

**ZETA**



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# MACRO OUTLOOK

In January, we observed that Central Banks in developed economies remained cautious and are waiting for more concrete data to begin the interest rate cutting cycle.

In the United States, data from the beginning of the year evolved unfavorably for the Fed, after several more benign months. First, labor market data surprised to the upside, with strong job creation. Subsequently, and more significantly, there was a significant surprise regarding January's inflation, with widespread acceleration across goods and services. While these data have not changed the overall outlook so far, they indicate that progress towards the target may not be linear and that there are still risks to price stability. In this sense, the committee's communication has taken on a more cautious tone, with no rush to start the cutting cycle.

In Europe, the 12-month disinflation process continued. However, unlike the end of last year, the data at the margin did not show the downward surprises necessary to dissuade most ECB members from their more cautious stance. According to comments, the committee consensus seems to be forming for the cut to occur at the June meeting.

In China, holiday season data was favorable, with household consumption advancing beyond pre-pandemic levels. Credit data also surprised positively, with better figures in most areas. In early March, China will set its key targets for the economy in 2024. As expected, on the first day after the National People's Congress (NPC), the Prime Minister announced a GDP growth target of "around 5%", partially offset by slightly less aggressive targets for fiscal policy.

In Brazil, the Central Bank proceeded with another 50 bps cut and indicated two additional cuts of the same magnitude ahead, subject to the inflation and activity scenarios. Fiscal data brought a positive surprise for federal revenue, and the primary surplus exceeded government and market expectations. GDP growth for 2023 was 2.9%, and the beginning of the last quarter indicated that household consumption slowed at the end of the year. The labor market remains tight, with wages growing strongly. Unemployment surprised on the downside. January's IPCA maintained its deceleration trend, registering a 12-month accumulated rate of 4.51%.



**ZETA****POSITIONS****Rates**

We increased long positions in the Euro Zone and in the United Kingdom. We maintained long positions in Mexico, curve positions in the United States, and short positions in Euro Zone's inflation. We reduced long positions in Brazil and in the United States.

**Currencies**

We increased long positions in the Brazilian real and the Indian rupee and short positions in the Chinese yuan, euro, Polish zloty, British pound, and Thai baht. We reduced long positions in the Mexican peso and short positions in the Colombian peso.

**Equities**

We increased long and relative value positions in Brazilian equities. We reduced long positions in global indices.

**Commodities**

We increased short positions in soybeans and long positions in cotton, sugar and gold. We reduced short positions in coffee and corn.

**PERFORMANCE  
BREAKDOWN**

Regarding performance, equity and commodity positions contributed positively, while interest rates and currencies contributed negatively. In Brazilian equities, positive highlights were positions in the consumer, oil and gas, transportation and logistics, and construction sectors, while negative highlights were in mining and steel, health, and financial services.

**KAPITALO GLOBAL FUND SPC – ZETA USD**

STRATEGIES	FEB/24	2024	12M	24M	60M	SINCE INCEPTION*
Fixed Income	-1.73%	-1.94%	-3.26%	8.20%	18.01%	18.86%
FX	-0.30%	-0.70%	-0.74%	2.04%	1.14%	-0.58%
Equities	1.81%	1.47%	7.05%	5.77%	21.49%	31.88%
Commodities	0.22%	0.63%	0.69%	0.83%	5.06%	5.81%
Fees	-0.07%	-0.12%	-0.69%	-6.78%	-23.33%	-27.94%
Performance	-0.06%	-0.67%	3.06%	10.05%	22.37%	28.03%

(in US Dollars)

(\*) Inception date:

September 5th, 2018



**ZETA****ZETA FIQ** (in Brazilian Reais)

STRATEGIES	FEB/24	2024	12M	24M	60M	120M
Fixed Income	-0.98%	-1.13%	-1.88%	6.35%	13.88%	35.69%
FX	-0.17%	-0.42%	-0.58%	1.44%	-0.78%	14.48%
Equities	0.88%	0.41%	1.50%	-2.34%	5.81%	31.16%
Commodities	0.13%	0.37%	0.40%	0.40%	3.67%	5.41%
Fees	-0.14%	-0.33%	-2.04%	-5.83%	-15.79%	-33.35%
Performance	0.52%	0.67%	10.14%	27.41%	52.26%	195.47%
% CDI	65.06%	37.78%	79.58%	100.06%	114.93%	137.58%

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.



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