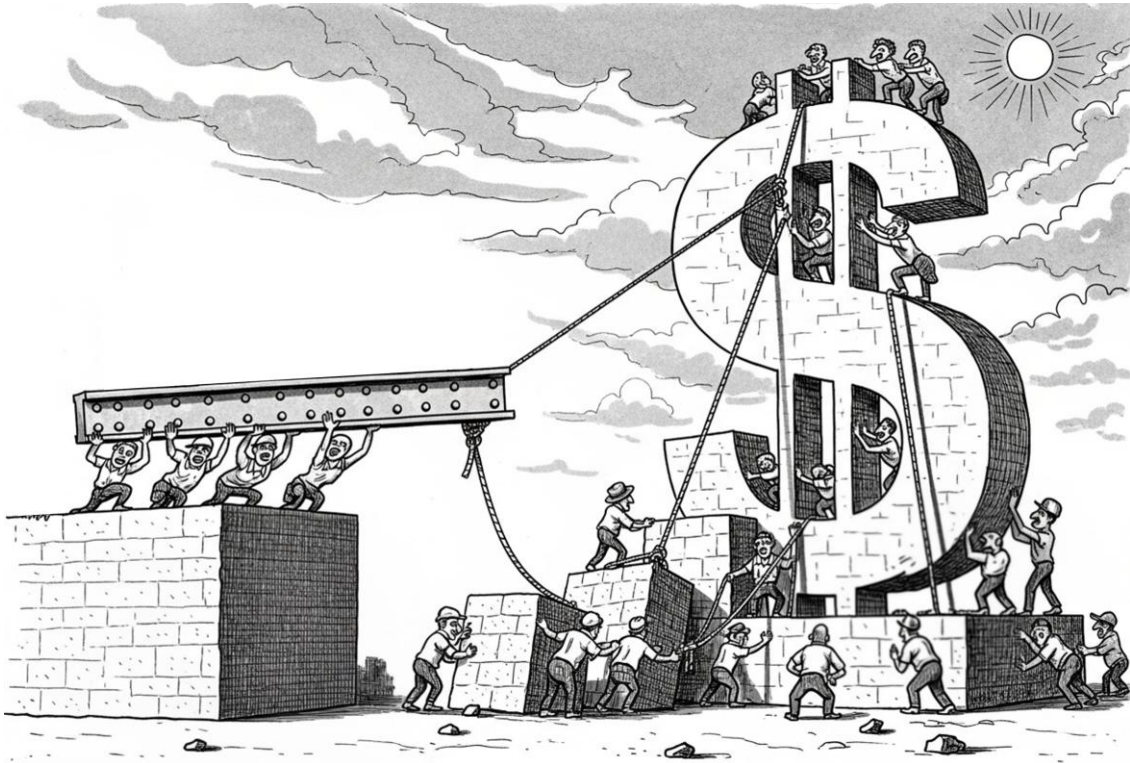


## Value Creation



*Image generated by artificial intelligence (Google Gemini).*

Value creation is the endeavor that defines the life of companies. Those that create value for customers, employees, and shareholders prosper; those that fail to do so wither and are replaced. This brings us to the central question of this letter:

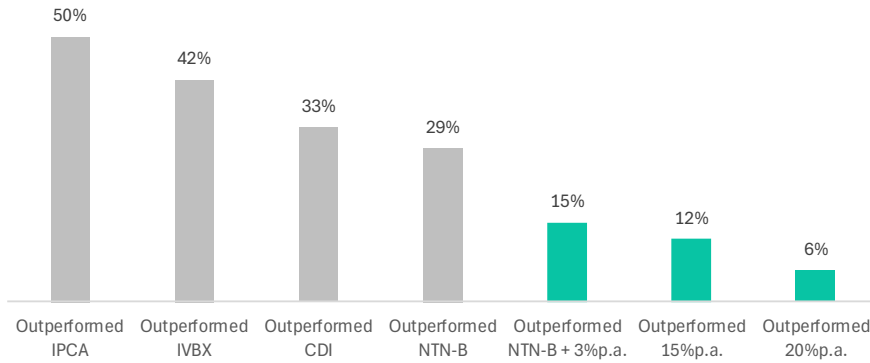
**Why do some companies create extraordinary value for their shareholders, while so many others fail in this journey?**

### **An X-ray of value creation in the Brazilian capital markets over the past 15 years...**

Last month, the Sharp Equity Value fund completed 15 years of existence. Prompted by this milestone, we undertook an exercise in which we reviewed the performance, over the same period, of all the stocks that made up the fund's investable universe at its inception.

Assessing a company's value creation depends on how the question itself is framed. The chart below presents the results from different perspectives.

Over the past 15 years, x% of Brazilian stocks...

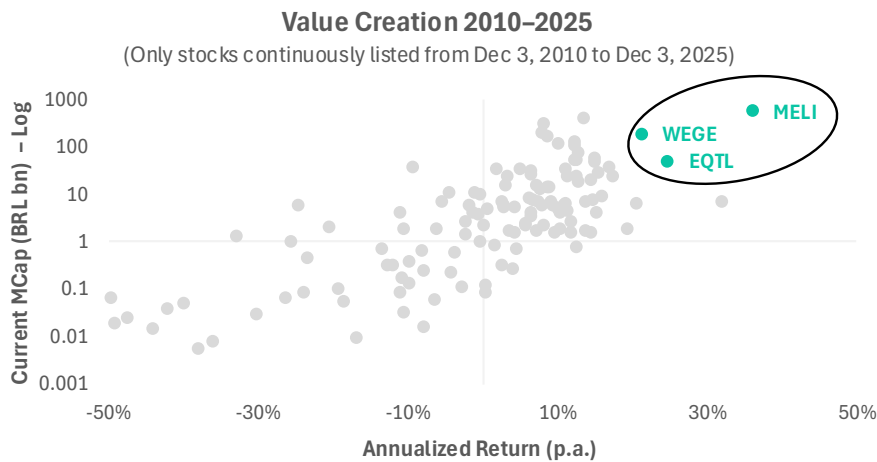


Note: NTN-B returns are measured by the IMA-B 5+ index.

Almost by definition, value creation for shareholders begins when returns exceed those of NTN-B. Under normal conditions, this represents the level of “risk-free” return available to Brazilian investors in local currency. If we adopt a slightly more rigorous standard and require a minimum return equivalent to NTN-B + 3% per year, we conclude that only 15% of Brazilian equities created value for their shareholders over the past 15 years.

Such a low figure is very likely a consequence of a poorly functioning market, characterized by an excessively high cost of capital. *If 85% of students fail, perhaps the problem lies with the exam.* Still, even in this unproductive environment, some companies have prospered – and others have done far more than merely prosper.

The chart below is an attempt to illustrate the value creation of all non–state-owned companies that were already listed in the Brazilian market in 2010. As we can see, three companies stand out for the combination of accumulated returns and the magnitude of wealth generated: Mercado Livre, Equatorial, and WEG.



Observation: state-owned and formerly state-owned companies are excluded, to isolate the effects related to privatizations. Honorable mention to Unipar, which delivered a 32% annualized return and reached a market capitalization of BRL 7 billion.

Note: both charts on this page exclude stocks that outperformed the indices but have an ADTV below BRL 1 million or represent less than 0.05% of market cap.

It is important to acknowledge that this exercise does not do justice to two major groups of companies: those that created extraordinary value for their shareholders in a period prior to the window we are analyzing (such as Ambev, Itaú, among others), and those that created extraordinary value for their shareholders in a subsequent period (with BTG being the main example: it was listed only in 2012, yet today has a market capitalization that even exceeds that of Equatorial and WEG). It also does not do justice to several companies that have already created immense private value but are still very recent as public companies (such as Nubank and many others). Finally, it does not do justice to companies whose share prices are temporarily depressed.

Despite these limitations, we move forward with a practical mindset: what can we learn from the three companies that stood out the most in our exercise? What do they have in common with other great success stories, and how do they differ from those that fell short?

***“We are under no obligation to repeat what the Big 3 did” – Carlos Alcaraz,  
professional tennis player***

In his Netflix documentary, *A mi manera*, Carlos Alcaraz shares the central dilemma of his life at this moment: knowing that he has the potential for much more, perhaps even to become one of the greatest in history, yet not being certain how much he is willing to sacrifice to get there.

Watching the documentary provides a clear sense of the elements that made Federer, Nadal, and Djokovic become the Big 3: a great deal of talent and a great deal of effort over a long period of time. Talent is the foundation without which nothing else can flourish. Effort is the layer that transforms talent into results. And time is the finishing touch, the element that converts excellent results into unrepeatable achievements. Without any one of these layers, the history of tennis would have been very different.

In a similar way, the stories of Mercado Livre, Equatorial, and WEG would also have been very different had three elements not been present throughout their trajectories: exceptionally high-quality businesses, outstanding operational execution, and exemplary capital allocation. The first is analogous to talent; the second requires immense effort; and the third only crystallizes over time.

When analyzing the success of the best companies, and the failure of so many others, we must always consider these three pillars. In some cases, business quality is the decisive factor; at times, it is operational execution; and frequently, it is capital allocation.

We will focus the remainder of this letter on capital allocation and operational execution, as these are the areas over which company management has the greatest influence. We will attempt to illustrate how Mercado Livre, Equatorial, and WEG stood out on these fundamentals.

For their patience in walking us through the details of these stories, we are grateful to **Augusto Miranda**, CEO of Equatorial; **Décio da Silva**, Chairman of WEG; and **Stelleo Tolda**, co-founder of Mercado Livre.

***"The best capital allocators are practical, opportunistic, and flexible. They are not bound by ideology or strategy." – William Thorndike***

**Equatorial** carried out its IPO in 2006, raising capital to acquire distribution companies that were expected to be privatized in the years that followed. Years went by without those opportunities actually materializing. Most companies, if exposed to such a context, would have sought alternative ways to allocate the capital raised. Equatorial, however, recognizing a set of conditions different from what it had initially envisioned, turned its playbook upside down: it divested instead of investing and substantially increased its payout.

Almost a decade later, privatizations returned to the agenda and, in 2018, the company was finally able to acquire the two largest Eletrobras distribution companies in attractive, low-competition auctions. As Augusto told us, "Things emerge in their own time, and you need to react; a pipeline of new business is often pulled, not pushed". The 2018 acquisitions have already proven to be exceptional generators of value. *Adaptability and patience are often handsomely rewarded virtues in capital allocation.*

**WEG** used the past decade to acquire a series of transformer manufacturers. The sector was so out of favor during that period that ABB, then the world's largest manufacturer, sold its operation on the grounds that the segment was "mature, with no growth and low margins". A few years later – perhaps sooner than even WEG expected – the tide turned completely: transformers became one of the most sought-after industrial products in the world, with strong volumes and margins never seen before. In our estimates, one of WEG's acquisitions has already delivered cumulative profits ten times greater than the enterprise value paid in 2017. *Countercyclicalities are always uncomfortable, but it can be highly profitable in capital allocation.*

In solar energy, a European competitor of WEG made a USD 1 billion bet immediately after the segment became "fashionable". The company's share price surged on the announcement, but within just six years it ended up losing the entire initial investment – plus nearly half a billion dollars more – following the entry of Chinese players into the sector. WEG, by contrast, chose to wait and entered the business later, when the cards were already on the table, ultimately making more money with less risk. "I even thought we might manufacture the solar panels ourselves, but waiting gave us the chance to understand that this was not the right path" – Décio told us. *Good capital allocation can sometimes be less about predicting the future and more about observing the present.*

**Mercado Livre** shocked investors in 2017 by making an extremely aggressive decision: foregoing the company's profits in order to offer free shipping to consumers. The stock initially suffered, but today it trades at almost ten times those levels. In Stelleo's words, "It wasn't an easy decision,

there were internal voices both for and against it. But strategic importance prevailed". This is a decision that could only be made by owners. Executives at Americanas.com, Mercado Livre's largest competitor at the time, were compensated based on EBITDA targets, meaning that giving up profits would also eliminate bonuses. *Some difficult decisions become almost impossible without the right incentives.*

While in the free-shipping episode, Mercado Livre was bold and demonstrated a strong appetite for growth, at least in one other instance it showed discipline and proved that, even for a high-growth company, not all growth is good growth. In 2021, we subscribed to the company's SPAC, receiving a meaningful allocation in the offering. In the years that followed, we closely tracked the vehicle's investment attempts. The company did identify some opportunities, but judged prices to be absurd (in hindsight: they were!) and, after two years of searching, chose simply to return our capital – an extremely rare outcome given the strong incentives embedded in the SPAC structure to consummate a deal. *¡Gracias, hermanos!*

Adaptability, patience, countercyclicality, ownership, discipline, originality. These are some of the concepts we see clearly illustrated in the capital allocation decisions of the very best companies.

### ***"More companies die of indigestion than starvation" – David Packard***

Cheap money is often the most expensive kind of money. Lured by the apparent opportunity of a free option, companies frequently embark on bold initiatives whose consequences must then be borne for years – or even decades.

In the words of Jeff Bezos: *"Some decisions are consequential and irreversible or nearly irreversible – one-way doors. If you walk through and don't like what you see on the other side, you can't get back to where you were before"*. The most common, and often the most destructive, one-way door is mergers and acquisitions.

The overwhelming majority of M&A transactions fail. Yet the overwhelming majority of M&A transactions undertaken by Mercado Livre, Equatorial, and WEG have succeeded. What is the secret behind these companies?

**At Mercado Livre**, the "secret" was a simple and effective heuristic: to undertake very few material M&A transactions, prioritizing the internal development of solutions.

**At WEG**, the "secret" was understanding that, in cyclical businesses, patience and independent thinking, traits typical of owners with a long-term mindset, are essential to acquisition success.

**At Equatorial**, the "secret" was to focus on M&A opportunities whose complexity deterred other bidders, thereby reducing competition for the assets and, ultimately, their prices. This strategy, however, works only under one essential condition: it must be supported by best-in-class execution...

***“Execution is ninety percent of the battle” – Simon Wolfson, CEO of NEXT Plc***

What lies behind the best examples of operational execution we observe? There is no definitive answer to this question, but there are excellent sources of inspiration, which we will present in the form of brief points below.

1.

“An accurate understanding of reality is the essential foundation for any good outcome.”

– Ray Dalio

In Stelleo’s words, *“data quality is a first and very important theme for execution, and we have always sought to work with very well-qualified data. But the second part is what you do with it... at Mercado Livre, data is discussed all the time; each manager is expected to have their numbers at their fingertips and to communicate them correctly”*.

“Communicating correctly” is a crucial point. Even when data is available, it does not always reach decision-makers in the way it should. In Décio’s view, *“the worst thing that can happen in an organization is people sugarcoating reality”*. According to Augusto, *“if you don’t create the right environment, people will only bring you good news”*.

To create this “right environment”, how leaders react to mistakes matters greatly: *“if you punish mistakes disproportionately, people stop telling the truth”*, comments Décio. *“Mistakes are part of the process, and you need to accept that. But of course: only those who get many things right are allowed to make mistakes, and anyone who commits an ethical mistake cannot remain in the company for a second longer”*.

2.

“Nothing is so contagious as example.”

– François de La Rochefoucauld

Augusto offers a powerful demonstration of how to make good examples contagious. On one occasion, he learned that an employee had refused an illicit favor. His response? He rewarded the employee in a packed auditorium, in front not only of the entire company but also of the employee’s wife and parents. Good examples spread, provided they are recognized and made visible.

The asymmetry is that bad examples do not even need recognition or publicity: once they take hold, they quickly become organizational standards, especially when they come from leaders. *“For example, if I leave buying my airline tickets until the last minute, people start doing the same”*, says Augusto. *“And it’s not just about the price; it’s about the principles”*.

## 3.

“Show me the incentive and I’ll show you the outcome.”

– Charlie Munger

Beyond good and bad examples, what most strongly guides people’s behavior in a company is their goals. Mastering this foundation properly is no easy task. *“It takes time to learn the loopholes and the problems of a goal-setting system”*, comments Augusto.

A practical example at Equatorial involves the metrics for duration and frequency of power outages: both are important, but the teams responsible for them are different, and improving one can come at the expense of the other. *“When you set a goal, people will run to hit it – whether it’s a good goal or a bad one”*, says Augusto. In this case, the solution was to include each metric in the other’s targets.

WEG, in turn, experimented with more individual-based goals but later reversed course. *“It didn’t work for us, but other companies have been extremely successful with this system”*, Décio notes. *“So the important thing is to test and understand what works in each specific context”*.

## 4.

“Good intentions don’t work, mechanisms do.”

– Jeff Bezos

At Mercado Livre, even intuition is supported by mechanisms. When data does not provide all the answers, decisions are not made based on individual intuition – *“you need to reach a certain level of collective intuition before moving forward... if one person cannot convince the others of their intuition, the idea is unlikely to advance”*, summarizes Stelleo.

At Equatorial, one of the key mechanisms is “having an owner for everything”: from internal processes to specific sections of the power grid. This matters for accountability and motivation: *“if power goes out in a certain neighborhood and you are the owner of that, you feel motivated to fix it”*, says Augusto.

At WEG, the foundation of everything lies in training and promotion mechanisms, designed with a clear objective in mind: *“What motivates people the most is increased responsibility”*, says Décio. *“And to achieve a high level of execution, nothing replaces a high level of motivation”*.

### ***A brief final word on business quality...***

As noted at the outset, we chose to focus this letter on capital allocation and operational execution, as these are the elements, among those that make up a company’s value creation, that lie most directly within the reach of corporate executives.

But does something like an “intrinsic business quality” exist, something that sits beyond executive competence and is capable, on its own, of enabling or preventing the success of each journey?

After all... what defines an “excellent business”? We typically think of three factors: high returns on capital, strong competitive barriers, and ample reinvestment opportunities.

Even though these factors may contain a structural element (often sector-related), it is important to recognize how, within each specific company, capital allocation and operational execution are capable of profoundly transforming them.

**Equatorial** would not have the returns on capital it enjoys today had it not managed to combat losses, control expenses, and navigate the regulatory environment with the mastery it has demonstrated over the past 20 years.

**Mercado Livre** would not have the competitive barriers it has today had it not achieved the scale it reached through its decision to offer and expand free shipping, or had it not executed its proprietary logistics project so brilliantly.

**WEG** would not have the reinvestment opportunities it has today had it not opened so many new business fronts over time: from transformers in the 1980s to energy storage systems more recently.

In other words, capital allocation and operational execution are so important that even what we often call a business’s “structural quality” does not fully escape their influence over the long term.

***“Those who fail to learn from history are doomed to repeat it.” – Winston Churchill, paraphrasing the philosopher George Santayana***

What will be the greatest value-creation stories in the Brazilian capital markets over the next 15 years? Even though there is no simple answer (or perhaps precisely because of that), this is the most important question we must seek to answer in our day-to-day work at Sharp.

Not by chance, Equatorial and Mercado Livre were the largest contributors over the first 15 years of Sharp Equity Value, and also fundamental to the results of the first 20 years of Sharp Long Short and Sharp Ibovespa Ativo. Had we invested in WEG, it would certainly have completed the podium. Conversely, had we failed to invest in two of the three greatest value-creation stories of the period, the cost to our investors would have been immense.

If value creation is the endeavor that defines the life of companies, value identification is the endeavor that defines the life of investment funds. If we fail at this project, we will be replaced,

just like companies that fail to add value to society. Examples of the relentlessness of capitalism are plentiful...

Remarkably, nearly 20% of the stocks that were listed in 2010 declined by more than 90% in real terms over the subsequent 15 years. Among them are numerous household names such as Casas Bahia, Oi, Gol, Lojas Americanas, and Gafisa.

If history were to repeat itself, this would imply that one out of every five companies currently listed would collapse over the next 15 years, including some of the largest and best-known companies in Brazil. Identifying these cases is just as important as identifying the opposite.

One must recognize that history has a rare talent: it repeats its performance incessantly and yet still manages to surprise its audience... few things repeat themselves as much as human surprise at the repetition of history. Studying it is our only resource.

The concepts and examples we have presented throughout this letter should assist us on this journey, both in detecting the great value-creation stories in the making and in recognizing the potential great stories of collapse and destruction.

A final lesson we might draw from the past 15 years is that the creativity of real-world architects often challenges the common sense of financial mathematicians. It is a safe bet that no discounted cash flow model in 2010 projected either a 99.9% loss or a 10,000% gain. And yet, both scenarios proved possible. If common sense is, as the saying goes, the greatest enemy of creativity, then perhaps our greatest challenge over the next 15 years will be to remain creative without abandoning common sense.

## 2025 Performance Remarks

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It is impossible to assess the Brazilian equity market performance in 2025 without extending the window back to 2024. Calendar-year snapshots inherently carry imprecision, but there are periods that become particularly misleading when analyzed in isolation and gain greater meaning when viewed together with the adjacent year.

In 2025, we observed a strong rebound in Brazilian equities, fully reversing the poor performance of the prior year, resulting in a two-year period with far more normal parameters and fluctuations than either year viewed on its own. Specifically in 2025, the local market moved broadly in line with its emerging market peers, delivering strong gains despite real interest rates remaining stable at still-elevated levels above 7.0%. As a result, the equity risk premium moved, at the turn of the year, from levels reflecting the highest stress since 2008 to a more appropriate range.

For us, this period ultimately represented a true test of conviction. The majority of our investments delivered markedly negative performance in 2024, naturally raising questions as to whether the underlying thesis were flawed or whether we had accumulated errors that needed to be addressed. After extensive discussions and an update of our assumptions, we concluded that we continued to hold healthy, operationally robust companies and that, even acknowledging some near-term pressure on financial results due to the Selic rate at 12.25% and moving toward further increases, the nature of these businesses suggested that such impacts would be temporary and immaterial to their long-term value.

Indeed, of the ten largest investments at the end of 2024, nine remain in the portfolio. The only divestment was completed recently, following a strong share price performance. Encouragingly, we were rewarded by a normalization of prices, which to some extent evolved in line with the companies' solid fundamentals.

### Sharp Equity Value

The fund posted a 46% gain for the year, outperforming both the Ibovespa (+34%) and the IVBX2 (+38%).

In the back-and-forth that characterized this two-year period, several positive contributions reflected the correction of the anomaly observed at the end of 2024. The main positive highlights came from the banking and electric utilities sectors, with a number of investments generating net gains over the period. We would also highlight the performance of Serena, which concluded its trajectory as a public company by accepting a take-private offer. On the negative side, the main detractor was the investment in PRIO.

## Sharp Ibovespa Ativo

The fund delivered a return 4.8 p.p. above the Ibovespa. The main positive contributors to relative outperformance were the overweight in the electric utilities sector and the underweight in capital goods, while the main negative contributors stemmed from the underweight in sanitation and investments in the financial sector.

## Sharp Long Short 2X

The fund delivered a return of CDI + 0.9%. Positive contributions were concentrated in pair-trading strategies within the electric utilities and commodities sectors, while negative results came from the financial and food sectors. As previously communicated, we increased the fund's structural risk with the objective of optimizing the cost-benefit relationship for investors over the long term. This change consolidates the strategy under a single risk mandate, which will henceforth be referred to as Sharp Long Short 3.

## Sharp Long Biased

The fund delivered a 38% return, driven largely by the combination of the strategies described above.

Average gross exposure was 178%, while net exposure averaged 61%. There were no significant contributions from assets outside domestic equities.

## Net Returns Since Inception

(Returns presented in BRL)

Sharp Equity Value Feeder FIC FIA																
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	Benchmark	Fund	Benchmark
2010												2.40%	2.40%	1.07%	2.40%	1.07%
2011	-4.64%	0.69%	7.84%	1.65%	1.68%	-0.65%	-5.67%	-5.64%	-7.44%	10.64%	-1.57%	0.93%	-3.71%	11.38%	-1.40%	12.57%
2012	6.11%	5.74%	3.21%	-0.28%	-3.52%	2.09%	2.29%	0.96%	3.59%	-0.34%	1.85%	3.71%	28.10%	14.26%	26.31%	28.62%
2013	0.60%	2.19%	-0.70%	1.38%	0.51%	-6.54%	1.19%	3.93%	5.15%	5.13%	0.44%	-0.88%	12.51%	11.87%	42.11%	43.88%
2014	-4.89%	0.01%	4.89%	1.99%	1.99%	3.71%	0.92%	4.47%	-5.60%	2.44%	3.93%	-2.63%	11.06%	12.91%	57.83%	62.45%
2015	-5.15%	4.73%	1.57%	3.75%	-2.65%	2.06%	-0.97%	-3.78%	-3.21%	2.08%	0.81%	-1.68%	-2.94%	17.32%	53.19%	90.59%
2016	-1.05%	2.17%	8.20%	3.91%	0.19%	4.26%	6.20%	-0.64%	-0.30%	5.00%	-5.25%	0.94%	25.44%	13.36%	92.16%	116.05%
2017	5.33%	1.93%	0.94%	1.03%	-0.43%	1.98%	3.88%	4.18%	1.64%	-0.17%	-1.85%	2.80%	23.17%	8.75%	136.68%	134.96%
2018	6.37%	0.11%	0.66%	-0.91%	-4.81%	-2.92%	4.44%	-3.14%	-0.15%	11.81%	4.08%	2.60%	18.36%	9.18%	180.14%	156.51%
2019	8.72%	-0.51%	0.64%	2.19%	4.10%	3.33%	4.02%	3.02%	1.52%	0.34%	2.74%	6.62%	43.08%	9.16%	300.81%	180.00%
2020	4.56%	-4.74%	-29.63%	14.06%	7.90%	11.35%	9.65%	-0.59%	-2.82%	-1.00%	9.91%	5.94%	17.28%	8.38%	370.09%	203.46%
2021	0.66%	-2.57%	-1.98%	3.59%	-0.05%	1.34%	-3.90%	0.90%	-4.93%	-9.83%	-4.10%	0.35%	-19.30%	14.46%	279.38%	247.34%
2022	3.23%	-0.01%	1.15%	-6.68%	-0.60%	-9.36%	9.03%	4.77%	0.75%	8.56%	-5.79%	-2.38%	0.88%	11.60%	282.71%	287.64%
2023	4.76%	-7.99%	-3.83%	3.12%	4.11%	9.28%	3.66%	-4.46%	-0.34%	-5.05%	10.41%	4.45%	17.54%	10.72%	349.83%	329.19%
2024	-3.10%	1.96%	1.70%	-5.82%	-1.14%	1.75%	2.85%	3.44%	-4.41%	-1.10%	-8.79%	-8.68%	-20.24%	11.14%	258.76%	376.99%
2025	8.18%	-2.79%	5.41%	13.61%	4.62%	1.99%	-7.55%	9.87%	5.01%	0.72%	5.15%	-3.51%	46.47%	11.79%	425.47%	433.21%

Sharp Equity Value Inst FIA																
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	Ibovespa	Fund	Ibovespa
2013							0.08%	3.99%	5.59%	5.69%	0.73%	-1.54%	15.19%	6.48%	15.19%	6.48%
2014	-4.77%	-0.04%	4.61%	1.48%	2.04%	4.26%	0.84%	5.32%	-7.23%	2.49%	4.60%	-3.26%	9.85%	-2.91%	26.54%	3.38%
2015	-5.56%	5.23%	3.04%	3.75%	-1.75%	2.11%	-0.42%	-3.79%	-2.96%	1.96%	0.52%	-1.15%	0.40%	-13.31%	27.04%	-10.39%
2016	-0.07%	1.90%	7.58%	3.59%	-0.95%	4.51%	6.01%	-1.30%	-0.93%	5.81%	-6.14%	0.75%	21.83%	38.93%	54.77%	24.50%
2017	5.85%	1.96%	0.43%	1.07%	-1.01%	2.02%	4.91%	4.88%	1.77%	-0.57%	-2.18%	3.54%	24.75%	26.86%	93.08%	57.94%
2018	7.14%	-0.56%	0.71%	-1.38%	-5.43%	-2.78%	4.38%	-3.98%	-0.20%	12.48%	4.44%	4.05%	18.93%	15.03%	129.63%	81.68%
2019	10.40%	-2.28%	-1.14%	2.08%	4.20%	4.34%	4.31%	2.97%	2.16%	0.51%	2.81%	8.18%	45.20%	31.58%	233.43%	139.06%
2020	5.18%	-6.89%	-31.85%	13.14%	6.12%	10.86%	9.45%	-2.53%	-2.33%	-2.71%	10.94%	7.94%	7.83%	2.92%	259.55%	146.03%
2021	-1.36%	-4.45%	2.37%	3.97%	1.71%	0.44%	-4.50%	-1.95%	-4.46%	-9.33%	-2.92%	-0.15%	-19.42%	-11.93%	189.71%	116.69%
2022	4.13%	0.30%	2.99%	-6.38%	1.67%	-8.23%	6.59%	6.12%	0.51%	10.45%	-6.91%	-1.88%	7.77%	4.69%	212.22%	126.85%
2023	2.50%	-7.09%	-4.34%	2.79%	4.00%	9.34%	3.84%	-4.58%	-0.45%	-5.09%	10.27%	4.65%	15.04%	22.28%	259.19%	177.39%
2024	-3.25%	1.84%	1.63%	-5.88%	-1.22%	1.65%	2.86%	3.41%	-4.57%	-1.19%	-8.76%	-8.72%	-20.95%	-10.36%	183.93%	148.65%
2025	8.13%	-2.86%	5.44%	13.42%	4.66%	1.91%	-7.34%	9.70%	4.46%	0.31%	6.09%	-3.83%	45.61%	33.95%	313.42%	233.08%

Sharp Ibovespa Ativo Feeder FIC FIA																
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	Ibovespa	Fund	Ibovespa
2007							-4.51%	-3.93%	11.25%	8.78%	-3.32%	0.98%	8.38%	10.08%	8.38%	10.08%
2008	-11.62%	11.37%	-7.49%	7.38%	12.76%	-10.01%	-9.26%	-8.78%	-14.03%	-22.27%	3.61%	-0.01%	-43.15%	-41.22%	-38.38%	-35.30%
2009	2.74%	0.09%	3.81%	15.93%	11.69%	-3.56%	9.97%	3.15%	9.86%	3.95%	7.59%	2.02%	89.55%	82.66%	16.79%	18.18%
2010	-2.20%	1.14%	4.47%	-0.95%	-5.93%	-1.79%	13.57%	0.17%	7.45%	4.72%	-2.44%	2.61%	21.17%	1.04%	41.51%	19.42%
2011	-2.65%	1.33%	3.05%	-1.09%	-0.48%	-1.87%	-3.66%	-4.35%	-5.99%	8.53%	-1.91%	0.34%	-8.56%	-18.11%	29.40%	-2.21%
2012	8.35%	4.35%	-0.58%	-2.04%	-8.04%	0.40%	1.66%	1.08%	3.94%	-0.81%	0.46%	4.66%	13.25%	7.40%	46.54%	5.02%
2013	-0.88%	-0.64%	-1.68%	2.01%	-1.54%	-9.18%	1.70%	5.32%	6.96%	-1.15%	-2.69%	1.33%	-1.33%	-15.50%	48.49%	-11.25%
2014	-7.13%	-1.23%	4.90%	2.24%	0.16%	4.08%	3.92%	8.24%	-12.04%	1.13%	2.88%	-6.34%	-1.13%	-2.91%	46.81%	-13.83%
2015	-6.74%	8.64%	0.17%	7.10%	-5.91%	1.28%	-3.16%	-7.53%	-3.94%	1.08%	-0.98%	-3.52%	-13.97%	-13.31%	26.31%	-25.31%
2016	-3.79%	3.83%	14.14%	6.40%	-5.31%	5.59%	10.00%	-0.05%	-0.64%	9.14%	-6.78%	-2.01%	32.10%	38.93%	66.86%	3.77%
2017	7.52%	3.00%	-2.07%	0.36%	-2.94%	1.11%	4.60%	6.94%	3.57%	0.26%	-4.02%	5.34%	25.44%	26.86%	109.31%	31.64%
2018	12.03%	1.59%	1.52%	0.39%	-9.11%	-5.31%	8.94%	-3.74%	3.23%	11.59%	3.15%	-0.12%	24.24%	15.03%	160.03%	51.43%
2019	10.40%	-1.26%	-0.16%	0.54%	1.65%	4.26%	0.23%	0.77%	3.49%	1.91%	0.46%	6.66%	32.36%	31.58%	244.18%	99.26%
2020	-0.44%	-7.53%	-29.85%	10.05%	7.50%	9.54%	9.70%	-3.76%	-3.71%	-1.08%	15.60%	8.83%	5.89%	2.92%	264.46%	105.07%
2021	-3.28%	-4.62%	4.34%	2.69%	4.30%	0.51%	-4.01%	-1.67%	-6.31%	-7.25%	-1.75%	1.10%	-15.58%	-11.93%	207.67%	80.61%
2022	7.38%	2.54%	4.24%	-8.44%	3.69%	-10.30%	5.46%	6.35%	1.12%	5.78%	-2.79%	-2.54%	11.10%	4.69%	241.84%	89.08%
2023	3.93%	-7.93%	-3.77%	2.65%	3.09%	9.73%	4.07%	-4.11%	0.45%	-2.70%	11.14%	4.93%	21.61%	22.28%	315.70%	131.21%
2024	-4.20%	0.98%	-0.19%	-3.11%	-2.07%	1.32%	2.05%	4.54%	-3.71%	-1.36%	-6.17%	-6.33%	-17.34%	-10.36%	243.63%	107.25%
2025	5.96%	-2.86%	5.58%	7.61%	3.36%	1.29%	-6.11%	8.73%	4.34%	1.42%	6.63%	-1.65%	38.71%	33.95%	376.64%	177.63%

## Net Returns Since Inception (continued)

(Returns presented in BRL)

Sharp Long Short FIM																
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	CDI	Fund	CDI
2005				0.31%	2.67%	2.10%	1.76%	2.44%	2.78%	1.31%	1.72%	2.57%	19.08%	12.88%	19.08%	12.88%
2006	2.62%	0.68%	1.83%	2.59%	2.31%	0.96%	2.26%	2.35%	0.82%	1.65%	1.28%	1.85%	23.36%	15.03%	46.89%	29.84%
2007	1.77%	1.60%	1.43%	1.38%	1.69%	1.60%	1.43%	-0.30%	0.63%	1.18%	-0.81%	0.85%	13.14%	11.82%	66.19%	45.19%
2008	-0.41%	1.24%	0.40%	1.17%	1.71%	0.46%	0.09%	-0.27%	-0.42%	-0.04%	1.36%	0.56%	5.98%	12.38%	76.12%	63.16%
2009	0.87%	1.12%	0.12%	1.84%	1.23%	0.43%	1.57%	0.45%	1.56%	1.46%	0.38%	1.99%	13.81%	9.88%	100.45%	79.27%
2010	1.63%	0.26%	-0.30%	2.19%	0.36%	0.89%	2.07%	2.35%	1.91%	1.53%	1.04%	1.89%	16.99%	9.75%	134.51%	96.75%
2011	0.78%	0.98%	1.15%	1.28%	1.41%	1.50%	1.43%	0.83%	1.03%	0.60%	0.62%	0.58%	12.89%	11.60%	164.74%	119.57%
2012	0.46%	0.83%	1.25%	0.89%	1.32%	0.48%	-0.28%	0.35%	0.20%	2.01%	0.80%	0.65%	9.32%	8.40%	189.40%	138.01%
2013	1.01%	1.01%	0.19%	1.27%	1.01%	0.62%	0.36%	1.20%	0.91%	1.28%	0.86%	0.78%	11.00%	8.06%	221.23%	157.20%
2014	0.86%	0.85%	0.61%	1.07%	1.46%	1.16%	1.33%	0.76%	0.85%	0.76%	1.83%	1.67%	14.02%	10.81%	266.26%	185.02%
2015	0.57%	0.48%	1.77%	-0.91%	1.13%	1.58%	1.43%	1.47%	0.62%	0.96%	1.32%	1.00%	12.01%	13.24%	310.25%	222.75%
2016	1.21%	0.20%	1.55%	1.10%	3.24%	1.31%	0.74%	1.21%	0.35%	1.16%	0.14%	2.18%	15.33%	14.00%	373.16%	267.93%
2017	1.45%	0.53%	2.01%	0.80%	0.83%	1.19%	0.67%	0.76%	0.49%	0.81%	0.09%	0.54%	10.64%	9.93%	423.52%	304.45%
2018	0.98%	0.90%	0.81%	0.36%	0.60%	0.48%	0.77%	0.53%	0.06%	1.79%	0.65%	0.86%	9.15%	6.42%	471.41%	330.42%
2019	0.57%	0.46%	0.33%	0.45%	0.61%	0.74%	0.77%	1.09%	0.43%	0.42%	0.27%	0.33%	6.69%	5.96%	509.65%	356.07%
2020	0.55%	1.73%	3.63%	0.54%	0.82%	0.12%	0.85%	0.47%	0.10%	0.32%	0.86%	0.26%	10.69%	2.76%	574.79%	368.65%
2021	0.59%	0.10%	-0.63%	0.59%	-0.97%	0.43%	0.34%	1.42%	0.83%	0.20%	0.49%	0.37%	3.80%	4.42%	600.45%	389.38%
2022	0.96%	1.24%	0.29%	1.39%	0.77%	0.90%	1.33%	1.34%	1.19%	1.12%	1.06%	0.85%	13.18%	12.39%	692.75%	450.02%
2023	1.11%	0.63%	0.74%	1.16%	0.75%	1.62%	1.34%	1.22%	1.03%	0.74%	0.54%	0.65%	12.16%	13.04%	789.18%	521.74%
2024	1.20%	0.54%	0.57%	0.33%	1.01%	0.93%	0.67%	0.34%	0.26%	0.95%	-0.62%	0.26%	6.63%	10.88%	848.15%	589.36%
2025	1.25%	0.61%	0.52%	1.78%	2.53%	1.57%	0.20%	2.48%	3.16%	1.78%	-1.43%	-1.20%	13.96%	14.32%	980.46%	688.11%

Sharp Long Short 2X Feeder FIC FIM																
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	CDI	Fund	CDI
2015						1.33%	1.61%	1.78%	0.48%	1.02%	1.60%	1.05%	9.20%	7.78%	9.20%	7.78%
2016	1.40%	-0.34%	1.86%	1.27%	4.92%	1.56%	0.61%	1.38%	-0.25%	1.40%	-0.66%	3.24%	17.51%	14.00%	28.33%	22.87%
2017	2.03%	0.39%	2.73%	0.84%	0.88%	1.67%	0.72%	0.89%	0.59%	1.04%	-0.22%	0.60%	12.83%	9.93%	44.79%	35.06%
2018	1.33%	1.27%	1.22%	0.28%	0.83%	0.56%	1.09%	0.56%	0.05%	3.09%	0.96%	1.26%	13.21%	6.42%	63.92%	43.73%
2019	0.67%	0.56%	0.38%	0.58%	0.81%	1.03%	1.08%	1.72%	0.51%	0.50%	0.29%	0.49%	8.96%	5.96%	78.61%	52.30%
2020	0.81%	3.31%	7.18%	0.94%	1.59%	0.16%	1.67%	0.91%	0.24%	0.62%	1.71%	0.45%	21.22%	2.76%	116.52%	56.50%
2021	1.10%	0.21%	-1.18%	1.01%	-1.89%	0.71%	0.45%	2.39%	1.24%	0.17%	0.59%	0.28%	5.12%	4.42%	127.61%	63.43%
2022	1.13%	1.71%	0.02%	1.97%	0.65%	1.03%	1.64%	1.66%	1.44%	1.36%	1.24%	0.70%	15.56%	12.39%	163.02%	83.68%
2023	1.26%	0.51%	0.47%	1.56%	0.55%	2.26%	1.64%	1.41%	1.22%	0.70%	0.47%	0.63%	13.43%	13.04%	198.35%	107.63%
2024	1.49%	0.50%	0.53%	-0.06%	1.37%	1.22%	0.64%	-0.03%	-0.12%	1.15%	-1.88%	-0.26%	4.60%	10.88%	212.07%	130.21%
2025	1.65%	0.38%	0.20%	2.71%	2.82%	1.55%	0.15%	2.49%	3.16%	1.86%	-1.37%	-1.25%	15.18%	14.32%	259.45%	163.19%

Sharp Long Biased Feeder FIC FIA																	
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception		
													Fund	CDI	Fund	CDI	
2018													3.07%	3.07%	0.15%	3.07%	0.15%
2019	6.35%	0.09%	0.80%	1.57%	4.06%	3.16%	2.37%	3.43%	0.23%	-0.55%	1.35%	5.31%	31.77%	5.96%	35.81%	6.12%	
2020	3.55%	0.68%	-9.36%	10.23%	6.32%	6.54%	7.73%	-0.02%	-0.91%	-0.18%	8.26%	4.31%	41.93%	2.76%	92.75%	9.05%	
2021	1.09%	-0.04%	-2.35%	3.36%	-2.16%	1.38%	-2.12%	3.45%	-1.56%	-6.62%	-2.10%	0.03%	-7.78%	4.42%	77.76%	13.87%	
2022	3.30%	1.68%	1.27%	-2.32%	-0.03%	-5.59%	6.77%	4.12%	1.53%	6.19%	-2.81%	-2.22%	11.69%	12.39%	98.54%	27.98%	
2023	3.36%	-4.80%	-2.42%	2.88%	2.41%	7.49%	3.59%	-2.21%	0.15%	-2.86%	6.23%	3.45%	17.76%	13.04%	133.79%	44.67%	
2024	-1.29%	1.16%	0.91%	-4.65%	0.18%	1.52%	2.55%	1.45%	-3.72%	-0.42%	-7.94%	-7.13%	-16.69%	10.88%	94.78%	60.40%	
2025	6.33%	-2.84%	3.94%	12.68%	5.20%	1.97%	-6.05%	8.16%	5.32%	1.25%	2.66%	-4.12%	38.45%	14.32%	169.67%	83.38%	

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