



## INVESTMENT STRATEGY

The primary investment objective of the Fund is to achieve long-term capital appreciation through a strategy that combines a top-down sector approach with an in-depth analysis of companies in Brazil. The Fund's investments will be focused on a global basis but with an emphasis in Brazil in a broad range of securities and financial instruments, including but not limited to, stocks, ETFs, bonds, currencies, commodities, futures, swaps, options and other derivative instruments.

## MONTHLY COMMENTARY

October was a challenging month for Brazilian assets, despite positive performance for global markets. The S&P index and MSCI Emerging Markets had positive returns of 7.01% and 1.07%, respectively, while the MSCI Brazil dropped -8.75%.

Liquidity remains abundant across the globe. However, financial market participants are increasingly concerned with the current rise in inflation indicators, which are proving to be more persistent than originally thought. The American CPI and the Eurozone inflation mounted up to 5.4% and 3.4% in the last twelve months, respectively, the highest level since 2008. Persistent inflation is causing an increase in short-term bond yields and putting additional pressure on central bankers. In the real economy, new data keeps pointing to a slowdown in global growth. The American monthly payroll report showed that 194k new jobs were added, compared to the 500k expected. Furthermore, the American GDP in Q3 grew by 2.0%, the lowest growth rate since the onset of the pandemic and below market expectations of 2.6%. In China, although iron prices stabilized at the end of the month, bringing some relief, new economic data such as the value of property sales pointed to a continued slowdown in the real estate market, showing that Chinese economic problems are not restricted to Evergrande.

In Brazil, the macro environment deteriorated. October inflation (IPCA) increased 1.2%, the highest change for this month since 1995, and above market expectations. The market was also negatively impacted by the federal government initiative to increase transfer payments to vulnerable families, through the program named "Auxílio Brasil", in effect exceeding the spending cap rule, a central pillar of Brazilian fiscal policy. The mechanism for the increase was criticized among market participants as it involved changing the way the cap is calculated to artificially increase it, while denying that the cap was exceeded. Pressured by this challenging scenario of high inflation and fiscal concerns, the Central Bank accelerated monetary contraction by hiking the Brazilian interest rate by 1.5%, from 6.25% to 7.75%.

The fund had a negative return in the month, following the Brazilian stock market's decline. Directional positions accounted for most of the negative returns, combined with the sector positions that had negative returns. The trading book had slightly positive returns. The fund ended the month 13% net long (the fund should remain net long between 10% and 50%). We maintained the fund's liquid exposure below neutral (25%), given the difficult environment in the Brazilian market.

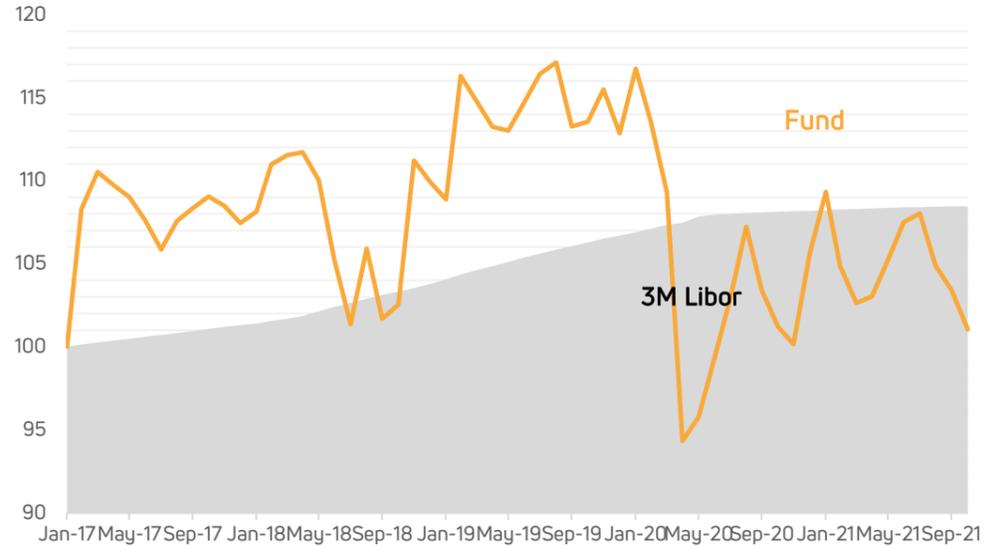
## SECTOR ATTRIBUTION

	Exposure	Contribution
Index	12,47%	-1,32%
Other	1,34%	-0,32%
Cash/Costs	86,19%	-0,25%

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2017	8,30%	2,05%	-0,71%	-0,66%	-1,25%	-1,65%	1,61%	0,72%	0,66%	-0,51%	-0,97%	0,65%	8,14%
2018	2,63%	0,49%	0,16%	-1,51%	-4,37%	-3,67%	4,50%	-4,00%	0,84%	8,46%	-1,14%	-0,98%	0,67%
2019	6,84%	-1,33%	-1,31%	-0,22%	1,50%	1,51%	0,60%	-3,30%	0,25%	1,71%	-2,30%	3,46%	7,24%
2020	-2,72%	-3,77%	-13,68%	1,53%	3,62%	3,66%	4,25%	-3,59%	-2,11%	-1,04%	5,46%	3,52%	-6,36%
2021	-4,10%	-2,09%	0,38%	2,16%	2,13%	0,50%	-2,92%	-1,40%	-2,28%	-1,88%			-9,31%

## FUND DETAILS

Legal Structure	LLC	Inception Date	January 1, 2017
Fund Domicile	Bahamas	Management Fee	2,00% p.a.
Bloomberg Ticker	NESTRU Equity	Performance Fee	20% of what exceeds 3M Libor, with high water mark
Investment Manager	Nest Asset Management	Min. Investment	100,000 USD
Auditor	Bakertilly	Redemptions	Monthly
Banker	Safra National Bank of New York 546 5th Ave, New York, NY 10036, Unites States of America	Administrator & RTA	Caystone Solutions Ltd. Goodman's Bay Corporate Centre 309 West Bay Street PO Box SP-61567, Nassau New Providence, Bahamas



## PERFORMANCE

Month	FUND	LIBOR	EWZ
YTD	-1,88%	0,02%	-8,75%
6M	-7,77%	10,46%	-17,55%
12M	-6,12%	0,60%	9,16%
24M	-12,14%	3,20%	-34,26%
Since Inception	-0,86%	10,51%	-14,92%

## STATISTICS

Annualized Volatility	11,94%	34,51%
Largest Drawdown	-12,61%	-29,33%
Positive Months	29	28
Negative Months	29	30
Average Net Exposure	31,23%	

## EXPOSURE

