"YOU COULD NEVER CONVINCE A MONKEY TO GIVE YOU A BANANA BY PROMISING HIM LIMITLESS BANANAS AFTER DEATH IN MONKEY HEAVEN"[1]

From time immemorial, dating back to our species' beginnings in prehistory, groups of strangers have been able to cooperate with each other due to their shared myths, even though their genes did not necessarily endow them biologically with such instincts. It was precisely this ability to accept fictional narratives that allowed a comparatively frail animal of the African savanna to embark on a multi-millennial journey of cultural development. Money and geographical boundaries are modern examples of a complex imagined reality, a universe that is parallel to the objective reality of nature. In the end of the day our ability to cooperate is simply the product of a series of small evolutionary accidents that enabled us to believe collectively in illusions.

Interestingly enough, the contradiction between myths is a fundamental aspect of almost every culture. As examples, throughout history the world has witnessed major wars in the name of a religion that preached love and peace, universal rights granted only to a part of the population and several attempts to reconcile equality and freedom. Ideological inconsistencies stimulate changes, even if not always in a linear manner, as scholars seek out solutions[2].

Financial markets, as an environment, aren't devoid of conflicting myths. Quite the opposite, they work as a fertile ground for a great number of heterogeneous participants to express a diversity of beliefs. The ability to navigate through the many antagonistic ideas constantly available is an essential characteristic of any successful investor. A certain level of respect toward deeply rooted popular myths, even if they seem irrational, can ensure survival in the more unfavorable moments of a given cycle. An idea that has been strongly embedded in a group's collective conscience holds a disproportionate force until it is deconstructed by the next dominant set of beliefs. On the other hand, if the comfort of riding alongside ideas that are firmly held by other investors ends up undermining one's capacity for deep reflection, there is serious risk of incurring in permanent capital impairments.

"DCF TO US IS SORT OF LIKE THE HUBBLE TELESCOPE – YOU TURN IT A FRACTION OF AN INCH AND YOU'RE IN A DIFFERENT GALAXY"[3]

The first commandment of a fundamentalist investor is that a company should be evaluated according to the net present value of its future cash flows. However, one of the most relevant and oft-overlooked details is that most companies usually do not return capital to shareholders, reinvesting most of their free cash flow even in the absence of good growth opportunities. There are but a few examples of companies in which executives are properly incentivized to question whether the reinvestment of the cash generated by the operation will result in returns above the cost of capital in long periods of time. In most cases, when the tailwinds are blowing favorably, optimists are promoted while more cautious individuals are dismissed due to their "lack of vision". It is only at the end of the cycle that many end up painfully realizing that the alleged competitive barriers built over time with heavy reinvestments were actually much less resilient than initially thought.

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[1] Yuval Noah Harari, Israeli historian

[2] This theoretical framework for interpreting human history is discussed much more deeply in the book *Sapiens - A Brief History of Humankind*, by Yuval Noah Harari

[3] Curtis Jensen, CIO of Third Avenue Management

Thus, it seems contradictory that the largest share of the present value of a company is concentrated in so-called "perpetuity", when factors such as increased competition, technological obsolescence, or leverage contracted at a cyclically problematic moment significantly increase the likelihood that a business doesn't perpetuate itself. As a matter of fact, there must be more than just a few cases of companies that have in the net present value of their future dividends a value that is very close to zero.

However, when there is the expectation that a large part of a business' value will be realized in the future, stocks become long duration[4] assets. As such, small changes in long-term assumptions generate big impacts on valuation. In this regard, it is not strange that financial markets, with their perverse compensation schemes[5], incorporate a "commercial pitch" in which the aggressive sale of a perfect future predominates. Cash generated today is exchanged for the promise of bigger dividends in the future. It is precisely at this juncture that one can observe the intermingling of art and financial mathematics.

The multiplication of new activist funds and companies packaged as acquisition platforms in the United States strike us as a current example of the phenomenon described above. Agents working within these structures attempt to sell the ability to allocate capital in the medium-long run not as a mere optionality, but rather as a relevant part of the present value of their portfolio's companies. When the practice of investing is turned into a game in which all that matters are expectations, the relevance of present results is drastically diminished.

"*ANDÁ* COM FÉ EU VOU / QUE A FÉ NÃO COSTUMA *FAIÁ*" ("I'LL KEEP WALKING FAITHFULLY/ BECAUSE MY FAITH NORMALLY DOESN'T FAIL ME")[6]

When we migrate this discussion to Brazil, the land of high interest rates and the future that never comes, math should thwart any attempt to sell art. We cannot run away from the reality that fixed income here is almost always the first investment option and should be used continually as a return benchmark.

Today, an investor can purchase a long-term NTN-B[7] that has a duration similar to that of a large part of the stock market and a return of approximately 6.5% real per year. This return is comparable to investing in a hypothetical unlevered firm, that trades at 15.4x trailing NOPAT[8], grows profits in line with inflation, religiously distributes all of its cash generation as dividends, and lasts "perpetually".

If this hypothetical company grows 3% above inflation[9] per year without any reinvestment in the operation or acquisitions (there are at most a handful of business models in which that is possible), and assuming that the multiple of the company does not change[10] at the end of the investment's carrying period[11], the result will be a real unlevered return of approximately 9.5% per year. This is not a low return, but the assumptions needed to reach it do not seem to be very conservative. As set out in the previous section, changes in taxes, management, technology, capital allocation ability, among others, are constantly present in the autopsy of several companies. Not to mention that it is necessary to live through different governments, which in Brazil is not a task for beginners.

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[4] Roughly speaking, duration refers to the weighted average of the time it takes to receive a company's cash flows at present value. This measure provides an easy "rule of thumb" on how sensitive an asset's price is to changes in interest rates

[5] This topic is discussed in more detail in our second letter: ["Estimate of the value of a portfolio manager's option"]

[6] Excerpt from the song "Andar Com Fé", by Brazilian songwriter Gilberto Gil

[7] Inflation-linked Brazilian government note

[8] *Net Operating Profit After Tax*

[9] For theoretical purposes, let's assume that the real profit of the first year of the "cash-flow series" is the same as the previous year's and that it starts to increase from this base

[10] In relation to the projected real profit one year ahead

[11] Which implies an equity risk premium that is permanent and equal to a projected three-percent real growth in perpetuity. If the business has an expiration date, even if this growth materializes, this premium will prove to be inadequate, resulting in an earned/actual return that will most probably be lower than the opportunity cost

Evaluating the same example from a different perspective one would conclude that investors of Brazilian publicly listed real assets would need to wait patiently for about 23 years to effectively have their initial investment paid back adjusted for the opportunity cost. Therefore, all excess return would derive from the distant cash flow of the twenty-fourth year onward.

From an objective point of view, it would be wise to stay away from companies trading above 15.4x NOPAT in the land of fat and indexed fixed income[12]. We should only yield to temptation if we expect an exponential real growth in revenue for a few years (preferably close to the date of acquisition of the asset in question), a huge operating profit increase (either via gross margins or operating leverage), or the possibility of leveraging the business efficiently.

Another reason would be to speculate that the market, or a strategic buyer, will pay excessively for the "myth of perpetuity". Typically this is a disproportionate risk to take given the potential return. However, in the specific case in which a company is demonstrably generating operating cash-flow and growing with good returns, this romantic conservatism can be naive. Especially in an economy with a dearth of quality companies, in which the supply of capital market assets does not keep up with potential increases in demand. In this case, the premium to invest in the stock market may remain low for many years, forcing agents to participate in otherwise undesirable games.

At the end of the day, the price of a stock can take on any value that balances supply and demand in the short term. Even companies with declining or negative cash flow can have strategic value for certain groups. The recent purchases of the newspaper companies Washington Post and South China Morning Post, respectively by Jeff Bezos and Jack Ma, are examples in which the prospect of influencing millions of people trumps any consideration concerning economic value[13].

In any event, the real margin of safety is to receive back a large portion of capital adjusted by the interest rate of the economy as soon as possible. Illustratively, if you look at Coca Cola's value in 1985, the present value of dividends of the following 10 years (discounted at the yield of the 10-year treasury, which at the time was approximately 8% per year) represented about 40% of the initial market value of the company. Meanwhile, the company's potential to pay dividends continued to grow exponentially at a rate of 11% per year (compared to an average inflation of 3.5% over the period)[14].

The difference and difficulty for Brazilian investors is that locally even companies with great market power seldomly have lasting competitive advantages as significant as established American companies do. After all, monopolies and oligopolies that aggressively exercise their power through an agenda of regulatory influence are, by construction, more fragile than companies that have survived the detailed scrutiny of competitive economies while operating profitably. To complicate matters, the low equity premium required to invest in stocks in Brazil means that very little of the present value of invested capital (discounted by the risk-free rate) is received in the first years. Thus, it is no wonder that the majority of stocks in the local market fail to have long-term returns above the opportunity cost of fixed income.

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[12] Even though one may point out that there is a risk that the government could tamper with the official inflation rate, negatively affecting NTN-B's actual real return, we believe that the odds are low that this would occur without the private sector being affected by increased taxation or added hardships in passing on prices in line with actual inflation

[13] Which generically illustrates how risky it can be to take short positions based on the premise that a stock is expensive due to the low (or negative) present value of its future cash flows

[14] The Price/Earnings multiple in 1985 was about 12x. In this sense, given that the Earnings Yield spread over the ex-post real interest rate was around 4%, if the company had not reinvested as much capital in the operation (in this case, the reinvestment proved to be the right decision), it would have returned about 66% of the investment at present value if it had grown its profits only at the rate of inflation in the first 10 years of the investment. It is worth noting that for the purpose of simplification the positive effect of the small leverage that the company had at the time was disregarded. Since it has ample pricing power, it could solely have paid the real interest rate on its debts, thereby returning capital to its shareholders even sooner

"THOUGH THE EARLY BIRD GETS THE WORM IT IS THE SECOND MOUSE THAT GETS THE CHEESE"[15]

In the process of institutionalization of the global equity asset management industry, another evident myth is the need to demonstrate an analytic competitive advantage. In various activities, the idea that "whoever arrives first gets to drink clean water" holds profound importance. The character of innovation and effort practiced methodically ensure captive markets that can last for a few years or even decades. However, in the investment industry the story is different. Due to its democratic and psychologically unstable aspects, this particular industry allows anyone who is watching from afar with appropriate reflection to enter the game whenever they consider that the conditions have become favorable.

From an early age, we are encouraged by a quasi-religious belief that, if we try hard enough, we will manage to achieve unimaginable feats. It is no wonder that individuals that are more likely to believe in this proposition, by natural selection, end up representing a large portion of the financial market. After all, the entry filter selects "motivated people" that have worked really hard to get ready for their "destiny". Analysts are selected as if they were elite athletes, who from very early on are fed with the idea that daily training to decrease a 100th of a second is the difference between failure and glory. This excessive focus, in addition to quick feedbacks to improve performance, catalyze what a current of Psychology defines as *flow*[16]. In this condition, the brain enters a state of complete absorption and enormous sense of satisfaction.

As a natural consequence of this context, the regular practice is to encourage specialization and consequently create fiefdoms of action. As time passes by, the more profound the moat around the analyst's castle of knowledge becomes, where an untouchable idea, that does not admit even self-questioning, reigns. This can work for a long time and with great success. The problem, however, is that the rigidity of a centralized knowledge model does not lead to the debate necessary in order to change one's mind[17].

How does one show to people addicted to the endorphin generated by the flow state that tangible effort is not directly correlated to results and that the feedbacks that matter are much slower? That success in this industry does not come from the search for brilliance and specialization, but rather from avoiding to commit fatal mistakes?

Maybe a good start is to build a culture that discourages the tireless pursuit of perfection for understanding that this obsession can be the enemy of common sense. Not taking oneself too seriously is an essential quality to allow for the necessary honesty to admit mistakes and work as a team. In addition, a group formed by people with different training, education and personalities, but shared values, interacting collectively, is able to assess problems in several dimensions and accept the uncertainty of a process that is essentially out-of-equilibrium more effectively than a brilliant solitary brain[18].

It is important to point out that we are not disqualifying the deep and detailed study of businesses. We only want to highlight that a holistic view and a certain intellectual humility are equally relevant in the investment process.

Despite the temptation to associate "intelligence" with "rationality", in many cases these two characteristics do not go hand in hand. Unlike "intelligence", which is associated with proper logical functioning under controlled

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[15] Warren Buffett in the 2015 Berkshire Hathaway letter to its shareholders, commenting on the historical development of Geico's market power. The company, founded in 1936 by 2 former USAA employees, essentially copied the latter's direct distribution sales model of automobile insurance. In any event, eight decades later, Geico is issuing more than double the volume of premiums USAA issues per year, whereas it holds its position as a benchmark of profitability in the industry

[16] The concept is originally attributed to the Hungarian psychologist Mihaly Csikszentmihalyi

[17] Credit Suisse's strategist Michael Mauboussin summarized this idea rather originally in a recent lecture: *"The more you learn and know about a given situation, the harder it is to unlearn it when the world changes"*

[18] For more, see: Superforecasting (The Art and Science of Prediction), Phillip E. Tetlock

environments (the famous IQ tests), "rationality" has only been treated with a scientific bias more recently. The understanding of the limits of knowledge, the reading of the world in terms of probabilities, the ability to isolate "noise", and an open but but also emotionally balanced mentality are some of the characteristics that make up the framework that defines rationality[19]. There are more than a few cases where intelligence turns out to get in the way of rational decision-making. After all, when working with uncertainty, there is nothing more dangerous than a supposedly infallible logical reasoning based on fragile assumptions that will not stand the test of time. We must seek, train and incorporate into our culture the characteristics associated with what is known by rationality rather than trying to collect rocket scientists.

2016 PERSPECTIVES

"MONEY, IT'S A CRIME/SHARE IT FAIRLY, BUT DON'T TAKE A SLICE OF MY PIE"[20]

The year of 2015 began with financial markets greatly concerned about Brazil's fiscal situation. In our view, in spite of the widespread dismay, people were not as pessimistic as they should have been. If the “first derivative” of excessive government spending was clear, the market and government itself seem to have underestimated the second-order effects. The mis-allocation of capital that occurred during the last 10 years started to produce negative effects, meanwhile the commodity supercycle started to show more definitive signs of exhaustion. Neither government nor markets seemed to take into account that the capital that had been poorly allocated over the last decade had to be destroyed. Thus, throughout the year of 2015 we witnessed government tax revenue and production decrease more than initially expected, culminating in an unbelievable decline of 3.8% of GDP, with the prospect of a similar decline in 2016 and possibly a new drop in 2017.

A lot has been said about the lack of investor confidence during the current moment the country is going through. However, Brazil's problems seem to us to be of a much more complex nature. We would dare state the opposite: confidence seems to be excessive, therefore preventing markets from effectively pressing a change of course. It is amazing that in this disastrous scenario Brazil continues to receive direct foreign investments of more than 50 billion dollars per year, which implies in a significant increase measured in local currency, despite the contraction in activity and the country's unfortunate fiscal situation.

For years, wage increases were granted based on an illusion, a fictional GDP, which is evaporating with the destruction of capital currently in course. To make the country competitive and improve its fiscal situation significantly, preventing new real hikes in the minimum wage is not enough. The solution is to decrease the real value of the minimum wage as well as expenditures with social security, and/or significantly increase taxes. The market may believe in the myth that a new government will solve all of the country’s current problems, but in a participatory democracy it is not easy to remove what has already been granted. Governing party and opposition members hardly vote to remove "semi-acquired"[21] rights, whether sustainable or not.

Even with a projected decline of nearly 8% in GDP in the 2015-2016 biennium, inflation maintains a certain reluctance to decelerate. The indexation of the Brazilian economy is very strong, with more than 30% of income tied directly to the government through public sector jobs, social security and income transfer programs. Not to mention wage and contract indexation in the private market. In this context, nominal GDP adjustments to high real interest rates end up being done in large part by a decrease in production rather than through a waning of inflation.

[19] For more, see: *What intelligence tests miss*, Keith E. Stanovich & Richard F. West
[20] Excerpt from the song *"Money"* by Pink Floyd. Composed by Roger Waters
[21] We call these "semi-acquired" rights because in Brazil legally acquired rights from previously established contracts are protected from any future legislative changes

The destruction of capital in the industrial segment seems to be nearing its end, but that of the services sector is still in full swing. The absolute number of stores that are closing has never been so high, whereas surviving retailers struggle with increases in salaries, taxes and in the cost of goods and services in a scenario where passing on prices to consumers is very difficult. It is worth noting that rents appear to be fairly weak contracts in this process. Despite their supposed contractual indexation, the difficulty in adjusting other expenses leads retailers to eagerly bargain for a decrease in this item as a sort of last resort measure. The landlord that tries to resist granting discounts may end up without a tenant, not only losing the effective source of income, but also having to pay both property taxes and high condominium fees.

Bank credit portfolios have also been worrying us. About 90% of all loans are rated between AA and B[22]. That seems to make little sense since most companies have debts larger than three times their gross cash generation[23] and many under our coverage do not have resources even for the payment of nominal interest on their debts. In addition, credit recovery in Brazil is complicated. Collateralized credits are junior to both labor and tax liabilities, and the repossession of guarantees by creditors has been questioned when the asset is considered vital to the company concerned[24]. Maybe not even 10% of the companies in the country deserve such a high rating.

Brazil seems to be the proverbial frog heating up in slowly boiling water. While we do nothing, the government's gross debt may increase more than 10% in real terms in 2016. As most of the increase in that debt is passive (in other words, related to the organic accrual of the benchmark interest rate on debts), people feel relatively comfortable. But this process is not linear and Brazil runs a serious risk of incurring in a massive outflow of capital when national debt reaches 90% of GDP (or more) within a few years. An increase in debt that occurs through accrued interest, without much prospect of a definitive reversal, means that there will be a greater potential demand for dollars in the future and ceteris paribus a non-negligible probability of a run on the local currency.

Finally, two reasons lead us to believe that the country's equilibrium real interest rate will be significantly lower in the medium term: (i) the potential for credit expansion has declined (caused by what seems to be a structurally lower demand for credit, reflective of the economic model adjustment currently in course), and (ii) the government cannot continue increasing its expenditures by 6% above inflation every year. However, it is worth noting that the interest rate required to prevent an increase in inflation is different from that needed to take it back to the 4.5% goal established by the Central Bank. In an environment of high indexation and probable increases in federal and state taxes, declines in the rate of inflation will most probably occur relatively slow. This hinders the necessary drop in the short-term real interest rate, essential both in assisting the reorganization of companies in a scenario where capital is being destroyed and to control the explosion in public debt.

The scenario described, combined with the mythical valuations of most of the Brazilian stock market, has led us to maintain a lower level of exposure to this asset class, while concentrating this particular part of the portfolio in businesses intrinsically less exposed to domestic demand. As for the rest of the portfolio, we are investing in longer duration NTN-Bs that will benefit from a possible decline in the equilibrium real rate of interest in the medium run and in a small basket of Brazilian corporate bonds trading at a discount to face value.

[22] This scale, set by the Central Bank, determines the following pattern for credit provisioning: AA – 0%, A – 0,5%, B – 1%, C – 3%, D – 10%, E – 30%, F – 50%, G – 70% and H – 100%. Obviously, the banks are the ones that decide on which tranche of the scale their performing credit is in. In the case of loans with delayed payments, downgrading occurs automatically, based on the length of time since the payment was defaulted upon

[23] Before interest, taxes and investments in maintenance

[24] In this case, the debt becomes unsecured credit

ATMOS AÇÕES FIC FIA

December 2015

Atmos CAPITAL

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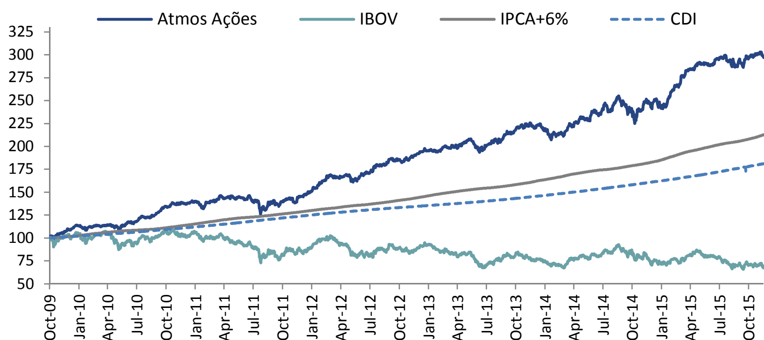
HISTORICAL PERFORMANCE

In R$		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct*	Nov	Dec	YTD
2009	**Atmos Ações**										-0,04%	5,91%	5,74%	**11,95%**
	Ibovespa										-7,73%	8,94%	2,30%	2,83%
2010	**Atmos Ações**	-1,40%	1,42%	1,65%	0,07%	0,16%	1,67%	6,52%	0,15%	5,31%	4,13%	1,83%	0,66%	**24,23%**
	Ibovespa	-4,65%	1,68%	5,82%	-4,04%	-6,64%	-3,35%	10,80%	-3,51%	6,58%	1,79%	-4,20%	2,36%	1,05%
2011	**Atmos Ações**	-2,26%	2,42%	4,07%	0,37%	-0,12%	-0,60%	-2,26%	-2,80%	0,04%	3,63%	0,30%	3,76%	**6,42%**
	Ibovespa	-3,94%	1,21%	1,79%	-3,58%	-2,29%	-3,43%	-5,74%	-3,96%	-7,38%	11,49%	-2,51%	-0,21%	-18,11%
2012	**Atmos Ações**	4,40%	6,71%	0,46%	2,07%	-2,31%	3,42%	4,00%	0,95%	2,65%	-0,06%	3,06%	2,73%	**31,61%**
	Ibovespa	11,13%	4,34%	-1,98%	-4,17%	-11,86%	-0,25%	3,21%	1,72%	3,71%	-3,56%	0,71%	6,05%	7,40%
2013	**Atmos Ações**	-0,09%	1,94%	1,43%	0,90%	1,34%	-3,34%	2,51%	1,29%	3,43%	4,19%	1,46%	-0,46%	**15,39%**
	Ibovespa	-1,95%	-3,91%	-1,87%	-0,78%	-4,30%	-11,31%	1,64%	3,68%	4,66%	3,66%	-3,27%	-1,86%	-15,50%
2014	**Atmos Ações**	-6,19%	1,73%	3,74%	1,59%	0,92%	3,24%	1,07%	6,59%	-5,96%	0,54%	4,85%	-0,28%	**11,58%**
	Ibovespa	-7,51%	-1,14%	7,05%	2,40%	-0,75%	3,76%	5,01%	9,78%	-11,70%	0,95%	0,17%	-8,62%	-2,91%
2015	**Atmos Ações**	-2,61%	8,87%	4,96%	2,97%	0,56%	0,65%	2,90%	-3,17%	0,06%	2,68%	-0,18%	-0,87%	**17,50%**
	Ibovespa	-6,20%	9,97%	-0,84%	9,93%	-6,17%	0,61%	-4,17%	-8,33%	-3,36%	1,80%	-1,63%	-3,92%	-13,31%

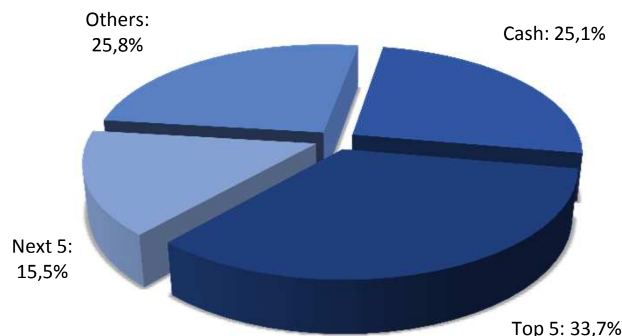
	Year		12 M		24 M		36 M		60 M		Since Inception*	
	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility
Atmos Ações	17,50%	9,12%	17,50%	9,12%	31,11%	11,43%	51,28%	10,48%	111,89%	10,13%	194,68%	10,63%
Ibovespa	-13,31%	23,28%	-13,31%	23,28%	-15,84%	24,23%	-28,88%	23,06%	-37,45%	22,70%	-35,01%	22,88%

PS: Historical performance in R$, net of all fees. Volatility calculated only to trading days.
*The fund started in October 15th, 2009

PERFORMANCE CHART



PORTFOLIO CONCENTRATION



PORTFOLIO

Breakdown by Sector	% NAV
Commodities	0,5%
Consumer and Retail	9,0%
Education	0,0%
Utilities	8,7%
Financials	30,1%
Food and Beverage	0,6%
Healthcare	5,5%
Industrials	2,7%
Real Estate and Shoppings	6,6%
Technology and Telecom	2,0%
Transportation and Logistics	0,5%
Bonds	8,7%
Cash	25,1%
Total	**100,0%**

Cap Size		% Portfolio
Small	below R$1 bi	4%
Mid	from R$1 to R$10 bi	42%
Large	above R$10 bi	54%

Liquidity	% Portfolio
Cash	25%
≥ 10 MM	58%
3 MM a 10 MM	7%
1 MM a 3 MM	9%
< 1 MM	1%

Obs: Average trading volume of the last 20 days

NAV	R$
Current NAV / Average NAV FIC FIA	495,5 MM / 541,0 MM
Current NAV / Average NAV Master FIA	1.423,0 MM / 1.290,0 MM
Total AUM	2.358,6 MM

PS: Average NAV last 12 months

ADDITIONAL INFORMATION

Inception Date: 15/10/2009

Minimum Investment: R$ 50.000,00
Minimum Subsequent Orders: R$ 10.000,00
Minimum Balance: R$ 20.000,00

Subscription Day (14hrs): NAV of the following business day.
Redemptions (14hrs): 13 days after redemption date (NAV of the 10th business day after request).

Managment Fee: 2,0% a.a.[1] of fund's NAV.
Performance Fee: 10% of returns exceeding IPCA+6% payable annually with high water mark.

Income Tax: 15% tax over nominal returns.

Manager: Atmos Capital Gestão de Recursos Ltda.
Administrator BNY Mellon Serviçis Financeiros S.A. [2]
Prime Broker: BNY Mellon Banco S.A.
Auditor: Deloitte Touche Tohmatsu Limited

ANBID Class: Ações Livre
Bloomberg: ATMOSAC <BZ><Equity>
Fund's CNPJ 11.145.320 / 0001-56
Bank Account: BNY Mellon Banco S.A. | Ag 001 | C/C 1208-4|

For more information, please contact us at: faleconosco@atmoscapital.com.br Phone/Fax +55 21 3202-9550 www.atmoscapital.com.br

(1) 1,85% aa of FIC's NAV + 0,15% aa of Master Fund's NAV. Max management fee: 2,35% aa. Max management fee consists of the min management fee and the max percentage that the fund's policy allows to be spent on the behalf of the invested funds' management fees. (2) Administrator's Contact: BNY Mellon Serviços Financeiros DTVM S.A. CNPJ: 02.201.501/0001-61 Av Pres. Wilson, 231, 11 floor, Rio de Janeiro – RJ. CEP 20030-905. www.bnymellon.com.br/sf. SAC: sac@bnymellon.com.br (21) 3219-2600 or 0800 725 3219. Ouvidoria: ouvidoria@bnymellon.com.br. Ibovespa is used solely as economic reference and does not represent the fund's parameter or objective. Performance is not net of taxes. The results of operations obtained in the past do not guarantee future results and do not contain any guarantee by the fund's manager, its administrator or by any insurance mechanism. The investor is advised to read the fund's offering documents carefully before investing. Both, risk exposure and the possibility of a total loss are inherent to investments. This fund may use derivatives as part of its strategy. These strategies may result in significant loss for investors and may even lead to losses higher than the total amount invested. Stock funds may be exposed to significant concentration of assets in few issuers. Atmos Capital does not sell nor distribute shares of the investment funds or any other security. The content of this document has been prepared solely for informational and transparency purposes to the management carried out by Atmos Capital and is neither intended, nor should be considered, as an offer to sell, or as a solicitation to acquire shares in any investment fund or any other security. The content of this document is solely for the use of the recipient and shall not be reproduced,