First of all, we would like to thank our clients and friends for the partnership and trust during 2022. Above all, our most sincere votes of health, peace, and prosperity in 2023.

Vista Multiestratégia Fund and Vista Hedge Fund registered returns of -1.67% and -0.03% respectively in December and 15.34% and 13.57% respectively in 2022.

In December, the losses of the funds were mainly explained by the relative position in domestic stocks compared to the Ibovespa index. Throughout the year, both funds generated results in virtually all strategies, except for fixed income.

We entered the ninth year of Vista Capital's existence excited about the opportunities and the company's greater robustness. After another challenging year, reflections on successes, mistakes, and learning are of paramount importance.

Our investment strategy, which consists of combining long-term positions with hedges identified as asymmetric, has proven robust throughout our existence, although in the last six months some hedges have not produced the expected result.

In 2022, the most symbolic *post-mortem* assessment was related to the oil position since we had a significant excess return on this position throughout much of the year. In our opinion, going back in time and questioning alternative paths in the investment process is key.

When it comes to hedging, we see successes and errors in our process. Taking a step back from the macro scenario that guides the funds, let's go back to 2020. The excesses of monetary and fiscal stimuli led us to a clear conclusion that was discussed again and again in this forum - the big loser would be cash. Accordingly, funds were positioned in real or scarce assets, such as gold, American equities, and oil.

Throughout 2021, this scenario began to change. As inflation intensified, central banks became increasingly active in monetary policy tightening. This change brought important decisions on hedges. Since the end of 2021, we have used have shorted American equities as a hedge in a relevant way, which was one of the main sources of performance attribution last year.

Historically, it is noteworthy that the end of the economic cycle is marked by a significant increase in commodity prices, removing degrees of freedom from central banks, which in turn are obliged to bring down demand. By the middle of the year this scenario materialized, with a simultaneous movement of high oil prices and fall of the multiples of American stocks. However, with the perception that Russia would not withdraw relevant supply from the market, concern about global demand in a context of war in Europe and a synchronized cycle of global monetary tightening, the price of oil began to collapse.

In an environment of compressed multiples, advancing cycles of normalization of interest rates and with the drop in oil prices, it seemed to us that the selling pressure on American equities would be reduced. We began to wonder, even, if the drop in oil prices would not lead to a faster reduction in inflation and the correlation of assets would change, which would make it impossible to sell the US equities as a hedge.

If the reopening of developed economies would bring stronger demand and the supply was relatively contained, where would we have an imbalance between supply and demand with bearish implications for oil? Our concern, which proved to be wrong *a posteriori*, focused on protecting us from an American recession, which is why we started using, as the main hedge instrument, positions applied in American interest rates.

The result was worse than what was expected during the second half of 2022, especially in September, when the correlation between oil prices and US interest rates reversed. Fortunately, other protections, notably in currencies and the S&P, achieved more satisfactory results throughout the year, offsetting losses in fixed income hedges.

Our investment philosophy is marked by the continuous search for the best option for each strategy: reduce the fund's exposure to the main position (*core*) or utilize protections to mitigate risks of losses (*hedges*). The relevance of this choice to the performance makes it critical to learn from each situation and identify patterns that can enhance our future choices.

We are still using a limited part of the fund's risk limit, according to the parameters of our risk management policy.

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In the last letter, we briefly discussed the signs of the end of the zero-Covid policy in China and our expectation of a strong reopening of productive activities throughout 2023, with a direct impact on the consumption of oil products. The recovery timing was still perceived as uncertain, mostly depending on questions related to the hospital capacity and strength of the virus versus vaccines.

To our surprise, the Chinese government has promoted a 180-degree turn from the zero-Covid policy and mobility indexes have been recovering rapidly. In addition, other important stimulus measures have been disclosed, which include exemptions, stimuli for home purchases, and a significant relief of the liquidity and funding conditions of the developers and Chinese builders. The release of Ant Financials IPO by Alibaba is also symbolic and likely marks the end of a lengthy regulatory assault on tech companies.

Over the past few years, we have outlined in this forum some pessimism with China's economy, especially with the property market and iron ore. The excesses present were and still are compatible with the traditional end of the investment cycle historically observed in other countries. The deepening of a more autocratic and capitalism-averse political orientation completed the perception that the world's second-largest economy had already seen its best days.

However, this pessimism never translated into a more relevant position because we understood that, somehow, part of China's economic problems was self-inflicted, either through the prolonged zero-Covid policy or the severe tightening in the real estate market, both on the demand and supply side. The excess external demand for goods, a side effect of the global pandemic, certainly made it possible for China's government to choose to accelerate the necessary adjustments without greater economic costs. As the global window has partially closed, the abrupt reversal of several policies is understandable, including the most important one of all that is the reopening of borders and free movement of people.

More recently, after a relatively long period without additional positions to the central theses, the funds now have a position in Chinese equities. The combination of economic stimuli, increased household savings since 2020, reduced regulatory pressures, attractive valuations, and reopening brings a tailwind that is not observed in other countries. On the US side, we still have a quite vigilant central bank and higher real interest rates, which makes it possible for the investment in China to be relative or directional.

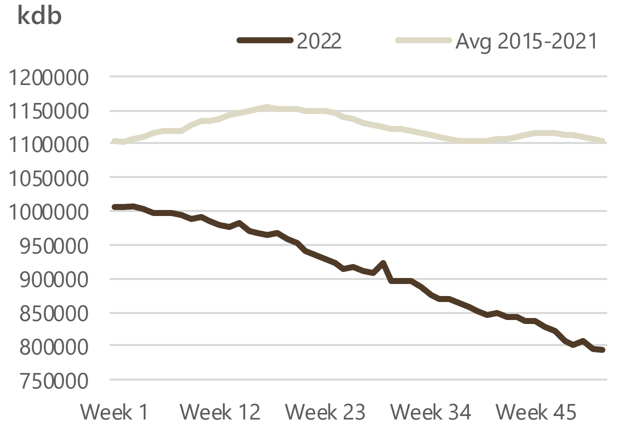
As for oil, which remains the main position of the funds, Chinese reopening plays a key role and estimates of oil demand recovery in Asia are as varied as possible. We chose to work on the conservative side and only considered the recovery of the aviation fuel market in our assumptions, after all it seems unlikely that after 3 years of border closure there is no strong recovery in this segment.

We understand, however, that the risks for such projections are bullish. Naptha consumption shows a strong correlation with the recovery of economic activity, as well as diesel and gasoline, with the recovery of mobility.

Aware that the oil position debate has occupied much of our communications over the past 4 years, we will avoid going into detail about the size of the imbalance we observed in the market and the details of Chinese forward-looking demand.

In a more simplified way and always open to questioning and counterpoints, it is worth noting that in 2022, with China partially closed and the price of by products running above $200 a barrel, there was an approximately drop in global inventories of 120 million barrels. In the US alone, the total drop, including the strategic reserve, was 200 million barrels, equivalent to 20% of the total.

Total US Inventory Including SPR
kdb



Source: EIA and Vista Capital

With global demand constrained by the isolation of a relevant portion of the global population and the increased cost of freight and refining, we still observe a consumption of crude oil above production.

If the world, pulled by China and other Asian countries, only recovers the 2019 levels of demand for aviation kerosene, this deficit turns into 1.8 million barrels a day, or 650 million a year, a number almost the size of the entire American reserve.

That is, even without considering important elements of Chinese demand and without changing the demand of Western countries for the relevant fall in price, we have reached a very complex inventory scenario. What will happen if Chinese economic activity surprises positively, driven by consumption?

And, on the supply side, we have difficulty seeing a considerable capacity to increase global production outside the OPEC Big 3 (Saudi Arabia, Kuwait, and UAE) in 2023. US production once again frustrated growth expectations, despite the average oil price in 2022 being 40% above the 2021 average and companies having used most of their drilled but incomplete wells. Old issues related to the real capacity of this production reappear, as well as the discussion that kicked off the position back in 2019.

Finally, it is worth remembering that the prolonged war in Ukraine was not mentioned in our prospective scenarios, although there is a bullish risk also associated with Russian production. Some recent projections from our consulting firms, indicating a significant drop in Russian exports, suggest this direction.

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The case of investment in Brazil remains sufficiently noisy, so that we maintain a limited and secondary risk usage on the subject and concentrated in a position of relative value in shares.

It is worth mentioning that despite the reforms of the last 6 years, the economic and financial assets result was especially disappointing, including for us who expected a significant economic recovery already in the Temer Government.

The incoming government, for its part, seems to seek to deepen the country's endogenous economic difficulties, which already have limited degrees of freedom to deliver a solid and credible fiscal adjustment. The consensus that we are moving towards a regime of more spending and greater state intervention in the economy has been largely fueled by the new government's daily statements. The great question is related to the intensity, not the direction of the regime breakdown.

If domestic political news is negative, our great doubt is still directed at the forces of the economic cycle. Activity in 2022 proved robust, contradicting consensus projections, and we wonder if again the forecasts are no longer sufficiently pessimistic for 2023.

We doubt whether the impact of the concessions contracted on investment, the accumulation of post-2016 reforms, economic inertia and, especially, the expansion of commodities can be overlapped by the worsening of the credit market and the reduction of confidence in the business environment.

Moreover, a less complex look at the last decades shows an important correlation of the China and commodities cycles with the Brazilian economic and political cycles. Would Lula have such political strength without China's brutal economic leap already in his first term? Would the Dilma government, in turn, have had the same economic disaster if ore and oil had not fallen by approximately 70% between 2013 and 2015?

Obviously, we do not believe that Brazil is indifferent to important economic policy errors and exactly because of that the question about the degrees of power of the external cycle on our economy remain.

We have a lot of difficulty observing a substantial worsening with a positive commodities cycle and an economic reopening of our main trading partner, despite governments' insistence on repeating past mistakes. In other words, we are potentially facing another missed opportunity and not a collapse.

We will continue to follow the unfolding events in Brasilia, trying to avoid noise, and probably with limited risk usage.

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	0.1%	0.6%	0.7%	-3.9%	2.4%	1.1%	6.7%	10.0%	-4.0%	**13.6%**	12.4%
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%
Aug	-0.1%	0.1%	0.1%	-1.2%	0.2%	0.5%	-0.4%	0.9%	-0.1%	**-0.1%**	1.2%
Sep	-0.4%	-0.1%	-0.3%	-1.9%	0.1%	0.5%	-3.1%	0.7%	0.8%	**-3.8%**	1.1%
Oct	0.0%	0.8%	0.4%	-0.6%	-0.4%	-0.8%	1.0%	0.8%	-0.3%	**0.8%**	1.0%
Nov	0.0%	-1.6%	-0.5%	-0.1%	-0.2%	-0.6%	-1.5%	0.8%	0.7%	**-3.1%**	1.0%
Dec	0.3%	-0.5%	0.0%	-0.2%	-0.4%	0.0%	0.0%	0.9%	0.0%	**0.0%**	1.1%

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	-0.4%	0.4%	2.5%	-16.1%	8.9%	4.6%	18.6%	3.1%	-6.2%	**15.3%**	12.4%
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%
Aug	-0.4%	0.3%	0.2%	-3.6%	0.6%	1.2%	-1.1%	0.1%	0.3%	**-2.3%**	1.2%
Sep	-1.5%	-0.5%	-0.9%	-6.0%	0.3%	1.4%	-9.3%	0.1%	3.3%	**-13.1%**	1.1%
Oct	-0.1%	2.1%	1.1%	-1.8%	-1.5%	-2.0%	2.8%	0.3%	-0.6%	**0.3%**	1.0%
Nov	0.1%	-4.7%	-1.5%	-0.4%	-0.6%	-1.8%	-4.1%	0.2%	2.2%	**-10.5%**	1.0%
Dec	0.8%	-1.4%	-0.1%	-0.6%	-1.3%	0.0%	-0.1%	0.5%	0.5%	**-1.7%**	1.1%