Vista Multiestratégia Fund and Vista Hedge Fund registered returns of 4.99% and 3.02% respectively in June and -6.31% and 2.48% respectively in 2023.

In June, the gains of the funds were primarily driven by investments in Brazil, spread across the equity, currency, and interest rate markets. We had a very positive result in the international equity market, while losses were concentrated in the international fixed-income market.

In line with our discussions in recent letters, we believe the reduction in Brazil's risk premium largely reflects important developments in the political and economic fields that have been part of our base case since last year. On the one hand, a center-left government has been constrained by the center-right establishment on less market-friendly agendas and there is a robust political convergence when there are issues perceived as of national interest, such as the tax reform recently passed in the House of Representatives. On the other hand, the Brazilian economy takes advantage from the agribusiness boom with very benign effects on economic growth, inflation, and external accounts. The lagged effects of post-2016 reforms may also be playing an important role.

The tax reform, while not having immediate effects, has the potential to generate positive impacts on productivity in the medium term. In addition, based on the projections of the production curves of PPSA ("Pré-Sal Petróleo SA"), Brazil is expected to enter a period of considerable increase in pre-salt oil production as of the second half of this decade. Current estimates indicate that pre-salt well barrel production could more than double between 2023 and 2027. This scenario, depending on currency fluctuations and the price of a barrel of oil, should provide greater fiscal comfort for the Union and federative entities in the future. When we add all this up and a potentially less turbulent presidential election in 2026, recent favorable winds can go beyond the short term.

In this letter, considering there were no significant developments in the economic scenario, we will briefly discuss our impressions about a recent visit we made to Argentina, a country that may go through another important breakdown of the political regime and bring with it potentially relevant impacts on asset prices. For now, we have expressed this vision in a peripheral way in our portfolio. We will also touch upon economic developments in Europe once again, albeit briefly.

Argentina

> *"There are four types of economies in the world: developed, undeveloped, Japan & Argentina."*
>
> *- Simon Kuznets, Nobel Prize in Economics*

Argentina lives in 2023 one of its various points of economic stress, maintaining its secular trajectory of economic decline in relation to peers.

In a context of an election year, of the worst drought in decades, and the consequent loss of exports of about 4% the GDP, the government bets on palliative and inefficient solutions[1] to avoid the devaluation of the official exchange rate. As a consequence of this and the search for the minimization of actual wage losses, imports should remain relatively strong in respect to the drop in exports, deepening the external imbalance.

However, to stay alive for the primaries in August and the general elections in October, the government has once again obtained the help of the PBOC[2] and seeks an advance from the IMF, which allows both to remedy very short-term payments to the body itself and eventually to intervene in the foreign exchange market.

Although the agreement has not been reached yet, we believe the IMF will avoid as much as possible the second Argentine *default* in the century. At the same time, the government understands the seriousness of being in arrears with the Fund, as the remaining disbursements of the program would be affected, and new capital inflows from the and the World Bank as well.

Sergio Massa, the Minister of Economy and government's candidate in the elections, therefore has incentives to pursue an agreement, seeking to preserve an electoral position that guarantees him at least second place, positioning himself to contend for leadership within the Peronist space against the Kirchnerists in the coming years.

Leading the way, we have the coalition of former President Macri, in which Horacio Larreta, the current mayor of Buenos Aires, and Patricia Bullrich, former Minister of Security under Macri and known for her tough stance against crime, are competing.

Larreta has chosen a questionable position in his political negotiations, including non-Kirchnerists-Peronists in the coalition, while frequently clashing with the wing led by former President Mauricio Macri.

[1] *The costly soybean dollar, for example, has lost efficiency with each round, while restrictions on the foreign exchange market have caused the accumulation of trade delays of about 10 billion dollars.*

[2] *Argentina already had a $5 billion swap line in CNH. Recently, it was extended for another 3 years and extended to the equivalent of 10 billion USD in the Chinese currency.*

In politics, we understand the need for alliances and the inevitability of infighting, but we recognize that regime change needs to be strong. Bullrich seems all the more orthodox on the economic side and fits better within the country's electoral fundamentals, especially with regard to the growing awareness of urban and rural violence. The average electoral polls have reflected this, showing the candidate ahead of the coalition primaries in *PASO* in August.

We assess that the former minister still has potential votes within the electoral base of the libertarian candidate Javier Milei, who also represents the anti-establishment vote and the proposal of dollarization. The lack of a national apparatus for the candidate and the loss of momentum in local sentiment and polls encourage us regarding the possibility of consolidating the opposition candidacy around Bullrich, reducing the tail risk of an electoral surprise.

We understand the road to PASO and subsequently to the October elections will be tumultuous, with the country vulnerable to currency runs in adverse shocks. As of 2024, however, we see more favorable winds, on the relevant probability of an *El Niño* supporting the recovery of agricultural exports in 2024.

At the same time, energy dependency will be radically reduced by the production of shale gas and oil in Vaca Muerta, adding about 2% of GDP to the trade balance in two years. Extending the horizon, we are also excited about the potential for exploitation of the country's numerous lithium reserves.

In this context, as 2024 can be a year of positive shocks in politics and the economy, we see interesting asymmetries in some sectors in the stock market, especially in the financial sector. In a more expressive regime change, which would go through a more front-loaded fiscal adjustment and a robust reform agenda, a relevant repricing of assets would be possible.

Europe

In the Eurozone, signs of slowing activity continue to accumulate, especially for the German economy, which is expected to have the third consecutive quarter of negative growth or around zero. As we highlighted in the last letter, in the coming quarters, we will no longer have the economic stimuli associated with reopening, fiscal policy will shift towards contractionary measures, the industrial order backlog will be resolved, and the excess savings of households, currently concentrated in less liquid assets, will be significantly reduced. All this coincides with the lagged effects of tighter financial conditions, already evident in the credit surveys organized by the ECB.

We understand that Europe has important cyclical and structural weaknesses, and they can be accentuated by an economic slowdown in both China and the United States. Therefore, in our portfolio construction, we have been using European assets, such as currency and equity, as funding in our relative value operations.

* * *

Due to our risk limits, the funds' positions remain reduced compared to the average risk utilization of previous years. We maintain a positive view on Brazilian assets, concentrating risk on equities and a receiving position in real interest rates since June. As we believe that the upcoming interest rate decline cycle is fairly priced, we have started using paying rates positions in the short-term nominal interest rate curve as a hedge for our long positions in equities, currency, and real interest rates. In the international market, we have kept the hedging positions long US dollar against select currencies and short positions in Europe.

We remain at your disposal.

Vista Capital.

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%
2023	2.6%	-0.3%	0.1%	-1.9%	1.3%	-0.7%	-11.2%	4.8%	-1.0%	**-6.3%**	6.5%
Jan	0.4%	1.2%	-0.4%	-0.1%	2.8%	0.3%	-2.0%	0.8%	-0.6%	**2.5%**	1.1%
Feb	1.1%	-1.4%	-0.2%	-1.3%	-1.7%	-0.5%	-4.3%	0.7%	0.2%	**-7.4%**	0.9%
Mar	0.0%	-3.4%	-0.1%	0.4%	-0.7%	0.1%	-3.4%	0.8%	-0.2%	**-6.4%**	1.2%
Apr	-0.2%	0.2%	-0.1%	0.0%	-0.7%	-0.2%	-0.7%	0.7%	-0.2%	**-1.2%**	0.9%
May	0.7%	0.9%	-0.1%	-0.2%	0.2%	0.0%	-0.8%	1.1%	-0.2%	**1.5%**	1.1%
Jun	0.8%	2.4%	1.1%	-0.9%	1.6%	-0.5%	-0.2%	0.9%	-0.1%	**5.0%**	1.1%

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%
2023	1.3%	0.4%	0.3%	-0.9%	1.0%	-0.3%	-3.7%	5.3%	-0.9%	**2.5%**	6.5%
Jan	0.1%	0.4%	-0.1%	0.0%	0.9%	0.1%	-0.6%	1.0%	-0.3%	**1.6%**	1.1%
Feb	0.4%	-0.5%	-0.1%	-0.4%	-0.6%	-0.2%	-1.4%	0.9%	-0.1%	**-1.9%**	0.9%
Mar	0.0%	-1.1%	0.0%	0.1%	-0.2%	0.0%	-1.1%	1.1%	-0.2%	**-1.5%**	1.2%
Apr	-0.1%	0.1%	0.0%	0.0%	-0.2%	-0.1%	-0.2%	0.8%	-0.2%	**0.0%**	0.9%
May	0.4%	0.4%	-0.1%	-0.1%	0.1%	0.0%	-0.4%	1.2%	-0.2%	**1.3%**	1.1%
Jun	0.4%	1.2%	0.5%	-0.4%	0.8%	-0.2%	-0.1%	1.1%	-0.2%	**3.0%**	1.1%