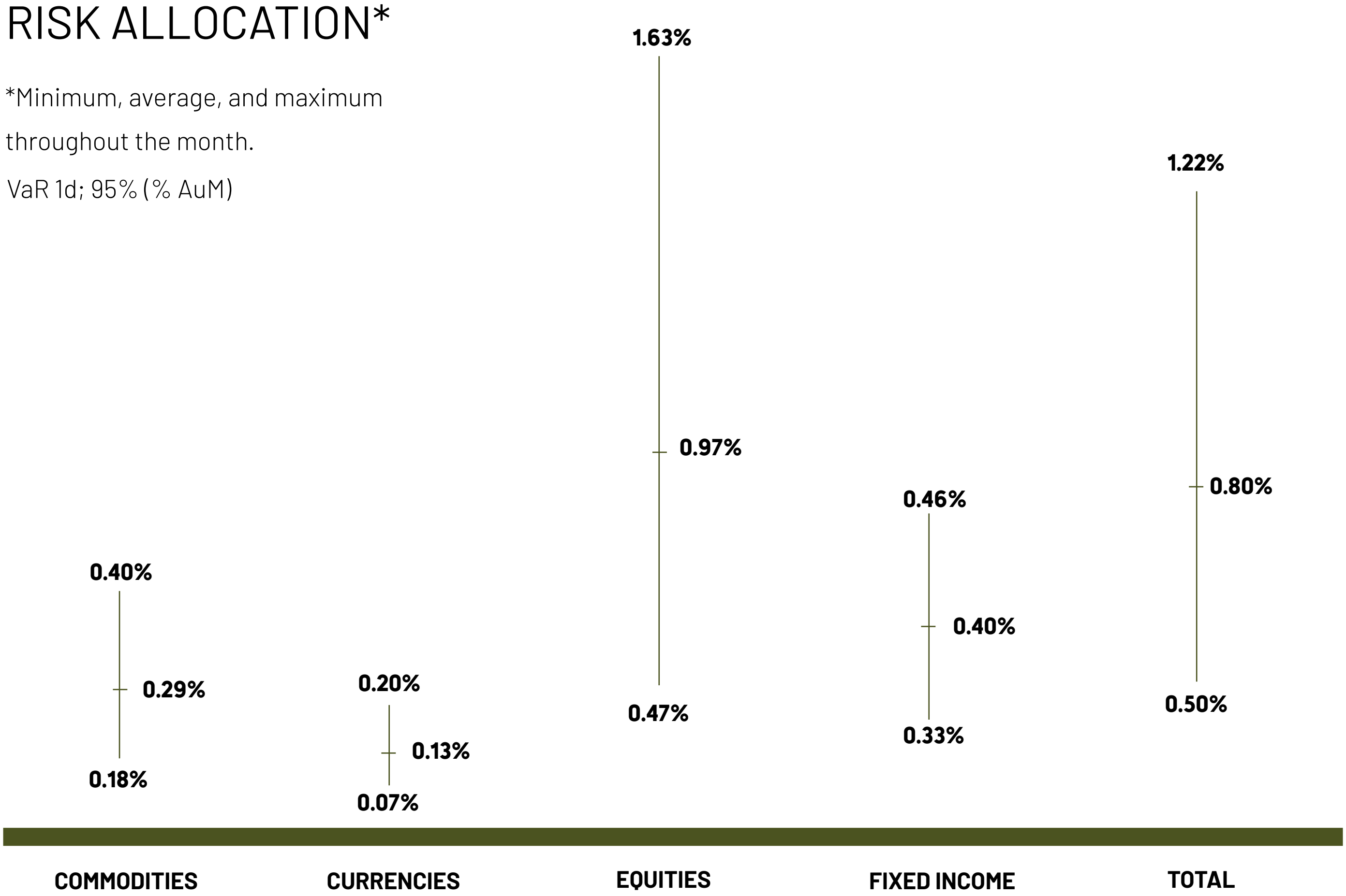
Equities
We reduced our long position in U.S. equities and maintained our long position in Chinese equities. We closed our short position in Brazilian equities.

Interest Rates
We reduced our overall interest rate exposure while maintaining receiving positions in Sweden, the U.S., China, and Mexico, and paying exposure in Brazilian real rates. We also remain long Brazilian inflation breakevens and established a new receiving position in Canada.

RISK ALLOCATION*

*Minimum, average, and maximum throughout the month.

VaR 1d; 95% (% AuM)



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PERFORMANCE ATTRIBUTION

K10 FIQ	APR/25	2025	12M	24M	60M	SINCE INCEPTION
Fixed Income	1.39%	2.69%	5.33%	-4.05%	13.52%	24.72%
FX	1.48%	1.03%	2.16%	1.92%	9.92%	4.89%
Equities	1.03%	0.42%	1.53%	3.37%	27.47%	35.35%
Commodities	2.11%	1.19%	3.38%	8.22%	34.31%	55.69%
Fees	-1.04%	-1.36%	-3.35%	-6.06%	-33.10%	-50.89%
CDI	1.06%	4.07%	11.45%	25.19%	55.24%	73.21%
Performance	6.03%	8.04%	20.51%	28.59%	107.36%	142.97%
% Benchmark (CDI)	570.76%	197.50%	179.12%	113.49%	194.36%	195.29%

Autorregulação ANBIMA
Gestão de Recursos

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