RISK MANAGEMENT POLICY

DUNAMIS TRADING GESTÃO DE RECURSOS LTDA

June 2024

1. Introduction

This Risk Management Policy ("Policy") aims to present the methodologies Dunamis Trading Gestão de Recursos Ltda. ("Manager") uses to risk manage the investment funds under its management.

The Manager has management methods for the risks pointed out in this Policy, being that the risk management has as main value the transparency and the search to adequate the investments policies and conform to current law.

The risks which the investment funds are subject to are controlled and assessed by the Risk Officer ("Risk Officer").

Although risk management is the most appropriate, it does not constitute a guarantee and, therefore, does not eliminate the possibility of loss to investment vehicles and to investor.

2. Risk Management Governance

The Risk Officer performs his duties independently and in a totally disconnected manner from the Manager's investment area and directly reports to the Risk Committee as described by the Manager's CVM (Brazilian Securities and Exchange Commission) Reference Form.

The Risk Officer responsibilities, as regards risk management, are:

a) To ensure compliance and quality in executing this Policy's provisions;
b) To perform technical analyses to monitor portfolios exposure under management by the Manager to the risks described in this Policy;
c) To daily monitor the risk profile of the portfolios under management by the Manager;
d) To communicate to the responsible manager for the investments area and the Risk Committee eventual limits excesses, so that the related manager can take the necessary actions for reframing;
e) To adjust and mitigate the risk described in this Policy;

f) To hold in custody documents that contain justifications on the decisions taken in the scope of this Policy compliance oversight, as well as of those taken in the scope of the Risk Committee.

Ensure periodical review of limits warning about the need for specific changes if the metrics that make up the limit's analysis undergo substantial changes.

All questions inherent to risk management are presented for Risk Committee review. The Risk Committee defines general market risks, liquidity, counterparty, concentration, leveraging, margin and credit management policy, including the gauging methodology, acceptable risk levels and procedures monitoring.

The meetings take place monthly or on an extraordinary basis, where any Risk Committee member can make a requirement. In case of need, decisions are recorded in minutes or email.

Notwithstanding, in case that the deliberate subject involves the analysis of noncompliance of the Manager's rules or applicable rules to its respective activities by any of the Risk and Compliance Committee members, the respective involved member will be hindered to vote on such questions, without damage of the ample right to defense.

The Risk Committee attributions, as regards for risks management, are:

a) Approval and revision of the criteria, methodologies, and methods for measuring risks;
b) Approval and revision of risk limits and monitoring possible excesses and the actions taken to reframing;
c) To approve new counterparties, and to define the respective risk exposition limits;
d) Review and update every two years this Policy's provisions, or when there are significant changes, and the Risk Officer and Compliance Officer deems necessary.

The risk management of investment funds managed by the Manager is under responsibility of the Risk Officer and the Investments Officer and, in last instance, of the Manager's Risk Committee, in charge of all risks management relative functions and to keep the manager liable for the limits set forth in this Policy, in the investment funds regulations under management by the Manager and in other applicable investment funds contracts, so that the manager can take the applicable steps for adjusting the portfolio's exposure risk when necessary.

3. Risk Control Systems

The Manager has internal systems to support the integrated management and risk control of assets under management, using them to perform quantitative analyzes of market, credit, liquidity, and counterparty risk.

Still, the Manager makes use of hired specialized legal assessorship with third parties when necessary.

4. Credit and Counterparty Risk

Credit and counterparty risk may be defined as uncertainty regarding the fulfillment of counterparty contractual obligations, which may result in financial loss due to deterioration of credit quality, late payments, reduction in expected earnings or possible default, legal or operational problems and consequent recovery costs.

The Risk Committee is liable for approving new counterparties, by exposure limits establishment of each counterparty, for exposure follow up and the procedures determination when in case of exceeded credit limit.

The Manager commits to fulfill all its responsibilities by evaluating, analyzing and monitoring the investments made by its investment funds, which constitute its assets, and conducting counterparty identification processes in accordance with the characteristics and nature of each performed operation, the complexity of the products and the extent of credit and counterparty risk exposure of its managed funds and portfolios.

In addition, when eventually acquiring assets that are exposed to the credit risk, for each fund and managed portfolio it will have:

a) the establishment of maximum exposition for determined level of rating and grouping by issuing company and sector,
b) Credit and counterparty risk exposure measurement, monitoring and control, and
c) Extreme simulations performance, including premise breach, which results should be considered when establishing or reviewing policies and limits to capital adequacy; Risk Officer oversees eventual changes.

The counterparty risk is related to bilateral transactions with derivative contracts or spot and refers to possible losses in the event that a counterparty ceases to comply with its obligations due to any external or internal factors.

To mitigate this risk, the Manager weekly monitors the counterparties' data and daily verifies if the fund is within the pre-established credit limits, reducing the risk exposed.

5. Market Risk

The Risk Officer is liable for monitoring market risk of investment funds managed by the Manager by performing technical analyzes, preparing risk reports to monitor securities portfolios exposure to the risks described in this Policy, and to monitor market marking carried out daily by the Manager's Operational team.

Market risk includes possible losses resulting from fluctuations in market assets values that are part of the portfolios managed by the Manager. Market risk shall consider, when applicable, the risks associated with market fluctuations such as assets price variation, interest rate curve fluctuation and implied volatility surfaces.

The parameters evaluated for market risk management are *Value at Risk (VaR),* scenario analysis and *Stress Test*, depending on the type of investment vehicle.

The VaR is a risk measure that estimates the expected potential loss of the portfolios resulting from market conditions changes, according to a certain confidence level and position-holding period.

The Stress Test allows to consider extreme fluctuations that are not observed under normal market conditions, such as substantial variations in price levels, interest rate curves and implied volatility surfaces.

Market risk control and monitoring is part of investment management and decision process, in view of the assets qualitative analysis carried out by the investment team, being, thus, a shared obligation of the Investment Officer, and the Risk Officer.

The Risk Officer is liable for the production and distribution of risk reports (including portfolios exposure to liquidity risk), with the exposure to marked risk applicable to the investment team, and for communicating to the Investment Officer and the Risk Committee any eventual limits excess, so that the manager can take the necessary steps to reframing.

6. Liquidity Risk Management

Liquidity risk is determined by the level of difficulty finding buyers for an asset at the desired time, volume, and price.

This liquidity risk management policy aims to ensure that the Manager is able to meet its obligations on behalf of the investment funds under its management, without incurring significant losses or affecting its daily operations, by presenting internal policies that enable liquidity management of the fund's portfolio assets, as well as the contingency measures to be adopted in case of extreme situations.

Guiding principles of this liquidity management policy are considered:

(a) **Formalism**: this liquidity management policy represents a formal process and defined methodology to liquidity risk control and management;
(b) **Scope**: this liquidity management policy covers all investment funds constituted in the form of an open condominium, for which quota holders can request the redemption of quotas at any time. Exclusive and/or restricted funds are exceeded from these guidelines;
(c) **Best Practices**: the process and methodology described in this liquidity management policy are committed to the market's best practices;
(d) **Commitment**: The Manager has a commitment to adopt policies, practices and internal controls necessary for liquidity risk management;
(e) **Equity**: any methodology or decision of the Manager must ensure fair treatment of quota holders;
(f) **Objectivity**: the information to be used in the liquidity risk management process should preferably be obtained from independent sources; and
(g) **Frequency**: liquidity risk management should be carried out in a regular period, at least weekly;

The assets liquidity control inserted in the investment funds portfolios under management by the Manager is carried out based on the daily average of trading volume and compared with the individual assets total size, as well as with any redemptions or amortizations that are scheduled or are estimated by the operational area, based on market projections and commercial prospects. According to their characteristics, investment funds must operate with sufficient amount of daily position in cash or extremely liquid assets.

The treatment of assets used as margin, adjustments and guarantees considers, at least, the following aspects: assets liquidity, each asset participation in the investment funds portfolio and Manager's expectation in relation to portfolio assets maintenance.

The risk report contains an all-assets liquidity analysis in applicable portfolios, demonstrating, by asset class, what the expected transaction cost to complete a possible settlement.

The analysis is performed based on average volume of the previous 42 (forty-two) days, and values are estimated considering different participation percentages in projected transaction volumes, as well as market stress situations that may reduce liquidity and/or affect prices.

The redemption time described in the regulation of investment funds under management by the Manager, in the case of funds constituted as open condominium, to scheduled redemption operations and redemption history, and portfolios are considered net when the assets liquidity projection is higher than the liabilities liquidity projection. The portfolios have their assessment according to what is contained in their respective regulations and are specified so that the redemptions settlement deadlines are compatible with assets liquidity that make up the portfolio.

An expected redemption limit will be established for each investment fund under the management of the Manager. The equity percentage of each fund that can be settled by the respective assessment date, based on the number of days required for each position settlement, must always be higher than this limit.

Liquidity risk may be increased in special liquidity situations, related to systemic factors or specific events of each asset. The Manager, in these situations, will maintain a greater equity participation in each investment fund in greater liquidity assets and will carry out, at the necessary periodicity, the control and management of each asset liquidity.

The liability profile of each investment fund is composed of, but not limited to, charges such as brokerage, custody, audit, legal consulting, taxes, administration fee, among others, in addition to assets' redemptions and purchases payments.

To ensure that the defined parameters are met, the Risk Officer is liable for the daily production and distribution to the investment team of applicable portfolios liquidity risk reports which present an estimate of the number of required days to liquidate a given position and the portfolios cash flows projection.

7. Concentration Risk

When a securities portfolio is over-concentrated in a few assets, market, liquidity, credit and counterparty risks may increase. To mitigate the concentration risk, several concentration limits are defined in the investment funds regulations, and the Risk Committee establishes concentration limits for assets of those funds and for counterparties.

The applicable portfolios positions will be daily monitored by the Risk Officer, who performs the framing control to prevent any inappropriate situation within the provided limits of investment funds under management by the Manager. If this occurs, the manager responsible is immediately instructed to reframe the position.

The Risk Officer monitors the market risk of investment funds managed by the Manager through legal framing control of said funds by means of controls internally developed by the Manager.

8. Operational Risk

The Manager defines operational risk as management of internal processes, people, and systems, in order to mitigate possible losses arising from failure, deficiency or inadequacy of internal processes.

Operational risk management is the liability of all those who have a position, function, post, corporate, employment, commercial, professional, contractual or trust relationship with the Manager (“Employees”), through the development of a culture that values internal controls quality and ethics, but also from the Risk Officer and Compliance Officer, liable for monitoring operational risk and mapping activities and controls used in all company's areas in order to improve them to minimize possible risks.

Operational risk management consists of operational processes developed for operational and control activities and Contingency Plan, which is periodically reviewed.

If operational errors and failures occur, they should be immediately detected so that appropriate actions can be taken on time and a quantitative and qualitative assessment be developed to detect the failures. All operational failures should be taken to the Risk Officer and Compliance Officer for evaluation, which, when deemed relevant, may take the event for discussion in the Risk and Compliance Committee. Thus, the process for troubleshooting used by the Manager for operational risk management, for all the occasions mentioned, consists of the following steps:

1) Failures identification;
2) quantitative and qualitative evaluation.
3) identified failures resolution;
4) presentation to the Risk Officer and Compliance Officer;
5) presentation to the Risk and Compliance Committee, if applicable.

Preventive analyzes of the mentioned pillars are also performed according to the periodicity established in the Manager's manuals and internal policies, or according to the evaluation of the Employees involved in processes.

The portfolio management activity performed by the Manager is regulated by the CVM (Brazilian Securities and Exchange Commission), and as a result of the performance of its Employees in their respective duties, the Manager may be questioned or sanctioned in the event of any identified normative noncompliance.

However, in order to mitigate such risks, in addition to the active performance of the Risk Officer in activities supervision, the Manager owns and provides its Employees the Ethics Code, Compliance Policy, and other internal manuals and policies, which have the principles, values and internal rules of the Manager, including about the concern in the screening and hiring of its Employees, as well as dealing with the rules applicable to activities carried out.

In addition, the Manager provides his Employees with periodic training on the abovementioned and always disseminates a culture of respect for the rules and good faith in the performance of activities.

9. Legal Risk

It results from the potential legal questioning of contracts execution, judicial process, or judgments contrary to or adverse to those expected by the Manager and that may cause significant losses or disturbances that adversely affect the operational processes and/or organization of the Institution.

The Manager has outsourced and specialized legal advice to mitigate the legal risk in the execution of its operations and contracts.

10. Image Risk

It results from negative publicity, true or not, in relation to the Manager's business conducting practice, generating decline in the customer base, litigation or decrease in revenue.

The Manager believes that means of communication are relevant information channels for different segments of society and is open to meet their requests, whenever possible and there are no legal or strategic obstacles, which will be explained to journalists when it occurs.

To mitigate image risk, communication with means of communication will be supervised by the Risk Officer, who may delegate this function whenever it deems appropriate.

11. Policy Review

This Policy is valid for two years from the date of publication and may be revised, considering (i) regulatory changes; and (ii) any deficiencies found, among others. This Policy may also be reviewed at any time, whenever the Risk Officer and Compliance officer deem relevant or the Risk and Compliance Committee.

The revision of this Policy aims to allow the permanent monitoring, measurement, and adjustment of the risks inherent to each of the securities portfolios and improve internal controls and processes.

The Policy is valid for two years or until there is a change proposed by the Risk Committee.

Semiannually, the Risk Officer shall conduct adherence/effectiveness tests of metrics and procedures herein provided for or defined by the Risk Committee.

The tests and reviews results should be discussed in the Risk Committee and any deficiencies and suggestions should be included in the annual risk report, presented until the last day of January of each year to the administrative bodies of the Manager.