Vista Multiestrategia Fund and Vista Hedge Fund registered returns of 10.59% and 4.14% respectively in July and 53.84% and 20.96% respectively in 2022.

In July, gains were diversified among the main positions of the funds. The hedge applied in international interest rates partly explains the result, complemented by gains in currencies, especially in yen and euro. In Brazil, the domestic equities portfolio, largely against the index, also brought good results.

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"*The Meeting noted that the severely limited availability of excess capacity necessitates utilizing it with great caution in response to severe supply disruptions.*

The Meeting noted that chronic underinvestment in the oil sector has reduced excess capacities along the value chain (upstream/midstream/downstream)

The Meeting highlighted with particular concern that insufficient investment into the upstream sector will impact the availability of adequate supply in a timely manner to meet growing demand beyond 2023 from non-participating non-OPEC oil-producing countries, some OPEC member countries and participating non-OPEC oil-producing countries.”

The excerpts above of the last OPEC+ meeting communiqué converge with central points of our oil thesis. In the excerpts below from our September 2021 monthly letter, for example, we expressed our doubts regarding the OPEC's real capacity excess.

"In parallel, threatened by shale in recent years, producers members and non-members of OPEC+ possibly did not invest enough to increase or even maintain their productive capacities. The future challenges for supply expansion are large, expensive and long."

In general, we remain confident with the supply-side fundamentals of our oil thesis. American production consistently continues to disappoint expectations, OPEC+ reinforces our concern about its ability to be the marginal producer, sales of strategic reserves are in their final months and the macro environment remains a capital shortage for the sector.

On the other hand, demand was a negative surprise. Although the effects of the pandemic in Asia have not dissipated, especially on international travel, the demand for crude oil is below expectations. The IEA's downward revision of about 800,000 barrels in global demand growth in 2022, throughout this year, is an evidence in this direction.

In a way, we were unable to reconcile the evidence of a loose market in the short term with the available macroeconomic data. Oil supply is almost 2 million barrels lower than in 2019, while the US nominal GDP, historically correlated with oil consumption, is about 15% higher. Therefore, it would be natural to expect a tighter supply and demand balance than the current one.

Certain of the energy intensity of the global economy, we understand that two main possibilities circumvent us: i) either global economic activity is weaker than current data is showing; ii) or the storage in the oil and its by products chain does not allow us to have a reliable reading of the demand.

In any case, the cyclical winds of the global economy continue to bother, especially those blowing from China and Europe. In addition to discussions of a more cyclical nature, there are deeper doubts about China's economic growth model, dependent on the property market, and Germany, where cheap energy adds to its industrial competitiveness.

In view of this scenario, we continue to invest in global interest rates, albeit to a lesser extent, as a defense from negative demand surprises.

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We have recently added long positions in Brazilian equities. The level of attractive valuation adds up to a greater optimism with the domestic macroeconomic framework, at least vis-à-vis the consensus of another stagnation or recession for 2023.

Despite the enormous noise coming from Brasilia and the unequivocal worsening of fiscal governance, either with the consolidation of the secret budget or with the successive dribbles in the spending ceiling and in the electoral law, it is undeniable that the Brazilian economy continues to perform more positively than expected. The recessive consensus of 2022, which we challenged only last year, evolved to the expectation of a GDP above 2%; unemployment fell by almost 5% compared to the same period last year; the fiscal result should close slightly better than it was evaluated at the beginning of the year, despite the festival of exemptions and income transfer programs and the debt/GDP will close the year well below what was initially expected largely helped by the inflationary tax.

Despite the better economic performance, the negative consensus expectations, which were not correct in the first semester, were simply postponed for a few quarters. Moreover, there is a widespread expectation that we are doomed to stagnation over the last decade. We have been wondering if we are not just perpetuating the recent scenario and underestimating the commodities cycle and the lagged effect of post-2016 economic reforms.

We also have a potential divergence in relation to the perceived effectiveness of the monetary politics. Certainly *ex ante* real interest rates at current levels produce contractionary effects. However, the still very relevant portion of post-fixed assets in the composition of public debt, the low depth of the credit market and the high spread level act as important mitigating effects of the power of such a policy.

The importance of the Executive Branch, increasingly restricted to the "semi-presidentialist" model, also seems to receive disproportionate weight. In other words, in the same way that we believe that the effects of Brasília policies are overestimated, we believe that agents underestimate the effects of the commodities cycle.

FHC, Dilma and Temer governments lived with less favorable commodities price cycles and, not coincidentally, frustrated expectations of an economic growth. On the other side, Lula and Bolsonaro received important outwinds of the global cycle and, not by change, lived with recurrently more positive results in economic activity, public accounts and external accounts.

*   *   *

The recent electoral decisions of the current government, whether in the increase of emergency aid or fuel subsidy, bring us back to pro-cyclical economic policy decisions made by PT governments. Also considering the weight we put on the positive shock of terms of exchange in recent years, the effects on households' disposable income of such measures should not be underestimated, even more so in a cycle that seems favorable to us.

The good practice of economic policy in countries that have escaped the resource curse, such as Norway or Chile in the past, is that benign cycles should be used to reduce countries' indebtedness and accumulate sovereign funds for future generations. Using this bonanza to finance current expenditures, as done earlier, has important effects and consequences.

Aware that a fiscal consolidation, with positive impacts on long-term real interest rates, would bring more perennial results to society, it is legitimate to question our optimism with assets that discount future cash flows. What is the answer? We understand that we are still at the beginning of the current commodities expansion, especially oil.

Anyway, it's clear that we are more leveraged to cycle. If an oil company decides to increase its debt with the barrel price above 100 dollars, it will not necessarily have solvency problems, but will certainly be more leveraged to this cycle.

In Brazil, even with an around 3% GDP increase in revenue since 2019, a result that came much from this favorable external cycle, we are still projecting a non-negligible primary deficit for 2023. It is not difficult to anticipate what would happen to the fiscal framework if the commodities cycle were to turn, as we saw in the final years of Dilma's government.

Surprisingly, considering the supposedly liberal and orthodox bias of the economic team, the deepening of a pro-cyclical orientation of fiscal policy seems to be underway. The attempt to anticipate PPSA receivables, at rates above debt cost, shows an appetite for more current expenditures, as we saw in the state of Rio de Janeiro a few years ago. Moreover, the idea of replacing the dying spending ceiling with a debt/GDP band substitutes an anti-cyclical control, which increases the fiscal surplus in times of growth, with the opposite direction.

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Considering the matters discussed throughout the letter and the widespread expectation of global disinflation, it seems to us that companies exposed to the domestic cycle have an interesting scenario as long as the cycle lasts, regardless of the electoral outcome.

On the other hand, the long tip of the interest curve can be an interesting protection. If the economy does prove to be much stronger than expected, the effects on inflation will be potentially important. If our assumptions about the commodities cycle are incorrect, we will regret that, once again, we have wasted the global cycle and shattered public accounts.

We remain at your service.

Vista Capital

Vista Hedge FIC FIM

Year	Onshore			Offshore				Cash	Fees	Return	CDI
	Fixed Income	Equities	Currencies	Fixed Income	Equities	Currencies	*Commodities*				
2018	0,7%	7,6%	0,9%	-0,1%	0,3%	-0,7%	0,1%	3,8%	-2,9%	**9,6%**	4,1%
2019	0,0%	10,1%	-0,1%	-0,7%	-2,0%	-1,4%	1,0%	4,3%	-2,5%	**8,6%**	6,0%
2020	1,1%	3,0%	2,6%	-1,0%	4,7%	1,0%	1,8%	2,1%	-4,5%	**10,7%**	2,8%
2021	0,5%	0,5%	-1,6%	0,8%	2,3%	-1,3%	9,7%	3,3%	-3,2%	**11,0%**	4,4%
2022	0,0%	1,0%	1,1%	-1,1%	2,9%	0,4%	11,3%	4,5%	-3,9%	**16,1%**	5,4%
Jan	-0,3%	1,0%	0,3%	-0,1%	0,8%	-0,2%	1,5%	0,7%	-0,7%	**3,1%**	0,7%
Feb	-0,2%	-0,1%	0,0%	0,0%	-0,2%	-0,1%	2,9%	0,9%	-0,6%	**2,4%**	0,7%
Mar	0,8%	0,4%	0,4%	0,3%	-0,6%	0,0%	4,5%	0,5%	-1,3%	**5,1%**	0,9%
Apr	0,2%	-0,7%	0,1%	0,0%	0,9%	0,9%	1,7%	0,6%	-0,7%	**3,0%**	0,8%
May	0,0%	0,8%	0,0%	0,7%	0,8%	-0,3%	0,8%	0,8%	-0,7%	**2,9%**	1,0%
Jun	-0,4%	-0,3%	0,2%	-1,7%	0,8%	0,0%	-0,7%	0,7%	0,3%	**-1,1%**	1,0%
jul	0,3%	0,8%	0,0%	1,7%	0,3%	1,0%	0,3%	0,6%	-0,8%	**4,1%**	1,0%

Vista Multiestratégia FIC FIM

Year	Onshore			Offshore				Cash	Fees	Return	CDI
	Fixed Income	Equities	Currencies	Fixed Income	Equities	Currencies	*Commodities*				
2015	-0,8%	6,7%	16,4%	0,0%	1,5%	2,9%	0,3%	16,8%	-8,1%	**35,7%**	12,2%
2016	4,0%	27,8%	-3,0%	1,9%	1,5%	4,0%	0,3%	14,1%	-9,4%	**41,3%**	14,0%
2017	2,6%	-1,9%	-3,7%	1,4%	6,9%	-1,8%	0,0%	5,2%	-3,1%	**5,6%**	10,0%
2018	1,3%	37,0%	2,8%	0,3%	4,8%	-2,4%	0,3%	4,3%	-10,0%	**38,4%**	6,4%
2019	-0,5%	25,9%	0,7%	-2,0%	-6,6%	-3,8%	2,5%	2,4%	-5,7%	**12,8%**	6,0%
2020	3,3%	9,1%	7,9%	-3,0%	14,2%	2,9%	5,3%	0,9%	-10,4%	**30,2%**	2,8%
2021	-0,1%	1,7%	-5,1%	2,7%	5,7%	-4,4%	32,7%	2,0%	-7,9%	**27,2%**	4,4%
2022	-0,1%	2,6%	4,0%	-4,8%	10,6%	1,3%	35,2%	1,3%	-11,1%	**39,1%**	5,4%
Jan	-0,9%	3,1%	1,1%	-0,4%	2,5%	-0,5%	4,5%	0,3%	-2,2%	**7,4%**	0,7%
Feb	-0,5%	-0,4%	0,0%	-0,1%	-0,8%	-0,3%	8,6%	0,3%	-1,5%	**5,2%**	0,7%
Mar	2,3%	1,3%	1,5%	0,9%	-1,8%	0,0%	12,3%	0,1%	-3,5%	**13,1%**	0,9%
Apr	0,6%	-2,3%	0,3%	0,0%	2,8%	2,7%	5,3%	0,1%	-1,8%	**7,7%**	0,8%
May	-0,1%	2,3%	0,1%	2,1%	2,6%	-1,0%	2,4%	0,1%	-1,7%	**6,7%**	1,0%
Jun	-1,2%	-1,1%	0,5%	-5,5%	2,5%	0,0%	-1,7%	0,2%	1,0%	**-5,2%**	1,0%
jul	1,1%	2,2%	0,1%	5,0%	0,9%	3,0%	0,7%	0,1%	-2,4%	**10,6%**	1,0%