RISK MANAGEMENT POLICY & LIQUIDITY RISK MANAGEMENT

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Objective

To formalize procedures that allow the management, limitation setting, monitoring, measurement, and adjustment of inherent risks in the activities performed by MOAT CAPITAL GESTAO DE RECURSOS LTDA and MOAT CAPITAL INVESTIMENTOS GESTORA DE RECURSOS LTDA (collectively "MOAT"), considering market, operational, concentration, liquidity, credit, and counterparty risks.

This document comprises:

- ✓ **"Risk Management Policy"** - as required by the applicable regulation of the Securities and Exchange Commission of Brazil - CVM, and subsequent amendments, as well as the self-regulation norms of the Brazilian Association of Financial and Capital Market Entities – ANBIMA; and
- ✓ **"Liquidity Risk Management Policy" (GRL)** - determined by the "Liquidity Risk Rules and Procedures," also issued by ANBIMA.

Applicability

Partners, directors, and employees who participate directly in the daily activities and business representing MOAT (hereinafter referred to as "Collaborators").

Collaborators must adhere to the guidelines and procedures established in this Policy, and any irregularities must be immediately reported to the Risk Director.

Review and Update

The responsibility for reviewing, updating, and recording this Policy lies with the Risk Director, as follows:

- ✓ **"Risk Management Policy"** – review and update every 2 (two) years, or in a shorter period, if necessary due to legal/regulatory/self-regulatory changes.
- ✓ **"Liquidity Risk Management Policy"** – annually review the liquidity parameters defined for investment vehicles, based on changes in market conditions, liabilities, or technical innovations.

Structure and Responsibilities

Management Area and Its Director

Proposal of exposure limits (including counterparty) for investment vehicles managed by MOAT.

Preliminary evaluation of operations to be carried out, to ensure adherence of funds and portfolios to established limits.

Final decision on allocation respecting composition limits, portfolio concentration, risk factors, and eligibility parameters (markets, assets, credit quality, liquidity, concentration, etc.) defined in the regulations of investment funds/mandates of managed portfolios.

Manage the liquidity of assets in MOAT's portfolios, respecting the parameters defined in the regulations (and respective annexes) of the investment vehicles.

Risk Area and Its Director

Approval and monitoring of limits (including counterparty), daily evaluation of occurrences, and review of exposure limits.

Evaluation of any occurrences identified and diligence for their realignment in the best interest of the investors, using the Risk Committee for respective recording and decision-making.

Inform regulators and the Administrator about any misalignments of funds and subsequently, about their realignment.

The Risk Director reports directly to MOAT's senior management/partners and has autonomy to inquire about practices and procedures adopted in their operations/activities, and should take measures to curb or mitigate any deemed inadequacies, errors, and/or inapplicabilities.

The Risk Director has the prerogative of veto – but not of vote – in MOAT's business committees, thereby attesting to their independence and autonomy within the company.

Organizational Chart

The Risk Area is composed of the statutory director responsible and at least one other professional, who are dedicated to the exercise of risk management activities inherent to MOAT's operations.

The flow of information between those involved in the risk management process is continuous, with final decisions resting with the Risk Director and the Risk Committee.

The team is responsible for modeling, validating, and monitoring market, liquidity, credit/counterparty, and operational risk management metrics. These functions are carried out through internal systems and/or specialized technological/technical tools.

The team is also in charge of calculating managerial results, analyzing performance relative to benchmarks, and evaluating risk-adjusted performance.

Specifically, regarding liquidity risk management, the obligations of MOAT's Risk team are detailed further in the Liquidity Risk Management Policy, which also forms part of this document.

Risk Committee

The risk management structure is supported by the guidelines established by the Risk Director and the Risk Committee.

The Risk Committee's main responsibilities include, but are not limited to:

- ✓ Approving new instruments, products, and general parameters under risk aspects, and monitoring adherence to the established parameters;
- ✓ Monitoring and preparing technical presentations of the risks of funds, portfolios, and investment vehicles under MOAT's responsibility, as well as their assets, in line with market best practices, norms, and applicable regulations;
- ✓ Analyzing the risk levels of funds, portfolios, and investment vehicles under MOAT's responsibility in relation to their proposed limits and strategies, and the usage of these limits;
- ✓ Approving or suggesting new measures related to liquidity management of FIF funds, respective classes, and managed portfolios, with implementation being the responsibility of

the management area;

- ✓ Evaluating the risks involved in MOAT's asset management process, currently affecting or that may affect the investments it manages;
- ✓ Analyzing any misalignments that occurred in the previous period, operational and liquidity risk, and discussing mitigants and improvements;
- ✓ Recommending and implementing corrective measures when deviations from approved parameters are identified.

Frequency: Quarterly.

Participants: Risk Director, Management Director, and Risk Team.

Guests: Other MOAT Collaborators, without voting rights.

Quorum: Risk Director and Management Director.

Voting Rights: Members.

Veto and Override: Risk Director.

Decision Documentation: Electronic minutes, under the responsibility of the Risk area.

Inherent Risks in Investment Vehicles

Market Risk

Investment vehicles managed by MOAT may be exposed to markets, including, for example: interest rates, price indices, private credit, currencies, stocks, commodities, derivatives, gold/metals, real and real estate assets, according to their respective investment policies.

These markets may exhibit high volatility due to risks they are exposed to, originating from factors including, but not limited to: (i) macroeconomic factors; (ii) external factors; and (iii) political conjuncture factors. These risks affect the prices of the funds' and portfolios' assets, causing fluctuations in the value of their shares and constituent assets, which may represent gains or losses for shareholders and portfolio holders.

The financial assets of MOAT's vehicles are updated daily[1] (mark-to-market) and such assets are accounted for at public market price or the best value estimate obtainable in such a transaction, which means the value of the shares (in the case of funds) may experience frequent and significant fluctuations, even within the same day.

Operational Risk

Operations of investment vehicles managed by MOAT are subject to operational risks linked to the environments in which they are traded, such as, for example, (i) failures of clearings, organized markets (exchange or over-the-counter) where assets are admitted to registration/trading, of real estate registries/notary offices and/or information sources; (ii) interruption of operations at the site of their registration/trading (as in cases of holidays, etc.); and (iii) communication failures (technological or human), operational errors in execution, confirmation, calculations, matching, etc.

For reasons and/or factors beyond MOAT's and/or its respective Collaborators' control, events of

[1] Reserve made in the case of funds with specific legislation regarding mark-to-market, such as Private Equity Investment Funds (FIPs), Real Estate Investment Funds (FIIs), Receivables Investment Funds (FIDCs), etc.

resource or title transfer may not occur as planned. These reasons and factors include, for example, default of the intermediary or parties, failures, interruptions, delays, or blockages in the systems or services of the central depositories, clearings, or settlement systems, central counterparties, or the settling bank involved in the settlement of such events.

The negotiation and values, assets, contracts, and financial assets of the funds can be affected by various exogenous factors, such as interventions by government authorities and regulatory bodies in the markets, moratoriums, changes in monetary policy or the regulations applicable to investment funds and/or their operations, which may potentially cause losses to shareholders. Furthermore, the regular flow of operations conducted in the international market can be hindered by political, regulatory, and/or macroeconomic conditions of the involved countries.

Concentration Risk

Due to management strategies, investment vehicles managed by MOAT may be subjected to the risk of losses due to a lack of diversification in issuers, asset classes, markets, operational modalities, or economic sectors. Concentration of investors (liabilities) can also be a risk factor and is subject to monitoring.

Liquidity Risk

Depending on market conditions, the financial assets of investment vehicles may experience a decrease, interruption, or even suspension of their tradability. In such cases, MOAT may be forced to accept discounts or premiums on the sale of assets (or premiums on purchases), impacting the fund/portfolio's profitability, or even the settlement of requested redemptions through asset delivery. In extreme conditions, such liquidation might not be possible even at discounted prices, in situations such as suspension or interruption of trading in general markets, or a specific asset.

Despite MOAT's (and the respective fund administrators') effort and diligence in maintaining the fund/portfolio's liquidity in line with the redemption payment period defined in each regulation/mandate, there is a risk of mismatch between the actual liquidity and the redemption payment period. This can happen due to atypical market moments or failure in the liquidity estimation model, which is based on statistical data and market observations.

In some cases, due to the allocation of resources in instruments with potential returns higher than traditional instruments but with more limited marketability, MOAT's managed investment vehicles may have to accept discounts relative to the expected price of their instruments, negatively impacting their profitability.

Therefore, it may be impossible to fulfill expected or unexpected, current and future obligations, including those arising from the binding of guarantees, as well as the impossibility of market-price transactions of a particular position due to its large size relative to the normally traded volume, or due to some discontinuity in the market.

Credit Risk

Operations of funds and portfolios are subject to the default or delay of issuers of their financial assets and counterparties, including central guarantors, collaterals, guarantees, sureties, and service providers involved in the fund's resource transit. In such cases, the funds may (i) have reduced profitability, (ii) suffer financial losses up to the limit of contracted and unsettled operations, and/or (iii) face devaluation of part or all of the value allocated in the financial assets.

Counterparty Risk

This is the risk of losses associated with the non-fulfillment by the respective counterparty of its operational or financial obligations as agreed.

Process for Setting Risk Limits

The Risk Director is responsible for:

- ✓ Ensuring exposure risk limits are defined for managed portfolios and investment funds (individually defined), formalized at the start of each product, fund, or portfolio, and reviewed when necessary;
- ✓ Constantly verifying the risks involved in the portfolios of vehicles under MOAT's responsibility, for existing positions or new management demands. For all approved products and strategies, the Risk Area monitors exposures and controls the established limits;
- ✓ Ensuring MOAT adopts suitable systems (own or outsourced) for such verifications, aimed at minimizing the possibility of active misalignments of positions held, even considering that natural market fluctuations may cause passive misalignments of positions held by investment vehicles under MOAT's responsibility;
- ✓ In periodic monitoring, any collaborator who identifies an extrapolation of predefined limits and/or any misalignments, must notify their responsible manager and the Risk Director, to appropriately address and rectify the situation with the management team. This procedure should be carried out respecting the deadlines allowed by the applicable regulations;
- ✓ If the limit is not realigned or unforeseen situations occur, it is the responsibility of the Risk Director to refer the matter to the Risk Committee, which will decide, extraordinarily, on the procedures to be carried out, including a plan of action to be implemented in this regard.

Risk Metrics and Tools Used in Risk Management

The risk monitoring techniques to estimate the exposure level of investment vehicles to risks are defined based on the type of fund, with or without expressed limits in the regulation. The methods may include:

1. Monitoring of leverage and risk capital exposure: Leverage is the use of operations that can expose MOAT-managed investment vehicles to market risks in a percentage higher than their equity, consequently increasing risks and the potential for losses.
2. Monitoring of Loss Risk: Estimation of the maximum potential loss for the respective vehicle's portfolio (fund, class, or portfolio), over a given time horizon, associated with a probability or statistical confidence level (applicable only in the case of specific funds where there is a demand for the calculation of this metric). In the mandates in general, VaR is not adopted as a risk control instrument.
3. Volatility, correlation, stress testing, and Drawdown: Risk measures analyzed together to assess the portfolio behavior of the respective vehicle (fund or portfolio) under significantly adverse market conditions, based on past scenarios, projected qualitatively, or by quantitative methods.
4. Monitoring of liquidity and concentration: Calculation of the total value of assets that can be financially liquidated within a given period, weighted by redemption rules and portfolio composition, assigning probabilities for trading these assets under current market conditions.

5. Monitoring of counterparty and credit risk: Calculation of the total exposures of the funds/portfolios by counterparty or issuer. For derivative operations, the potential risk of the operation is simulated until its expiration.
6. Monitoring of guarantees (private credit): In periodic monitoring, the Risk and Compliance Areas, or legal entities specifically contracted for this purpose, according to the respective issuance instruments, issue individual reports of each asset that composes the portfolios/funds under MOAT's responsibility, evaluating the situation of each project and/or debtor to whom the resources were destined, the guarantees, the payments of interest and principal, as well as the market risks. The obligation to present the report is monthly, according to the performance periodicity of the assets.
   Furthermore, the risk reports of the fund portfolios are analyzed monthly, considering stress scenarios and market variations.

The monitoring undertaken by MOAT (i) uses the current data of the operations present in the portfolios; (ii) uses historical data and assumptions to try to predict the behavior of the economy and, consequently, the possible scenarios that may affect the investment vehicles managed by MOAT, with no guarantee that these scenarios will actually occur in reality; and (iii) does not eliminate the possibility of losses for the investors/portfolio holders.

Procedures

Flow and Frequency of Risk Monitoring Reports

The Risk Directorate releases risk monitoring reports to the other areas of MOAT involved in the process, at most every 30 (thirty) days, at the Risk Committee meetings.

However, risk monitoring is available in an electronic system daily. A consolidated summary of the risk is provided to the members of the Risk Area and MOAT's Directorate, at most weekly.

Duties Regarding Verification of Compliance of Funds and their Classes

The composition and concentration limits of the portfolio, capital risk exposure, and concentration in risk factors must be complied with by the manager based on the net equity of the class, with the manager being responsible, where applicable, for ensuring their realignment in the best interest of the investors.

In the case of non-compliance, if the asset portfolio remains non-compliant for 10 (ten) consecutive business days, the manager must submit to CVM an action plan for the realignment of the portfolio.

In the circumstance of passive non-compliance, if it lasts for 15 (fifteen) consecutive business days, at the end of this period, the manager must send explanations to the CVM regarding the non-compliance, and must also inform about the realignment as soon as it occurs.

Methodology for Defining the Risk Scale of Funds and their Classes

The resource manager is responsible for classifying the risk scale of the classes, following a continuous scale with a score from 1 (one) to 5 (five), where 1 (one) is for the lowest risk and 5 (five) for the highest risk.

Criteria for Risk Scale

MOAT considers the following criteria to establish the Risk scale for each fund and class managed:

a. Interest Rate Risk;
b. Price Index Risk;
c. Currency Risk;
d. Stock Market Risk;
e. Credit Risk;
f. Liquidity Risk;
g. Commodities Risk.
h. Other risks (as defined by the Risk Director)

Each fund class is assigned a score considering the type of Risk and the potential allocation of the respective class, as per the table below. If there is insufficient information for point composition, the maximum score for the specific risk factor should be considered.

Funds Class Risk Scale Table

ANBIMA Funds Classes Classification	Risk Scale (Minimum Score)
Simple Fixed Income	1
Indexed Fixed Income	1
Sovereign Low Duration Fixed Income	1
Investment Grade Low Duration Fixed Income	1
Free Credit Low Duration Fixed Income	2
Sovereign Medium Duration Fixed Income	1,5
Investment Grade Medium Duration Fixed Income	1,5
Free Credit Medium Duration Fixed Income	2,5
Sovereign High Duration Fixed Income	2,5
Investment Grade High Duration Fixed Income	2,5
Free Credit High Duration Fixed Income	3
Sovereign Free Duration Fixed Income	2
Investment Grade Free Duration Fixed Income	2
Free Credit Free Duration Fixed Income	3
Indexed Stocks	4
Active Index Stocks	4
Value/Growth Stocks	4
Small Caps Stocks	4
Dividend Stocks	4
Sustainability/Governance Stocks	4
Sectoral Stocks	4
Free Stocks	4

Mono Stock Funds	4
Balanced Multimarket	2
Dynamic Multimarket	2
Capital Protected Multimarket	2
Long and Short Neutral Multimarket	2,5
Long and Short Directional Multimarket	3
Macro Multimarket	3
Trading Multimarket	3,5
Free Multimarket	3,5
Interest Rate and Currency Multimarket	2,5
Specific Strategy Multimarket	3
Currency (Exchange Rate)	4

Metrics Adherence Test

Annually, a comparison is made between the risks assessed by the models used by MOAT and the actual results obtained from real market movements. The goal is to verify the calibration of the models and assess the need for revision of parameters and methodologies.

ANNEX I - Credit and Counterparty Risk

Principles and Obligations

MOAT has, in its structure – via specialized Collaborators or service providers –, the capacity for legal, credit, compliance, and risk analysis in the acquisitions of private credit, enabling the prior evaluation and monitoring of titles after their respective acquisitions.

The proposition of limits for counterparties, issuers, and specific assets should be preceded by:

- ✓ Access to information and documents deemed necessary by the respective manager for proper credit analysis for purchase and monitoring of the asset;
- ✓ Legal, credit, compliance, and risk analyses of operations with private credit, allowing the evaluation of the business and monitoring of the title after its acquisition;
- ✓ Access to documents comprising the operation, financial statements, prospectuses, or other technical and legal information related to the issuer, counterparty, or asset;
- ✓ Special attention is required in the case of operations with real or fidejussory guarantees, particularly regarding the conditions applicable to their access and execution.

Assets, issuers, and counterparties are monitored for the credit risk involved in the operation, as well as the quality and executability of the guarantees, as long as the asset remains in portfolios managed by MOAT.

When operations involve controlling companies, subsidiaries, related companies, and/or under common control with MOAT, the same criteria used in operations with third parties will be observed, maintaining the documentation used, to demonstrate that the operations are conducted on equitable terms.

Each counterparty's risk is controlled (i) by direct exposure to credit risk (debt, deposits, general credit instruments); and (ii) through exposure via derivatives, either by placing collateral to benefit the counterparty.

MOAT must periodically assess the credit quality of the main debtors/issuers of the credit assets or credit rights, as the case may be, acquired by the Funds, with a review frequency proportional to the credit quality - the worse the quality, the shorter the interval between re-evaluations - and/or the relevance of the credit to the portfolio and suitable for the characteristics of the credit rights, if applicable, documenting all re-evaluations conducted.

Controls and Processes

MOAT's controls and processes are capable of: (i) registering the different assets that can be traded by the investment vehicles managed by MOAT, allowing for storing characteristics of these assets, such as: credit modality, installment dates and amounts, contracting and maturity dates, interest rates, guarantees, date and acquisition value by the Funds and their classes, information about the operation's rating at the date of contracting, and when applicable, data of the assignor and data of the drawee (in operations where the assignor does not retain substantial risks and benefits on the asset), and these characteristics should be analyzed by the Risk Committee; (ii) pricing based on the type of asset and other risk factors and preserving the calculation memory, including formulas and variables used in the model; (iii) issuing managerial reports for monitoring the acquired operations, as well as measuring, both individually and aggregated level of operations with similar characteristics, the exposure to credit risks.

ANNEX II – Structured Funds

Risk Management for Credit Rights Investment Funds (FIDC)

We address here the funds listed below (hereinafter referred to as "FIDCs"):

- Credit Rights Investment Funds - FIDCs;
- Quotas of Credit Rights Investment Funds - FIC-FIDCs;
- Non-Standardized Credit Rights Investment Funds - FIDC-NPs; and
- Quotas of Non-Standardized Credit Rights Investment Funds - FIC-FIDC - NPs.

The structuring of a fund of this nature must be subject to appraisal by at least the Investment Committee (for the purpose of analyzing the operational capacity of the product) and the Risk Committee (or with the waiver of holding such committees with the participation of the respective directors in the Investment Committee that will appraise/propose the new product), and final approval by the Senior Management.

After its constitution, the selection and approval of financial assets acquired and allocated in FIDCs are the responsibility of the Investment Committee, with the same rules of deliberation, approval, and documentation of the respective decision-making processes adopted for the other MOAT funds.

However, if there are products with specific dynamics, the management director may authorize that the management of these specific products be directly overseen by professionals or specific teams and committees, with their own decision-making process, distinct from the decision-making process of the Investment Committee (subsidiary to it, or to the management director).

The respective limits and controls are determined and carried out respectively by the Risk and Compliance Areas, based on decisions of the Risk Committee.

MOAT must establish its own team of specialized professionals for credit analysis, management, and monitoring of assets, in order to enable the prior evaluation of acquisitions and periodic monitoring of the quality of credits acquired for the portfolios of such funds. In the case of hiring service providers or outsourced professionals, there must be prior and careful analysis and selection of the contractors, as established in the Service Provider Selection Policy of the asset manager.

Asset Control and Monitoring Processes

Each investment fund, due to its distinct characteristics, must implement and maintain, in a written document, rules and procedures for the analysis of credit, management/acquisition of Credit Assets designated for FIDCs (Credit Rights Investment Funds) and their monitoring in the FIDC portfolio.

The responsibility lies with the MOAT's FIDC management team and, if applicable, with the Investment Committee to:

- ✓ Ensure the correct formalization of documents related to the acquisition of Credit Rights;
- ✓ Perform the selection and evaluation of Credit Rights in terms of the investment policy, taking into account the structure of the Credit Rights, guarantees, receipt flows, and any operational impacts;
- ✓ Verify, prior to investment, the alignment of credit rights with the investment policy, including, at a minimum, validation of credit rights against eligibility criteria and compliance with composition and diversification requirements, individually or by sampling, using a consistent and verifiable statistical model;
- ✓ Evaluate the adherence of credit rights' performance risk, if any, to the investment policy;

- ✓ Monitor repurchases and settlement of Credit Rights;
- ✓ Generate financial information and statistics and continuous monitoring of the evolution of all assets in the FIDC portfolio;
- ✓ In case of replacement of credit rights, for any reason, ensure that the risk-return relationship of the portfolio of credit rights is not altered, in terms of investment policies;
- ✓ Monitor valuation and settlement events, when under its responsibility;
- ✓ Track the reconciliation flows of the receipt of Credit Rights;
- ✓ Ensure that the Fiduciary Administrator, Resource Manager, custodian, and specialized consultant or related parties, as defined by accounting rules addressing this matter, do not assign or originate, directly or indirectly, Credit Rights to the FIDC they operate in;
- ✓ Observe limits for credit operations individually and aggregated by groups with common economic interest, and when applicable, of borrowers or counterparts with similar characteristics;
- ✓ Consider, on a case-by-case basis, the importance of combining quantitative and qualitative analyses and, in certain situations, use statistical calculations based on the debtor's financial indices, which should be accompanied by an analysis, duly documented, taking into account aspects such as the issuer's reputation in the market, the existence of financial pending issues and protests, possible tax pending issues, fines, and other relevant indicators, when applicable;
- ✓ Acquire the asset only if access to information deemed necessary by the Resource Manager for proper asset analysis for purchase and monitoring has been guaranteed, and that can be obtained through reasonable efforts;
- ✓ Demand access to documents part of the operation or related to it that appropriately reflect the legal formalization of the titles or assets invested and, when applicable, the formalization of guarantees established in favor of the operation;
- ✓ Ensure that there is a perfectly formalized assignment of Credit Rights acquired by the FIDC portfolios, so that the supporting documentation can guarantee the protest, extrajudicial collection, or judicial execution of the assigned Credit Rights and their possible guarantees;
- ✓ For FIDCs that have in their portfolio Credit Rights backed by rights arising from legal action, monitor the procedural progress of these actions and inform the fiduciary administrator;
- ✓ Analyze the characteristics of the guarantees, aiming at their executability, including with regard to compliance with formal requirements for their establishment and appropriate evaluations regarding their relevance, sufficiency, and liquidity of assets in case of execution; and
- ✓ Regardless of any evaluation by a contracted credit consultant, the Resource Manager is responsible for conducting their own analysis, keeping it duly formalized.

The rating and respective summary of the asset or issuer, provided by a risk rating agency, if available, should be used as additional information to the evaluation of the respective credit risk and other risks that must be undertaken, and not as a sufficient condition for its acquisition and monitoring.

Acquisition of Credit Rights

The management of each FIDC by MOAT is preceded by the creation (or revision) of procedures for the selection, evaluation, approval, and acquisition of credit rights, which can be done individually or collectively, based on consistent and verifiable criteria, and supported by internal and external information, always observing, in relation to credits eligible for each FIDC, and concerning:

- ✓ The nature and purpose of the transaction;
- ✓ Quantity;

- ✓ Value;
- ✓ Term;
- ✓ Analysis of variables such as yield, interest rate, duration, convexity, volatility, among others that may be considered relevant; and
- ✓ Total amount, maturities, and delays, in the case of acquiring parts of an operation.

The choice between individual or collective analyses should be made based on the characteristics and risks associated with the structure of the FIDC and which analyses are more efficient.

In individualized analyses of credit rights, the following will be observed for debtors, assignors, and guarantors, as objects of analysis metrics, for each FIDC:

- ✓ Economic-financial situation (current at the time of the operation and prospects/projections);
- ✓ Degree of indebtedness;
- ✓ Capacity for generating results;
- ✓ Cash flow;
- ✓ Management and quality of controls;
- ✓ Governance;
- ✓ Timeliness and delays in payments;
- ✓ Contingencies;
- ✓ Sector of economic activity;
- ✓ Credit limit; and
- ✓ Operational risk associated with the acquisition, monitoring, and settlement of the respective credit rights.

In individualized analyses of legal entities, in addition to the company's information, consider:

- ✓ Information about their controllers; and
- ✓ Issues related to the conglomerate or economic group to which the debtor company belongs, such as the managerial capacity of the controller, the existing governance structure, market perception of the group, the financial and asset situation, liquidity and terms of the main obligations, as well as potential risks of image damage and conflicts of interest in assemblies.

In the case of collective analyses, a statistical model should be used to assess the base of debtors and/or assignors, considering factors for grouping similar credit risks, such as economic activity, geographical location, type of guarantee, operational risk associated with the acquisition, monitoring and settlement of credit rights, history of default, and degree of indebtedness, as well as the risk of fungibility of the credit rights.

For operations originated or assigned by companies that are controlling, controlled, linked to, or under common control with MOAT, the same criteria and level of diligence as any other operation with the same type of asset should be used.

Monitoring of Credit Rights

MOAT, in structuring each FIDC, implements and maintains a process for monitoring the acquired assets capable of tracking the risks involved in the FIDC's target operations. The monitoring considers, especially:

- ✓ Credit and operational risks;
- ✓ The quality and execution capacity of the guarantees while the asset remains in the FIDC's portfolio;

- ✓ Comparison and evaluation of available market indicators and sectoral indices that correlate with the segments contained in the FIDC's portfolio (credit proxy);
- ✓ Other relevant factors and technical competencies.

The Resource Manager must periodically monitor available market indicators, as a proxy for the credit quality of debtors and sectoral indices for which there is a high correlation with the companies' performance. Without prejudice to other parameters defined in the regulation, the following will be monitored:

- ✓ The subordination index;
- ✓ The portfolio's compliance with credit rights and, for overdue and unpaid credit rights, ensure that collection procedures are adopted, noting that this last obligation does not exist in cases of exemption provided for in the regulation;
- ✓ The return rate of the credit rights, considering, at a minimum, payments, prepayments, and defaults.

MOAT, in structuring each FIDC, implements and maintains controls capable of registering different credits that can be acquired by the FIDC, allowing the storage of characteristics of these assets, such as:

- ✓ Credit instrument;
- ✓ Dates and values of installments;
- ✓ Dates of contracting and maturity;
- ✓ Interest rates;
- ✓ Guarantees;
- ✓ Date and value of acquisition by the Fund;
- ✓ Information about the operation's rating on the date of contracting, and when applicable, data of the Assignor and data of the drawee (in operations where the Assignor does not retain substantial risks and benefits of the asset).

The implemented controls - if applicable to the FIDC's asset type - must identify non-standardized cash flows, represent credit curves, and calculate the present value of the operations.

MOAT reviews - periodically (as established for each FIDC, proportional to the quality of credit and risks) - the credit quality of risks associated with the FIDC's assets. For this, each FIDC establishes criteria for periodicity aligned with the quality of credit and risks, conducting more frequent analyses in the case of assets with higher credit risk and relevance to the FIDC's portfolio.

Evaluation, Acceptance, and Formalization of Guarantees

MOAT acts to ensure that, during the acquisition and throughout the maintenance of a credit in an FIDC, the documents that attest to the regularity of guarantees are always updated and valid.

Essential pillars in the process of evaluation, acceptance, and formalization of guarantees include:

- The possibility of executing the guarantees, based on specific criteria;
- Variability of the liquidation value, including due to the possibility of forced sale;
- Establishing percentages for overcollateralization in anticipation of forced sales;
- Where applicable, anticipating the inadmissibility of accepting as guarantees assets whose execution may become unfeasible, such as assets essential to the continuity of the debtor's operations, family assets, large rural areas in remote locations, and properties with significant social functions;

- Checking the possibility of favoring assets that have a clear secondary use (e.g., industrial land that can be converted for residential use), considering the economic potential of the asset not only for the current user but also for other potential users;
- In the case of shared guarantees:
    - Ensuring that the sharing is adequate for the operation; and
    - Adopting a structure/model that allows the relevant part of the guarantee to be free and in a condition for execution.

Open FIDCs

In the case of managing open FIDCs, it falls to the risk area to establish liquidity risk management controls, as per current regulations, applicable to all assets in the FIDC's portfolio.

Specific Risk Management for Real Estate Investment Funds (FIIs)

Risk Monitoring

Given the specificity of investment strategies in real estate projects, financial assets, or companies (SPEs) typically targeted by FIIs, usual risk metrics (stress tests, VaR, etc.) are not relevant as these assets do not have a historical price series on the stock market, and the adjacent risks are different from those of publicly traded companies.

For FIIs, it is necessary to focus on the relevant requirements and monitoring before investing in a project or financing structure in the investment process, and throughout the time the resources are held in this asset.

Risk Management Prior to Investment

The investment selection process for FIIs is fundamentally based on mitigating unnecessary risks. Elements to be qualified by MOAT, for risk measurement purposes, in seeking investments include:

- Sectors (residential, corporate, etc.), regions, and businesses that may offer attractive growth opportunities; and
- Balancing these return opportunities, adjusted for risks.

In cases where the above relationship aligns with the investment risk objective, risk mitigation prior to the acquisition of equity is based on:

- ✓ Experience, competence, and alignment of interests of the project management team, and the same for consultants and service providers involved in the process;
- ✓ Rigor in due diligence procedures, hiring advisors (M&A, legal, tax, accounting, environmental, etc.), background checks of the company, its partners, and liabilities;
- ✓ Perspective of long-term maturation of the investment, with a consistent strategy;
- ✓ Capital preservation, if possible with financial investment allocated gradually, and at discounts relative to target prices;
- ✓ Seeking sectors, regions, and segments where the management team has expertise, and extensive analysis of macro, micro, peer groups, competitors, and other impact factors;
- ✓ Prior planning of the management strategy of the project, value creation, and exit strategy;
- ✓ Rigor in legal binding, choice of counterparts, potential guarantees, and contracts;

- ✓ Adequacy of assets and legal investment instruments to the applicable regulation of FIIs, as well as their legal limits, alignment, eligibility, regulation, etc.;
- ✓ Other specific risk mitigators that are compatible with each operation.

Risk Monitoring after Investment

Real estate assets and their respective guarantees will be controlled and monitored, with proper documentation and review by the Investment Committee, and also by the Compliance and Risk Areas, where, in the case of guarantees, the frequency of reassessments should be proportional to the credit's relevance to the portfolio and the relevance of the guarantee in the credit risk assessment.

The control metrics adopted must be capable of monitoring, according to consistent criteria, potential losses associated with credit risk. Evaluations need to be duly appreciated by the decision-making authorities (management team and committees), with proper recording and documentation of analyses, considerations, and decisions.

MOAT maintains a formal and documented process of monitoring the Real Estate Assets and securities acquired by the FIIs, suitable for the objective and investment policy of each FII individually, and may use, for support, the hiring of specialized consultancy. In case of issues, the process must consider taking appropriate measures if actions not aligned with the objective and investment policy of each FII are identified.

It is the responsibility of the MOAT Investment Committee to regulate the rules and procedures regarding the minimum information to be considered in the above process, as well as its frequency.

Such formalized processes above must contain mechanisms for evaluations:

- Of the suitability of assets to the respective investment policy of the managed vehicle;
- Of the economic and financial evaluation of assets; and
- Of evaluations of assets considering legal, technical, and environmental aspects, including, when necessary, appraisal reports issued by specialized companies.

Without prejudice to the above, MOAT, in selecting real estate assets, must:

- Consider, on a case-by-case basis, the importance of combining quantitative and qualitative analyses and, in situations where it deems necessary, use metrics based on the debtor's financial indices;
- Only invest in private credit securities with proper access to information deemed necessary for an adequate analysis of credit risk for purchase and monitoring of the asset; and
- Demand direct or third-party access to documents that properly reflect the legal formalization of the titles or assets invested and, when applicable, the formalization of guarantees constituted in favor of the operation.

Analyses for acquiring real estate assets must identify and measure the main associated risks and justify their acquisitions, admitting procedures that consider assets either individually or collectively, observing:

- The nature and purpose of the transaction;
- Quantity;
- Value;
- Term;
- Analysis of variables such as yield, duration, convexity, volatility, among others that may be considered relevant; and
- Total amount, maturities, and delays, in the case of acquiring parts of a transaction.

In individual analyses, the following will be observed in relation to debtors and guarantors:

- Economic-financial situation (current status at the time of the operation and perspectives/projections);
- Level of indebtedness;
- Capacity to generate results;
- Cash flow;
- Administration and quality of controls;
- Timeliness and delays in payments;
- Contingencies;
- Economic activity sector;
- Credit limit; and
- Operational risk associated with the acquisition, monitoring, and settlement of the respective credit rights.

Shares in Special Purpose Entity

When a structure makes use of SPEs, the Manager must verify the suitability of the real estate project to the investment policy, evaluating, at a minimum:

- Characteristics of the target company:
  - Operational complexity;
  - Corporate framework of the Special Purpose Entity (SPE);
  - Existing governance structure; and
  - Description of the partners and a brief history of the SPE.
- Describe how legal issues of the project/SPE are addressed.

General Risk Factors in FIIs

Market Risk

In the absence of daily pricing of a real estate project or credit asset linked to the real estate market, a common and recurrent fact in FIIs, the market risk is essentially concentrated on the risk of incorrect pricing of the asset in the fund's portfolio. This means the estimation of the fair value of the project/asset may deviate from its market peers, its fundamentals, or the value actually realized in the future sale of the asset, creating volatility in the FII shares.

In cases where FIIs use appraisal reports contracted from specialized and independent firms, there is also the external risk of technical failure in these third-party reports.

Liquidity Risk

From an investor's perspective, liquidity risk should be understood in two aspects: (i) low liquidity of the fund's shares in the secondary market, and (ii) investment in real estate projects, credits, or assets that do not have trading on stock exchanges or other markets.

Additionally, the unpredictability of selling the invested assets must be considered, which might be subject to discounts if exit strategies are unsuccessful. To mitigate this risk, such factors must be exhaustively analyzed at the time of the asset purchase and recurrently over the course of the investment.

These risks can impact the unitholder as there may be a possibility that the Fund may not efficiently honor its current and future obligations and expenses, thus affecting its daily operations. For instance, it might become challenging to sell the invested assets.

Therefore, it's crucial that Liquidity Risk Management in the fund's daily activities aims to avoid an incorrect estimation of resources to meet expenses or commitments made for investments of each of the FIIs.

Asset and liability management is carried out considering: (i) funds allocated to investments; (ii) funds allocated to charges; (iii) legal and regulatory limits approved for charges; (iv) fixed expenses; (v) resources already used in investments or charges; and (vi) committed capital. If resources are not sufficient to meet expenses in the short/

A gestão de ativos e passivos é feita levando-se em consideração: (i) valor destinado a investimentos; (ii) valor destinado aos encargos; (iii) limites legais e regulamentares aprovados de encargos; (iv) despesas fixas; (v) recursos já utilizados em investimentos ou encargos e (vi) capital comprometido. If resources are insufficient to meet expenses in the short/medium term, the Risk Area must immediately inform the Management Area so that, if necessary, a capital call from the FII's unitholders can be arranged, according to the rules of each Fund's regulations.

Counterparty Risk

MOAT mitigates risks linked to operational counterparties by working with experienced partners, conducting a thorough Due Diligence process beforehand, and favoring large financial institutions with solid market positioning and a long-standing reputational history.

Regarding the investments made by the FIIs, an essential requirement is the prior reputational verification of the properties, issuers, or developers/investments, their shareholders, board members, executives, directors, etc., especially through conducting background checks.

Reputational Risk

This risk is directly related to the perceptions of the general public, public opinion, workers, suppliers, clients, etc., regarding actions or attitudes (or failures) of the invested entity that may also be attributed to them due to MOAT's investment or influence in the company.

To this end, the manager monitors information available about the company or its sectors in the media to anticipate and position itself regarding events that have the potential for reputational damage. If such a risk materializes, specific actions will be developed by the manager's competent committees, aiming to combat and/or reduce potential losses and damages.

Legal Risk

MOAT's perspective is that legal risk in a FII primarily arises from actions or omissions by those involved in the management or success of real estate assets (whether justly, unjustly, with malice, negligence, etc.), or their executives, which may result in harm to third parties, and these parties may seek legal redress, involving both the FII and the manager in such disputes.

To mitigate such risk, it is crucial for MOAT to be closely involved in the competent channels of effective influence in management, and to ensure that assets/developments operate within applicable legal and regulatory standards. When necessary, such risks are contingently managed through insurance, guarantees, contracts, etc.

Fair Value Assessment

Properties classified as investment property within the portfolios of Real Estate Investment Funds managed by MOAT should be continuously measured at fair value, and this measurement should be performed at least annually.

Misalignment

The continuous monitoring of the alignment of the FIIs' portfolios is performed by the Risk Area, notwithstanding the primary responsibility of the Management Area, especially at the time of origination and/or increase of participation in an asset/development. The main alignments common to all FIIs are the limits of: sector concentration, concentration in a single project, expense limit, and investment policy limits; without prejudice to other limits provided in the regulation of each Fund.

Misalignment of the portfolio is observed when one of the limits expressed in the regulation of one of the FIIs or applicable regulation is breached. If any misalignment is identified, the Risk Area must immediately communicate with the Management Area to develop an appropriate action plan, including the reason, immediate measures, and the expected timeframe to realign the Fund. The action plan must be reported to the Compliance and Risk Area for monitoring. The Risk Area must also interact with the Fiduciary Administrator of the respective FII to confirm and justify such misalignment, already informing about the action plan.

Specific Risk Management for Private Equity Funds (FIPs)

Risk Monitoring (before and during investment)

The structuring of a fund of this nature must be subject to appraisal at least by the Investment Committee (for the analysis of the product's operational feasibility), the Risk Committee, and the Executive Committee (for final approval by the Directors).

For monitoring the risks applicable to FIPs, the Risk Area, in conjunction with the Management Area, carries out activities: (i) before making an investment in a target company and (ii) after its investment.

It is the responsibility of the Directorate, through the Fund's Investment Committee, to sanction the rules and procedures regarding the minimum information that must be considered in the process, as well as its frequency.

Risk Monitoring Before Investments (Target Companies)

In the process of selecting its investments, MOAT seeks companies that can offer attractive growth opportunities but with a balancing of investment risk to optimize risk-adjusted returns.

In the case of companies, and FIPs, to achieve this objective, the manager implements a disciplined policy of risk mitigation that includes, among other practices: (i) allocation in sectors known and well explored by management teams; (ii) acquisition at a discount to fair value; (iii) if possible, gradual investment of committed resources; (iv) drafting of long-term contracts and projects; (v) careful selection of counterpart

In the case of companies and FIPs (Private Equity Funds), to achieve this objective, the management implements a disciplined risk mitigation policy that includes, among other practices: (i) allocation in well-known and well-explored sectors by management teams; (ii) acquisition at a discount to fair value; (iii) if possible, gradual investment of committed resources; (iv) drafting of long-term contracts and projects; (v) careful selection of counterparties; (vi) comprehensive and in-depth due diligence procedures of target companies; (vii) planning exit strategies before investing and (viii) a well-defined strategy of value creation for the target companies.

The entire process of investing in new companies or real estate projects undergoes a complex due diligence process that includes: (i) hiring specialized service providers or consultancies (in M&A processes, including legal, tax, and accounting areas); (ii) sectoral analysis and comparison with similar companies; and (iii) conducting background checks on the company and its main partners, among others (companies, owners, service providers, etc. involved).

The tasks integral to the investment process in new companies are also carried out to ensure that: (i) the operations of the investments – and their financial and legal control - are formalized through contractual instruments applicable to the regulations and legislation of FIPs and (ii) legal, financial, accounting, and, in some cases, environmental audit procedures (due diligence) are carried out on the target companies by independent service providers.

Additionally, before each acquisition or increased participation operation, a prior analysis of the target asset's compliance should be carried out, according to the regulations of each FIP, concerning the limits and eligibility criteria.

Risk Monitoring After Investments (Target Companies)

After the completion of the operation, some activities are necessary to assess, monitor, and control the risks that may affect the investment in the invested companies. To achieve this objective, procedures are implemented, such as:

- The preparation of reports, sent to the investors, containing information and conclusions related to the monitoring and risk assessment of the FIPs, such as: key performance indicators (KPI) of the invested companies; multiple of investment (MOIC) and internal rate of return (IRR) of the invested companies, when applicable; origination pipeline; evolution of the net worth and issuance shares of the FIPs, among other information;
- In the case of FIPs, the implementation of the integrity program by the invested companies, with minimum compliance mechanisms and procedures, with special attention to the observance of anti-corruption rules and prevention of money laundering.

MOAT's risk mitigation also comes from the appointment of qualified professionals to the invested companies. Specifically, through members of the Board of Directors, Advisory Committees, and key positions (such as Chief Financial Officer, "CFO"). These appointed administrators must have an effective influence on management decisions and strategy definition of the invested companies and make reports to the Management Area.

Market and/or Pricing Risk

The Market Risk of an asset is associated with the possibility of price variation of the assets caused by changes in market parameters. Thus, the Market Risk involved in the management of FIPs mainly arises from the risk of incorrectly pricing the assets of the Fund's portfolio, i.e., if the estimate of fair value is too far from market fundamentals, consequently impacting the shares of the FIPs.

When management involves FIPs considered as "investment entities," as per current regulations, an annual valuation report is required. To prepare the valuation reports of the invested companies, specialist valuation companies are hired to independently price the assets of the FIPs.

All valuation reports must be analyzed by the management teams of each platform, addressing: (i) the assumptions used for pricing and (ii) the financial indicators.

Liquidity Risk

Liquidity risk is essentially the difficulty in selling an asset, and therefore selling at a discount to the value marked in the portfolio. In the case of FIPs (Private Equity Funds), whose assets are inherently illiquid, exit strategies are well-defined before acquiring a company or real estate asset (in the case of a fund aiming to sell real estate assets at some point). Additionally, before formalizing the exit process from the investment, the Management Area conducts a thorough evaluation of the scenario in which the invested company is situated, its market, and the conjecture of the country at the time to weigh the best moment for divestment.

Thus, MOAT considers the Liquidity Risk of FIPs as the possibility of the Fund being unable to efficiently honor its obligations and expenses, current and future, thus affecting its daily operations. In this way, the management of Liquidity Risk aims to avoid an incorrect estimate of resources to meet the expenses or commitments assumed for investments in each of the FIPs.

The management of assets and liabilities takes into account: (i) value allocated to investments; (ii) value allocated to charges; (iii) legal and regulatory limits approved for charges; (iv) fixed expenses; (v) resources already used in investments or charges and (vi) committed capital. Should the resources not be sufficient to meet the expenses in the short/medium term, the Risk Area must immediately inform the Management Area so that a capital call from the FIP's investors can be arranged, according to the rules of each Fund's regulations.

Counterparty Risk

MOAT mitigates risks linked to operational counterparties (related to the net values available within the Funds) by working with large financial institutions, with a solid market position and long-standing reputational history. When applicable, the monitoring of counterparties will be constant. The periodicity of the review will be proportional to the quality, size, and renown of the counterparty (i.e., the worse the quality, the smaller the size and renown, the shorter the interval between re-evaluations) and/or the relevance of the counterparty to the portfolio.

Regarding the investments made by the FIPs, the Compliance Area conducts analysis and monitoring of the invested companies, especially through background checks of the company itself and its main shareholders and administrators. Additionally, the Legal Area analyzes the main documents of the investment and divestment operations (directly or through hiring specialized external offices), as well as monitors the regulatory requirements of each Fund.

Operational Risk

Operational Risk is defined as the possibility of loss due to deficiency or inadequacy of internal processes, people and systems, or external events. In this sense, to mitigate damages caused by the impediment of the regular functioning of its office, MOAT adopts a contingency plan detailed in a separate policy.

MOAT makes its best efforts for the mitigation and timely treatment of operational errors, including those arising from systems or human failures, trying to rectify them effectively and fairly with respect to the FIPs, and consequently, their investors. If the operational error is identified before its materialization, i.e., before producing its result, it will be considered only a failure, and not an error per se.

Misalignment

The continuous monitoring of the alignment of the FIPs' portfolios is carried out by the Risk Area, notwithstanding the primary responsibility of the Management Area, especially at the time of origination and/or increase in participation in a company.

Misalignment of the portfolio is observed when one of the limits expressed in the regulations of one of the FIPs or applicable regulations is breached. If any misalignment is identified, the Risk Area must immediately communicate with the Management Area so that an appropriate action plan can be developed, including the reason, immediate measures, and the expected timeframe to realign the Fund. The action plan must be reported to the Compliance Area for monitoring. The Risk Area must also interact with the Fiduciary Administrator of the respective FIP to confirm and justify such misalignment, already informing the expected timeframe for realignment.

Additionally, the Risk Area prepares some reports that must be made available to the Management Areas, informing if there was any misalignment during the period.

LIQUIDITY RISK MANAGEMENT POLICY

Objectives, Principles, and Obligations

To formalize procedures that allow for the management, monitoring, measurement, and adjustment of liquidity risks of funds and managed portfolios.

MOAT's risk and liquidity management practices consider both the liquidity of assets and the characteristics of liabilities.

It is important to emphasize that liquidity is an aspect of market dynamics, which becomes even more relevant in times of crisis. For this reason, during these periods, the entities involved in MOAT's liquidity risk management should act more assertively.

Effects Regarding ANBIMA

For the purposes of the obligations set out in ANBIMA's guidelines, this Annex should be considered as MOAT's Liquidity Risk Management Manual.

Structure and Responsibilities

The monitoring of liquidity risk is the responsibility of the Risk Director.

The Risk Director will conduct a weekly assessment of liquidity levels, considering the daily liquidity of the funds and the concentration of unitholders.

This evaluation will consider the confrontation of the stress scenario model with the observed redemption patterns in the respective funds and the behavior of the portfolio assets.

Process and Authority

The Asset Manager, in conjunction with the Fiduciary Administrator, must manage the liquidity risk of the Funds, as established by current Regulation.

The Fiduciary Administrator must verify the internal controls adopted by the Asset Manager, to ensure that the liquidity risk management of the investment portfolios of the Funds is implemented and applied.

The Asset Manager should be the primary responsible for managing the liquidity risk of assets managed by them. The Risk Management area maintains a structure that ensures the execution, quality of the process, methodology, and documentation regarding decisions related to liquidity risk management.

These topics are part of the Risk area and Risk Committee processes. All documents related to decisions of forums, committees, or entities dealing with this topic are archived for a minimum of 5 years.

Asset Management Area and its Director

Defines liquidity limits of the invested funds, to be evaluated by the Risk Director.

Manages Liquidity, monitors, and respects the liquidity parameters defined in the respective regulations of the investment funds/mandates of the managed portfolios, as well as any managerially defined limits.

Administers daily liquidity limits, committed to the best control practices necessary for the adequate liquidity of each investment vehicle under MOAT's responsibility.

Evaluates any occurrences verified concerning liquidity, using the Risk Committee for their respective recording and pertinent decision-making.

Risk Area and its Director

Monitors liquidity risk and compliance with indicators, parameters, limits, and sub-limits approved by the Risk Committee (or managerially defined by the asset management area in conjunction with the risk area), and assesses at least weekly the level of liquidity, considering the daily liquidity of the funds and the concentration of unitholders: this evaluation will consider the confrontation of stress scenario models with the redemption patterns observed in the respective funds and the behavior of the portfolio assets.

Situations where liquidity parameters are breached should be referred by the Asset Management Area to the Risk Committee.

Applicability

This policy applies to MOAT's funds except for Exclusive and Reserved Funds and funds from other annexes of RCVM 175 that are not FIF Annex (non-FIFs) and portfolios managed by MOAT.

The process and criteria for control and management of liquidity risk in the cases listed as exceptions above are individualized by considering the specificities of structure, rules, and dynamics of application and redemption of each fund (particularly considering FIPs, FIIs, closed FIFs, and/or with amortization, stock exchange trading

Essa política se aplica aos fundos da MOAT excetuando-se os Fundos Exclusivos e Reservados e os fundos dos demais anexos da RCVM 175 que não o Anexo de FIFs (não-FIFs) e carteiras administradas sob gestão da MOAT.

The process and criteria for liquidity risk control and management in the aforementioned exceptional cases are individualized, considering the specific structure, rules, application dynamics, and redemption of each fund. This includes, particularly, FIPs, FIIs, closed FIFs, funds with amortization, exchange trading, etc., the structure and strategy of immobilizing resources in illiquid assets (privately-held companies, real estate, foreign investments, etc.), volatility, risk concentration by individual asset class, negotiability, sale conditions, and the decision-making process of both managers and investors.

Definition and Control of Liquidity Risk Limits of the Funds

The Management Director is responsible, within the same forums that define the fund allocation mandates and investment policies, to also debate, propose, and establish Liquidity parameters linked to the active and passive risks of the funds.

These parameters must be sanctioned and monitored by the Risk Director, ensuring compatibility between the estimated liquidity demand and the estimated liquidity supply of the open, non-restricted, and non-exclusive FIFs, considering known orders and those potentially pending settlement.

Special Situations of Illiquidity

In situations of illiquidity or other special market situations impacting the liquidity of the funds, if it is not possible to meet redemption requests, these will be closed for redemptions until the market situation normalizes or MOAT adopts the procedures indicated in the current legislation. These situations and decisions are recorded in the Compliance, Investment, and Risk Committee, in addition to communications to the respective investors.

In this scenario, it is the responsibility of:

- The Management Director to diagnose the market situation and communicate it to the Risk Director;
- The Risk Director to monitor these special situations, call the appropriate committees, and make necessary communications to regulators and internal departments of the institution for monitoring and resolution.

If the illiquidity is due to the impossibility of selling securities within the respective fund, redemptions may be executed by delivering these securities to the investors or other solutions provided in the regulations, defined by the involved areas, or subject to consultation/guidance from regulators or other legitimate legal instances.

Methodology of the Process

The management of liquidity risk is carried out at least monthly, with a frequency appropriate to the asset and liability structure of each investment fund and market conditions.

In exceptional cases where there are similar assets[2] in different portfolios, and if there are occasional liquidity distortions of such assets or atypical simultaneous liability movements, these situations will be considered in managing these special "crisis" situations by the Directors of Management, Compliance, and Risk.

In these situations, the mandates of the funds must be respected, and MOAT must act in a way that fulfills its fiduciary duty, without specific privilege to certain funds or investors over others. These situations need to be coordinated globally by the executives and internal bodies responsible for risk management and compliance.

Indicators and Limits

The management of liquidity risk establishes indices/indicators, limits, and sub-limits to ensure compatibility between the estimated liquidity demand and the estimated liquidity supply of the FIFs. These indicators and limits are set based on the time horizon for which the liquidity demand and supply are estimated, considering the different characteristics of each fund, their management strategies, asset classes, market behavior, cash flow, trading volume, among other criteria.

The indicators are calculated individually, and it is the responsibility of the Risk Area to technically define these indicators for each fund or group of funds.

Situations that involve non-compliance with liquidity indicators and parameters must be immediately

[2] Hypothetical examples: a sectoral event or a specific event related to a company (or companies) issuer that causes extreme lack of liquidity or special negotiations, assets subject to auctions, assets in renegotiation of their original payment conditions, specific asset markets that go through situations of interruption, suspension, or operational failure of trading, regulatory changes that generate restrictions of a negotiable, foreign exchange, tax nature, etc.

referred by the Management Area to the Risk Area. The Management Area and the Risk Area, jointly, are responsible for addressing the necessary solutions to the non-compliance, approving an Action Plan and monitoring.

Stress Test

In addition to indicators, limits, and sub-limits, the risk area conducts periodic stress tests with scenarios that take into account the movements of the liabilities and their obligations, considering the evolution of the industry and the history of past market situations.

The historical periods used for market, as well as for liability movements ("stress scenarios"), are defined by the Risk team, which, at least monthly, simulates the behavior of the assets and liabilities in these historical scenarios.

Asset-Side Criteria*[3]

For the liquidity calculation of assets, the following are taken into consideration:

- The maturities of assets, broken down by payment flow;
- An estimate of the traded volume in the secondary market of an asset, based on historical volume, which should be discounted by a factor (haircut) defined by the Risk Area;
- The different characteristics of each open FIF, their management strategies and asset classes in which they can invest, their liquidity characteristics, and the behavior of different markets (over-the-counter, stock exchange, fluctuation limits, trading volume limits, auctions, circuit breakers, etc.) in their individual operational aspects, as well as their obligations including the deposit of margin and other guarantees;
- The suitability of quotation periods and redemption settlement, expected redemption values under ordinary conditions, to be calculated with consistent and verifiable statistical criteria (or in its absence, using market data proxy, if available);

The methodology used follows the principles listed in this document for defining the necessary period for clearing portfolios in various market scenarios.

Liability-Side Criteria for Open FIFs (non-exclusive or restricted)

For the liability side, the following criteria are used:

- The distinct profiles/segments of the fund's liability investors (Private, Retail, etc.), their distribution, concentration, degree of dispersion, and historical movement, as well as the use and analysis of different time horizons for which the demand and supply of liquidity are estimated;
- The degree of concentration of allocators, distributors, and/or other managers positioned in funds under MOAT management, as well as the analysis of their expected behavior, when applicable;
- Evaluations derived from the historical evolution of the fund industry, previously observed market situations, and the performance of stress tests;

MOAT uses data published by ANBIMA regarding:

[3] for Funds covered by this Policy

- Investor segmentation by types of funds;
- The behavior and probabilities of redemptions of various types of funds in different scenarios (redemption probability matrix for Funds).

The methodology used follows the principles listed in this document, making use of real data related to the fund's liability rules, history, and application, redemption, characteristics, and customer profiles, etc., for defining sensitivity to the necessary period for clearing portfolios in various market scenarios.

Individually, according to the specific characteristics of each fund, for analyzing the liability of the Open FIFs, MOAT may consider as mitigating or aggravating factors in liquidity risk management, certain specific characteristics of the fund such as the quotation period, grace period for redemption, the existence of an exit fee or Gates (limiters of the total volume of redemptions), limits established in the regulations of the Open FIFs on concentration per unitholder, hypotheses of funds closed for capital raising, significant history of negative net inflows, potential influences of the strategies followed by the FIF on the behavior of the liabilities, and other specific product characteristics that influence the dynamics of application and redemption.

Redemption Probability Matrix for FIFs (open and non-exclusive or restricted)

The redemption probability matrix is a market average regarding the percentage of redemptions within certain periods, considering different types of funds and unitholders.

It serves as a reference to estimate and evaluate more accurately the probability of redemptions of MOAT's funds. The matrix is compiled from historical information sent monthly to ANBIMA.

These data are reviewed monthly and made available on the ANBIMA website.

If necessary, due to particular characteristics of its investment funds, MOAT may apply mitigating or aggravating impacts on the metrics of segmentation, behavior, and redemption probabilities above, provided they are applicable to specific characteristics of its products or its investor base.

For each open FIF, MOAT monitors the estimated demand for liquidity and establishes indicators and limits, considering in its calculation and construction of this control panel:

- Redemption orders (already known and pending settlement);
- The composition and profile of the liabilities and
- The period for payment of redemptions provided for in the regulation.

The following minimum intervals/vertices are estimated:

- If less than 63 (sixty-three) business days - observe the redemption windows established in the regulation, and the 63 (sixty-three) business days window;
- If more than 63 (sixty-three) business days – observe the redemption period established in the respective regulation.
- For all funds, the behavior of the liabilities at the intermediate vertices of 1 (one), 2 (two), 3 (three), 4 (four), 5 (five), 21 (twenty-one), 42 (forty-two), and 63 (sixty-three) business days is estimated.

The analysis of the intermediate vertices aims to give greater accuracy for liquidity management purposes, cumulatively assessing the estimated liquidity, and the known liquidity, considering redemptions already provisioned and yet to be settled in different time windows, in order to identify potential mismatches in cash flow.

The formulation and review of indicators, limits, and sub-limits are the responsibility of the Director of Risk and are formalized in the Risk Committee.