



# Fundamenta Fixed Income Opportunity Fund

## Investment Strategy

The fund invests in fixed income instruments across Latin America and other Emerging Markets, with the objective of seeking absolute returns while maintaining a strong focus on capital preservation. The fund combines a top-down and bottom-up approach within a strict investment process. The portfolio manager will actively manage the net exposure and risk profile of the portfolio.

## Fund Information

Investment Manager:  
Fundamenta Capital SA  
Inception Date: Mar. 1, 2023  
Strategy AUM: USD 159mm  
Fund AUM: USD 69mm  
Domicile: Cayman/Delaware  
Investment Minimum: 100k  
Liquidity: Monthly  
Notice: 45 days  
Class A(USD) Mgmt Fee: 1.0%  
Class A(USD) Perf Fee: 10%  
Administrator: Apex Fund Services Ltd.  
Auditor: Deloitte

## Net Performance Class A (USD) - Data as of August 31<sup>st</sup>, 2025 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	LTD
2025	0.8	1.7	-0.7	0.1	1.0	1.9	0.8	0.8					6.5	32.3%
2024	1.7	1.7	1.2	-0.2	0.9	0.5	1.5	1.3	1.5	-0.1	1.7	0.2	12.6	
2023			0.2	0.7	0.1	1.6	1.2	0.6	0.0	-1.0	3.6	3.0	10.3	

All performance figures are net of all fees and expenses. The performance presented is in USD for Class A, Initial Series (mgmt. fee of 1.00% and perf. fee of 10%). Past performance is not indicative of future results.

## Monthly review

August delivered solid gains with FFIOF posting +0.8% as EM credit continued its strong run. However, global markets' sharp rebound post-liberation day appears to be running out of steam. Trump's pressure on the Fed for rate cuts creates a delicate balancing act - the higher the perception of political meddling, the steeper the curve will likely become as market reaction.

The next 12 months will witness an intricate dance among growth, inflation, tariff revenues, and deficits. Two scenarios could play out; A. tariff revenues matching higher fiscal deficits could maintain decent growth but push goods inflation higher, keeping the yield curve steep despite aggressive Fed easing; or B. a recession where falling growth and services inflation offset tariff-driven goods price increases, though weak growth would mean tariff revenues fall short of deficit increases. In neither case we expect a flat or inverted yield curve, while both scenarios suggest USD weakness, which could be particularly acute against high-yielding EM economies with prudent central banks and resilient growth. Several Latam countries (plus South Africa) are positioned in the sweet spot.

During August, EM credit delivered another robust month with strong inflows bringing year-to-date net flows to zero, the first balance in three years. High yield continues compressing and outperforming investment grade, leaving spreads at five-year tights. Latam outperformed other regions, retaining relative attractiveness with all-in yields around 8%. Cross-over accounts continue supporting EM given the spread differential versus US credit.

We maintained a risk reduction bias throughout August, ending with 55-60% of our risk limits deployed. This cautious stance reflects the disappearance of much valuation cushion and emerging signs of US labor market weakness. We remain constructive on Latam given widespread fiscal discipline and improving policy mix in most countries, whether structurally driven or externally imposed. This creates a healthier growth and fiscal backdrop.

Argentina delivered its characteristic volatility, beginning with sharp overnight rate moves following policy missteps and ending with corruption scandals that unsettled FX markets and heightened election uncertainty. We reduced exposure across external, corporate, and local debt, entering the election period with modest positions.

Colombia completed a USD3 billion tender offer and announced new swaps after issuing CHF-denominated debt. While this improves technicals, we remain skeptical of the administration's asset-liability management and fiscal strategy, de-grossing exposure and adopting a wait-and-see approach.

Mexico exhibited strong fiscal accounts and activity data exceeding expectations, while the Sheinbaum administration continued advancing its plan to make Pemex self-sufficient. Both the sovereign and Pemex's credit benefited, contributing positively to performance during the month. We remain invested in the long end of both.

Looking ahead, we expect the region to remain a relative winner. We increased local currency debt exposure, a theme that should continue while structural USD weakness forces remain in place. We added long-end real rates in Brazil given substantial premium and good asymmetry into 2026 elections.

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<sup>1</sup> Mentions to the EMBI, CEMBI or other indices are for reference only. The statistical data regarding the indices has been obtained from Bloomberg or other sources deemed to be reliable. These indices may be materially different from the Fundamenta Fixed Income Opportunity Fund and have not been selected to represent an appropriate benchmark to compare to Fundamenta Fixed Income Opportunity Fund performance, but rather are disclosed to provide a context of global markets from widely recognized indices.



# Fundamenta Fixed Income Opportunity Fund

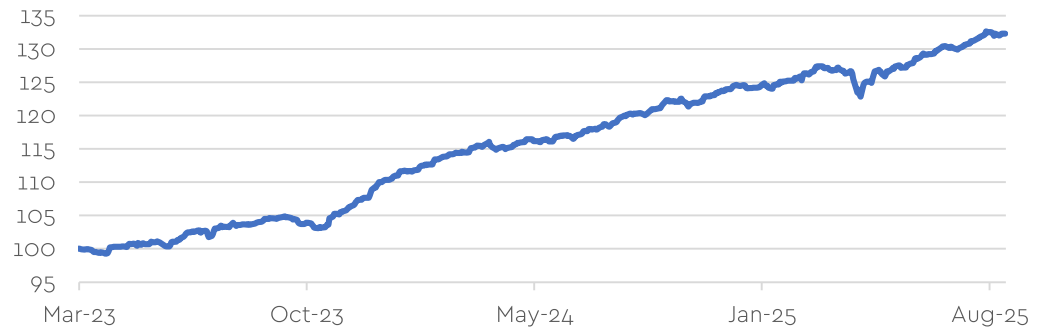
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## Net Performance Class A (USD) - Data as of August 31<sup>st</sup>, 2025 (%)



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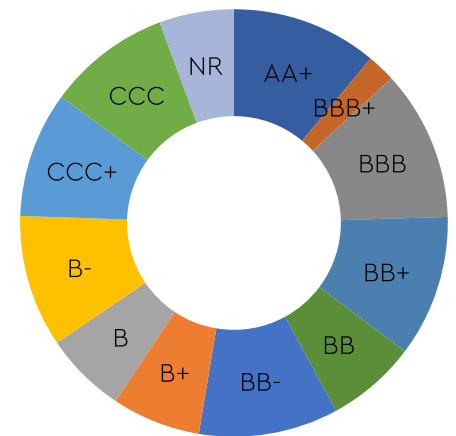
## Portfolio statistics

Total Portfolio	Long	Short	Net
Exposure	72%	5%	66%
Sovereign	44%	4%	39%
Quasi Sovereign	5%	-	5%
Corporate	23%	1%	22%
Realized vol LTD			2.8%

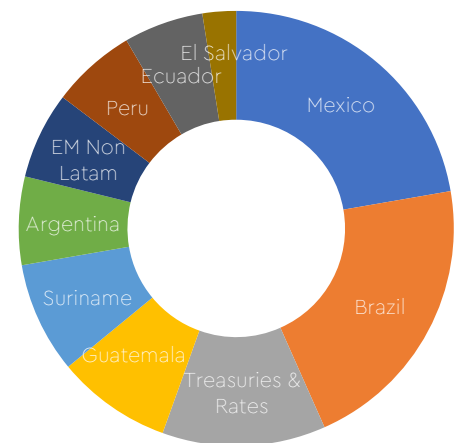
Active Portfolio			
Current Yield	7.1%	0.5%	6.6%
Duration	8.3	0.7	7.7

Maturity Profile			
0-5 years	12%	-	12%
5-10y	30%	4%	26%
10-20y	16%	-	16%
Over 20y	42%	3%	39%

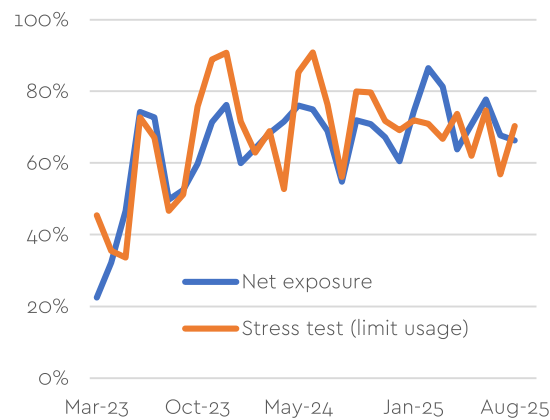
## Rating breakdown (Long portfolio)



## Country breakdown (Long portfolio)



## Exposure metrics



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