



Risk Management Policy

Vinci Group

JUNE 2024

1. Applicability of this Policy

1.1. For the purposes of this Risk Management Policy (the “Policy”), the “Vinci Group” comprises the entities controlled by **Vinci Partners Investments Ltd.** and that carry out activity of assets management, as the case may be.

2. Organizational Structure, Team and Functions

2.1. Market risk is controlled by an independent corporate function comprised of the Chief Risk Officer (CRO) and four risk analysts, who are in charge of processing and monitoring the risk of loss to the funds managed by the Vinci Group companies.

2.2. The functions of the CRO include:

- a. implement risk control processes, devise a plan to execute and adopt all necessary procedures;
- b. review this Policy and any other procedural documents and manuals from time to time, together with the Compliance Department;
- c. monitor classification of managed funds under this Policy according to the Vinci Risk Allocation (VRA);
- d. review the reports listed below and submit them to the relevant members in the risk management team and the Compliance Department;
- e. timely cure any limit violation, as provided for in specific rules or policies.

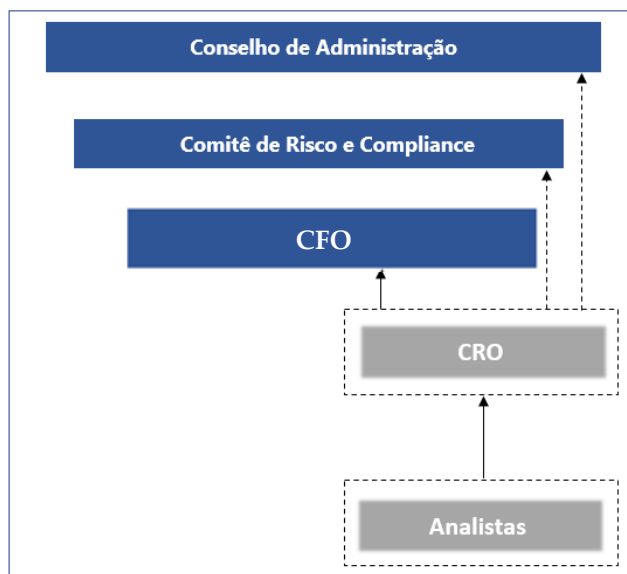
2.3. All risk analysts perform the same functions, i.e., processing and reviewing funds for which they are in charge. Every three (3) months, the funds assigned to each analyst are assigned to other analysts in order to prevent discontinuity and disseminate knowledge. All analysts report directly to the CRO.

2.4. The functions of the risk analysts include:

- a. monitor together with the CRO the managed fund risk classification and exposure by following to the procedures laid down in this Policy and according to the VRA;

- b. notify the CRO in case of change in classification of any managed funds;
- c. from time to time prepare the reports listed in this Policy and submit them to the CRO for review.

2.5. The risk team reports to the CRO, who, in turn, reports directly to the CFO, to the Compliance and Risk Committee and to the Board of Directors of the Vinci Group and has full authority to take all necessary steps, which give the risk team independence and autonomy, particularly in relation to management teams and the officers in charge of portfolios management.



3. Resources

3.1 The Vinci Group has a proprietary risk platform (the VRA – Vinci Risk Allocation) comprised of the following systems:

- i. VERITAS
 - a. Asset Allocation (“WAR”): it allows for portfolio consolidation, risk and performance monitoring, and allocation simulations.
 - b. Risk Workflow (RWF): it measures the metrics used in monitoring the market risk (VaR with 95% and 99% confidence levels, daily return, one-year historical period,

using historical simulation, parametric model, EWMA and ETL; stress test of simulated and historical scenarios), concentration and liquidity of portfolios.

ii. VORTEX:

- a. Due Diligence (DD): it allows for the storage/consultation of information on institutions and institutions' executives.
- b. Risk Ranking (local acronym ER): it ranks different industry funds or assets according to different parameters.
- c. Traditional Analysis (local acronym AT): it assesses the evolution of different asset or industry fund parameters.
- d. Back Test (BT): it assesses the evolution of different parameters for simulated allocations.
- e. Satisfaction Analysis (local acronym AS): it analyzes the investment return frequencies for different horizons.
- f. Custom Filters (local acronym FC): thorough searches can be made using a wide range of parameters.

4. Procedures and Routines

4.1 To monitor the open-end funds managed by the Vinci Group companies, the market risk team shall go through the following routines:

- i. **Enter and process the funds** into the RWF system to assess market and liquidity risks. The frequency in which such information will be processed may vary according to the portfolio market.
 - a. Month end:
 - a. Credit Funds;
 - b. Risk monitoring (volatility) for funds managed exclusively by the Investment Solution department.
 - b. Weekly: funds managed by the Floating Rate departments;

- c. Daily: funds managed by the Hedge Funds department and Open-End Funds managed by the Investment Solution department.

- ii. Producing **market risk reports**.

The relevant fund management teams shall be automatically notified by email whenever new information on risk management metrics is ready for consultation in the RWF system.

- iii. Producing **liquidity risk reports**.

The relevant fund management teams shall be automatically notified by email whenever new information on liquidity management metrics is ready for consultation in the RWF system. In addition, the Floating Rate and Investment Solution management is provided on a weekly basis with a consolidated report on the liquidity of funds under its management.

- iv. Producing **limit monitoring reports**.

Managers shall be provided with different reports (tailored to suit the needs of the relevant business unit) containing information on their limit usage monitoring.

- v. **Risk monitoring (volatility)** for funds managed exclusively by the Investment Solution department.

With respect to exclusive funds, the team shall monitor the risk according to the quota volatility. For that purpose, the team shall conduct a more thorough inspection whenever volatility changes significantly in relation to historical figures.

- vi. Producing **issuer concentration reports** – Credit.

This report is produced on a monthly basis to monitor issuer exposure concentration.

- vii. **Fund limit automatic monitoring module:** The Vinci's proprietary risk platform (VRA) has a module dedicated to automatically monitoring fund limits. Those limits are monitored with the processing of strategy risks. Whenever nearly 100% of the limit is reached, the Risk team shall analyze the reasons for that and inform the managers in charge, if it finds fit.

4.2 Any reports produced by automatized systems under the preceding provisions shall be reviewed by the risk team prior to their submission to the management team members.

4.3 Risk limits shall not be exceeded. If a risk limit is exceeded, the trading desk shall, as instructed by the risk management, promptly proceed to the portfolio reclassification. The risk team has the authority to ask for clarifications on transactions made and to determine the adoption of any measures needed for mitigating any identified risk or reclassifying the portfolio, when applicable.

4.4 In addition to the monitoring carried out by the risk team, the Compliance Department shall monitor the regular adherence of transaction prices ("price tunnel") regarding the purchase and sale of public bonds, and private credit assets. The purpose is to ensure, at least, that prices are consistent with market prices in force at the time of the transaction. For that purpose, the following parameters shall be used:

- (i) reference range with maximum and minimum prices for financial assets in transactions made, said prices to be set based on official market sources and compared against the prices used by manager. In case there is proof that such parameters do not exist, said prices shall be set based on at least three secondary sources;
- (ii) whenever the actual purchase price exceeds or the actual sale price is lower than the market price or the reference price range, the management team shall provide the Compliance Department with a technical justification explaining why the transaction was closed and the discrepancy of the prices or rates adopted in such transactions and informing the price sources used as reference to obtain the market value or the reference price range and the name of any intermediaries to the transaction.

5. Operational Risk Management

5.1. Operational risk management is coordinated by the Risk Department and integrated through the policies and procedures managed by Compliance Department and that are in place to monitor and supervise the risk and compliance programs. The Risk and Compliance Committee assesses the enforcement of such operational risk management and monitors and supervises operational risk exposure.

5.2 The assessment of the operational risk exposure takes into account the fact that Vinci provides asset management services primarily through investments funds. The investment funds are under the fiduciary management of third-party financial institutions, which also provide (either directly or indirectly through third parties hired by them) any related bookkeeping services with respect to the issue and redemption of quotas. Vinci does not

provide any custody services in connection with such investment funds and does not keep nor manage any deposit account or financial asset account as assets, rights and values. In addition, Vinci is not engaged in any financial liquidation of funds, which is the responsibility of the fiduciary administrator of the investment funds.

6. Counterparty Risk Management

6.1 The Vinci Group adopts a methodology for assessing and monitoring counterparties, including service providers, taking into account any risk of damage to investors and to the integrity and reputation of the Vinci Group itself and the financial and capital market. It also conducts a due diligence of its counterparties to check compliance with all legal and regulatory requirements and the counterparties' capacity to provide the relevant services, as applicable.

6.2 The criteria used for risk classification purposes shall take into account:

- (i) The results of the background check on the counterparties;
- (ii) Any lack of transparency on the corporate ownership of the organization that impairs identification of beneficial owners,
- (iii) Assessment of the complexity of the services to be provided, if applicable;
- (iv) The need for establishing a contractual and/or other relationship;
- (v) Technical knowledge;
- (vi) The capacity to provide the services at the required level; and
- (vii) the counterparty not being a member of ANBIMA or not having adhered to the ANBIMA codes or other required regulations.

6.3 After concluding the procedure above, the Compliance Department monitors the counterparties by conducting periodic assessments using such risk-based supervision methodology as provided for in the Vinci Group's Compliance Manual.

6.4 If any counterparty risk involves a credit risk, the provisions of the Credit Risk Management Policy shall apply.

7. Distribution Risk Management

7.1 With respect to distribution-related activities, according to the rules provided for in the ANBIMA Code of Rules and Best Practices for Investment Product Distribution, the Vinci Group seeks to identify, measure, assess, monitor, report, control, and mitigate the risks inherent to such activities.

7.2 Upon distribution of the quotas from the funds managed by the Vinci Group, any potential risks inherent to the following shall be previously identified:

- i. new investment funds managed;
- ii. significant changes in the existing investment funds managed; and
- iii. significant changes in processes, systems, transactions and business models of the Vinci Group.

7.3 Important to note is that controls pertaining to information security are set in the Vinci Group's Information Security Policy. The Vinci Group also has in place a Business Continuity Plan to deal with any contingency aspects.

8. Metrics

8.1 To monitor the funds of the broker house, the market risk team shall use a variety of monitoring metrics accepted by the industry:

- i. **Value-at-Risk (VaR):** It assesses, with a certain degree of certainty, the potential loss that a portfolio may incur under normal market conditions. To calculate this metric, we consider levels of confidence (probability) of 95% and 99%, historical simulation model, parametric model, daily return and one-year historical period.
- ii. **Stress test:** It assess the potential loss a portfolio may incur in atypical market conditions (stressed market conditions.) To calculate this metric, we consider simulated scenarios of hypothetical (as defined by managers and the market risk team) and historical (those that have occurred as a result of the crises from 1997 on) market moves.
- iii. **Liquidity:** It assesses the time needed to liquidate a portfolio based on information on the volume of assets traded in the market (whenever available.) Liquid asset managers have a liquidity management manual for internal use.
- iv. **Concentration:** The purpose is to monitor asset concentration from the same issuer to avoid significant losses to the portfolio as a result of a concentration into a given name.

8.2 The risk team shall consistently monitor the efficiency of monitoring metrics through one of the system modules. The risk team shall then implement improvements or correct any errors, at least once a year. Any failures detected shall be included in the regular reports referred to in item 4 above. Implementation of improvements and corrections shall be monitored by the CRO in line with the functions assigned in this policies.

9. Risk Governance at Vinci Partners

9.1 The Vinci Group has a Compliance and Risk Committee comprised of the CRO, the Compliance Officer, the Chief Financial Officer and the Chief Human Resources Officer.

9.1.1 Some of the Vinci Group entities adopt a specific procedure to manage credit risk in accordance with the policies and parameters set by the Vinci Group credit committee and monitored by a dedicated team. The CRO is responsible for supervising credit risk management activities and shall participate in the functions of this committee. For more information on credit risk management, please see the Credit Risk Management Policy available at the Vinci Group website.

9.1.2 The purpose of the Compliance and Risk Committee is to fully enforce the Compliance Program and to monitor, measure, and adjust the Vinci Group risk exposure, including with respect to any issuer concentration in case of private credit assets.

9.1.3 The Compliance and Risk Committee shall meet at least once every six months or at shorter intervals, whenever needed, and such meetings shall be called by any of the Committee's members.

9.1.4 With respect to risk management activities, the main duties of the Compliance and Risk Committee include:

- a) assess effectiveness of and compliance with the Vinci Group's Risk Management Policy;
- b) verify whether any recommended improvements have been duly implemented;
- c) assess, when applicable, the tests to check adherence to risk management methods and any implementation of improvements or existence of any inconsistency which may require review. Any such adherence test shall be conducted at least once every twelve (12) months;
- d) supervise the enforcement of policies, procedures, responsibilities and definitions concerning the Vinci Group risk management structure, for all of its business operations, including any atypical market situation or any situation not covered by corporate policies; and
- e) review the reports submitted by the Independent Auditors with respect to any deficiency in internal controls or compliance affairs as well as the relevant measures taken by the areas concerned.

9.1.5 The CRO shall report to the Vinci Group top management the conclusions and recommendations made by the Compliance and Risk Committee, particularly those related to this Policy.

9.2 The risk department also participates in the committees which define the Vinci Group guidelines. Whenever necessary, the CRO shall report to said committees or to the Vinci Group Management, as applicable, any performance and risk that may require strategic discussions.

10. Market Risk Limits

10.1 Market risk limits are established and monitored using Vinci Group's proprietary risk tool and based on recognized metrics such as Value at Risk (VaR), Estimated Tail Loss (ETL) and Stress Testing.

10.2. None of Vinci Group's fixed income funds, hedge funds, and public equities funds have predefined market risk limits, unless expressly provided for in an agreement and/or specifically established in such funds' rules and/or investment policies.

10.3. For monitoring purposes, risk management uses its own parameters and monitors the evolution of the risk metrics it uses, as determined in Vinci Group's proprietary risk tool.

10.4 Market risk measures do not apply to any structured product with a predetermined maturity that does not allow issuer to redeem the product prior to the expiration date.

11. Updates

11.1. The parameters and assumptions set out in this Policy shall be reviewed once at least every twenty-four (24) months.

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