MANAGER'S REPORT SEPTEMBER 2025

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MACRO OUTLOOK

In September, activity and inflation data were consistent with a scenario of more moderate growth and gradual inflation convergence, still subject to specific pressures. Against this backdrop, central banks adjusted their communications and decisions — with the Fed beginning its easing cycle and the ECB keeping rates steady — amid uncertainty about the pace ahead. At the same time, China faces structural challenges that may constrain short-term momentum, while in Brazil, data suggest a slowdown in activity and softer current inflation, though expectations remain unanchored, and the interest rate is likely to stay at 15% for an extended period.

In the United States, the August employment report came in weaker than expected, showing slower job creation and a moderate uptick in the unemployment rate. Subsequently, inflation data indicated that the Fed's preferred gauge, the PCE, should once again come below expectations, reflecting a smaller impact from import tariffs. These developments reinforced the more dovish stance adopted by Chair Powell following the July report. At its September meeting, the FOMC cut interest rates by 25 basis points, as expected. The projections released, as well as the statement, signal rate cuts of the same magnitude at the October and December meetings. Nonetheless, internal divisions within the Committee remain evident and led to a more cautious tone in the press conference, adding uncertainty regarding next year's pace of cuts.

In Europe, the ECB kept rates unchanged in the September meeting, as expected, and emphasized in its communication that it considers itself well positioned — suggesting that, barring a material economic shock, rates are likely to remain steady in the near term. Despite a downward revision in medium-term inflation projections, Christine Lagarde adopted a more hawkish tone, noting that the ECB would not react to small deviations in inflation. She also adjusted the assessment of risks to growth — from a "downside bias" to a "more balanced" stance — reflecting reduced uncertainty around trade and tariffs.

In China, activity data weakened at the turn of the semester, though external sector contributions to GDP remain strong, and the economy's growth path this year should stay broadly aligned with the 5% target. In September, discussions centered on the government's "anti-involution" campaign, aimed ultimately at countering deflation by slowing investment in specific sectors such as solar energy and electric vehicles. This structural adjustment may weigh on short-term growth, creating imbalances that will likely require correction later on.

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In Brazil, activity indicators began to show more tangible signs of deceleration. The credit channel appears to be tightening, contributing to slower retail sales growth. We also observed that the labor market has been losing momentum, with both formal and informal job creation declining at the margin. Additionally, tax collection data slowed in September, confirming weaker dynamics in the second half of the year. The more cyclical components — those more closely correlated with GDP — were the ones that decelerated most. At the same time, the government has accelerated discretionary spending, as expected, which should partially offset the restrictive effects of monetary policy.

On the inflation front, short-term projections continued to improve. The IPCA forecast for 2025 was revised down to 4.7%, reflecting recent signs of moderation in current inflation. However, underlying measures suggest a stabilization in the disinflation process: the seasonally adjusted three-month moving average of core services hovered between 5.5% and 6.0%, while core inflation indices remained between 4.5% and 5.0%. Inflation expectations also edged down slightly but remain unanchored at longer horizons. The outlook remains challenging, with limited room for a more pronounced decline in inflation — especially in 2026 — given the likelihood of continued fiscal stimulus in an election year.

Finally, as expected, the Central Bank of Brazil kept the interest rate at 15% and indicated, both in the minutes and in its projections, that it intends to maintain rates at this level for an extended period.

POSITIONS

Interest Rates
We increased long positions in nominal rates in Sweden and the United States and in real rates in Brazil. We reduced long positions in the Eurozone and Canada.

Currencies
We increased our long exposure to the Brazilian real and the Indian rupee, and our short exposure to the Chilean peso. We reduced long positions in the Japanese yen and the Mexican peso, and short positions in the Swiss franc and the Australian dollar. We closed our long position in the euro.

Equities
We maintained our long and relative value positions in Brazilian equities and reduced long positions in global equities.

Commodities
We increased our short position in corn and reduced our long position in gold and short positions in soybeans and oil.

PERFORMANCE ATTRIBUTION

Regarding performance attribution, positions in commodities and currencies contributed positively, while positions in equities and interest rates detracted.

In Brazilian equities, positive contributions came from positions in the following sectors: Metals & Mining, Transportation & Logistics, Banks, Capital Goods, Telecom, and Education. Negative contributions came from positions in the following sectors: Consumer, Pulp & Paper, Oil & Gas, Financial Services, Construction, Healthcare, Utilities, Technology, and Shopping Malls.

KAPITALO GLOBAL FUND SP

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	SEP/25	2025	12M	24M	60M	SINCE INCEPTION
Fixed Income	-0.74%	3.74%	-1.27%	-0.49%	14.49%	17.28%
FX	0.29%	-0.28%	0.81%	-3.07%	2.05%	-3.28%
Equities	-0.24%	4.74%	8.77%	25.91%	46.42%	56.81%
Commodities	0.75%	1.23%	1.57%	2.85%	7.44%	8.78%
Fees	-0.44%	-3.22%	-3.75%	-5.50%	-22.89%	-34.32%
Performance	-0.38%	6.20%	6.14%	19.70%	47.52%	45.27%

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(in Brazilian Reais)

	SEP/25	2025	12M	24M	60M	120M
Fixed Income	-0.74%	3.52%	-2.35%	-1.93%	23.14%	111.14%
FX	0.27%	-0.34%	0.97%	-3.78%	1.43%	-0.70%
Equities	-0.84%	-0.54%	2.68%	16.92%	33.39%	126.99%
Commodities	0.75%	1.69%	1.84%	3.44%	10.94%	22.14%
Fees	-0.03%	-1.57%	-2.53%	-6.42%	-27.61%	-67.92%
CDI	1.22%	10.35%	13.30%	25.82%	63.02%	143.64%
Performance	0.62%	13.11%	13.90%	34.06%	104.31%	335.30%
% Benchmark (CDI)	50.85%	126.64%	104.54%	131.90%	165.51%	233.43%

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Autorregulação ANBIMA
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