MANAGER'S REPORT NOVEMBER 2023

ZETA

MACRO OUTLOOK

In November, activity and inflation data from the world's main developed economies reinforced expectations that the interest rate hike cycle is coming to an end.

In the United States, data from the beginning of the fourth quarter shows some deceleration at the margin, both in inflation and activity, even though deceleration in the latter is in early stages. In terms of activity, we have observed that job creation and consumption are slowing down, which is a relevant contributor to the robust GDP figure in the third quarter. The more favorable evolution of the data, suggesting a still incipient deceleration, confirms the expectation that the last Fed hike may have occurred at the July meeting. The communication from the committee's participants is aligned with those premises. Although they maintain the option of a rate hike in case inflation accelerates, the participants have stated that they believe monetary policy is well positioned to bring inflation back to the target. As a result, at the next FOMC meeting in December, the committee is expected once again to keep interest rates unchanged. There should also be an increasing focus on the timeframe for maintaining rates.

In Europe, despite the weak data and a probable contraction in activity for the last quarter of the year, we noticed last month that the PMI activity surveys have shown some relief and a slight improvement in both the Eurozone and the UK. Preliminary Eurozone inflation for November came well below expectations, with inflation slowing to 2.4% and core inflation slowing to 3.6%, when compared to the same period last year. The stronger disinflation momentum came as a surprise, not only in core goods but also in services. It is likely that the ECB will revise its growth and inflation projections at the December meeting, which could be a trigger for interest rates cut.

ZETA

In November, China announced important measures that should help stabilize the real estate sector in the upcoming months. Among the most important measures, we highlight the RMB1trn program, designed to revitalize urban villages and financial aid for construction companies. The data released showed a better-than-expected start to the fourth quarter, especially for services consumption.

In Brazil, third quarter data were released in November and led us to revise our projection for the GDP figure downwards, driven by a worsening in the services consumption. By the end of this year, the economy should lose some momentum from the first semester and slow down towards potential growth over the next year. So far, we have seen few signs of this slowdown in the labor market, where there is still relative strength in job creation, especially in formal jobs. On the inflation side, the IPCA figure for October and the IPCA-15 figure for November showed a continuation of the benign movement in core inflation. As far as the fiscal agenda is concerned, important bills for the 2024 tax year were voted in the Congress. Even so, we are concerned about the advancement of ideas that distort the fiscal framework, especially with the sole aim of reducing next year's spending contingency. Alternative public policies that circumvent the approved fiscal framework are also a source of concern. Given the signs of activity losing momentum, an improvement in the global environment and more benign disinflation than expected, the Copom is expected to reduce the Selic rate by 0.5% in its last meeting of 2023. Our base case scenario considers that the pace of cuts should continue over the next year. After taking everything into account, any deviation from the current trajectory would result in an acceleration of the rate cut pace to 0.75%..

POSITIONS

Rates

We increased long positions in the United States and Europe. We reduced long positions in Mexico and Brazil. We reduced short positions in Japan. We reduced short positions in inflation in Europe and curve positions in the United States.

Equities

We increased long positions and relative value positions in Brazilian shares. We closed short positions in global indices. in corn. We maintained short positions in palladium, silver and coffee.

Currencies

We increased long positions in the Brazilian Real, in the Japanese yen and in the Norwegian Krone. We reduced short positions in the Colombian peso. We reduced long positions in the Mexican peso and Australian dollar. We maintained short positions in the Euro, Chinese yuan, and the Thai baht.

Commodities

We increased long positions in copper, we maintained short positions in coffee, we reduced long positions in gold, in oil and we closed short positions in corn, palladium and silver.

ZETA

PERFORMANCE BREAKDOWN

Regarding performance, equities, fixed income, FX and commodities positions contributed positively. In Brazilian equities, the highlights were gains in consumer goods, metal and mining, healthcare, banking, and logistics, while losses were concentrated in positions in the technology and construction sectors.

KAPITALO GLOBAL FUND SPC – ZETA USD

(in US Dollars)

STRATEGIES	NOV/23	2023	2022	2021	2020	2019	12M	24M	SINCE INCEPTION*
Fixed Income	2.97%	–1.54%	13.34%	1.54%	3.27%	1.83%	–1.21%	12.07%	19.87%
FX	0.13%	–0.55%	2.83%	–0.84%	1.17%	–1.03%	–1.09%	2.14%	–0.19%
Equities	3.17%	5.21%	–1.41%	6.44%	–2.70%	15.70%	5.34%	6.54%	30.15%
Commodities	0.10%	0.14%	0.48%	2.01%	1.09%	0.57%	0.09%	0.91%	5.15%
Fees	–0.17%	–1.28%	–7.06%	–5.40%	–3.63%	–5.19%	–1.30%	–9.29%	–28.28%
Performance	6.20%	1.98%	8.19%	3.74%	–0.81%	11.88%	–1.84%	12.38%	26.70%

(*) Inception date: September 5th, 2018

ZETA FIQ

(in Brazilian Reais)

STRATEGIES	NOV/23	2023	12M	24M	60M
Fixed Income	2.89%	–1.44%	–1.17%	15.61%	24.50%
FX	0.12%	–0.77%	–1.36%	2.32%	–1.18%
Equities	2.80%	1.37%	1.22%	–3.13%	13.26%
Commodities	0.10%	0.05%	–0.02%	0.80%	5.84%
Fees	–0.36%	–2.93%	–3.10%	–9.51%	–24.98%
Performance	6.47%	8.31%	8.87%	32.98%	61.31%
% CDI	706.44%	69.06%	66.70%	122.65%	139.75%

Past performance is not a guarantee nor a reliable indicator of future performance and no representation or warranty, express or implied, is made regarding future performance. Any performance figures presented herein are gross of taxes. None of the shares of Kapitalo Global Fund SPC - Segregated Portfolio Zeta USD (the "Fund") has been or will be registered under the U.S. securities act of 1933, as amended. None of the shares of the Fund may be offered or sold, directly or indirectly, in the United States or to U.S. persons. Further, the fund has not been and will not be registered under the U.S. Investment Company Act of 1940 as amended. Investors will be required to sign representation letters that they are not U.S. Persons, and will not be permitted to transfer their shares or any interest in their shares to U.S. Persons. The Fund and its shares have not been and will not be approved or disapproved by nor registered with the Brazilian securities commission (Comissão de Valores Mobiliários – CVM) and no action has been or will be taken to permit a public offering in any jurisdiction where any action would be required for that purpose. The Fund and its shares have not been and will not be approved or disapproved by nor registered with any European regulatory authority. Accordingly, Funds' shares may not be offered or sold, directly or indirectly, and this material may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Pursuant to the regulations enacted by the Brazilian Financial and Capital Markets Entities Association (ANBIMA), an analysis of at least 12 (twelve) months is recommended when evaluating investment fund's performance. FOR A FULL LIST OF RISKS APPLICABLE TO THIS FUND, PLEASE REFER TO THE OFFERING DOCUMENTS. BEFORE MAKING ANY INVESTMENT DECISION, PLEASE READ THE RELEVANT PROSPECTUS, RULES AND OTHER OFFERING MATERIALS IN ITS ENTIRETY. The Fund had a name change event on May 15, 2019, before this date its name was Kapitalo International Fund SPC – Segregated Portfolio Sigma.

Autorregulação ANBIMA

Gestão de Recursos

kapitalo asset management

KAPITALO ASSET MANAGEMENT

Av. Brigadeiro Faria Lima, 3144

10º e 11º andar – Itaim Bibi

01451-000 – São Paulo, SP

+ 55 (11) 3956-0600

kapitalo.com.br