fama re.capital

investing for change

Apportionment and Division of Orders Policy

Apportionment and Division of Orders Policy

INTRODUCTION

Fama re.capital Ltda. (“fama” or “Manager”) manages a number of investment strategies. It is part of the Manager's ethical and professional culture to conduct the investment portfolio and class allocation of the investment funds and managed portfolios under its management (“Funds”) in an equitable manner among the portfolios of Funds with similar strategies, in strict compliance with the risk profile of each product and respective return objective.

1. PURPOSE

The purpose of this Policy for the Apportionment and Division of Orders (“Policy”) is to ensure that the allocation of orders is carried out in the fairest manner, by grouping orders, thereby providing fair and equal treatment among the Funds and, ultimately, among the investors who hold funds managed by the Manager, especially if the Funds have the same investment strategy, so that some Funds do not receive preferential treatment to the detriment of others.

2. LEGAL BASIS

(i) Securities and Exchange Commission (“CVM”) Resolution No. 21 of February 25, 2021, as amended (“CVM Resolution 21”);

(ii) CVM Resolution No. 175, of December 23, 2022, as amended (“CVM Resolution 175”) and its Normative Annexes;

(iii) Anbima Code of Self-Regulation for the Administration and Management of Third Party Funds (“AGRT Code”);

(iv) Rules and Procedures for the Administration and Management of Third Party Funds, especially its Complementary Annex III (“Rules and Procedures of the ART Code”); and

(v) Other manifestations and guidance letters from regulatory and self-regulatory bodies applicable to the Manager's activities.

2.1 Interpretation and Applicability

For the purposes of interpreting the provisions of this Policy, unless expressly provided otherwise: (a) the terms used in this Policy shall have the meaning attributed to them in CVM Resolution 175; (b) references to Funds shall include classes and subclasses, if any; (c) references to regulations shall include annexes and appendices, if the provisions of CVM Resolution 175 have been complied with; and (d) references to classes shall include Funds not yet adapted to CVM Resolution 175.

The provisions of the Policy are applicable, where appropriate, to Funds set up after CVM Resolution 175 came into force and to Funds set up prior to that date which have already been adapted to the rules of that Resolution. fama and the Funds shall comply with the rules of CVM Instruction 555 of December 17, 2014, as amended (“CVM Instruction 555”), and other instructions applicable to the different categories of Funds under management, including with regard to fama's responsibility and attributions as manager of the Funds' portfolio until the date on which such Funds adapt to the rules of CVM Resolution 175.

3. APPORTIONMENT OF ORDERS

fama manages classes of credit rights investment funds ("Liquid Classes"), as well as classes of financial investment funds ("Classes").

For this reason, with regard to the Illiquid Classes which mostly carry out operations with specific and customized assets for each class, fama will not adopt grouping of orders and, therefore, negotiations are carried out, as a rule, at a single price and individually for each investment of each Illiquid Class.

In addition, opportunities within the same investment will be allocated proportionally among the portfolios containing the appropriate mandate for that investment, unless otherwise decided by the Manager's Investment Director, with justification. As a result, under no circumstances will the allocation of orders be based on any fees, performance or considerations other than the interests of the Net Asset Classes, and it will not be permitted, under any circumstances, for one Net Asset Class to gain an advantage over another as a result of a deliberately inequitable division of orders.

Furthermore, even in the case of investments in financial assets for the purposes of cash management of the Net Worth Classes, it is also not necessary to adopt rules and principles for the purposes of recording and allocating assets fairly between the classes, given that: (i) that, in these hypotheses, fama makes such investments only in fixed-income assets with daily liquidity or short redemption periods, which aim to meet the capital horizon of the Illiquid Classes, and (ii) the unlikelihood of the acquisition of such assets for different Illiquid Classes occurring simultaneously, given that each class has distinct flows, linked to the investments held by each one.

Nevertheless, in order to manage the Classes whose purpose is to invest in liquid assets, fama will use the general provisions described below.

3.1 Classes with a Mirrored Mandate

The apportionment procedure between the Classes takes place before execution (pre-trade) and is calculated using an allocation matrix in the systems used by the Manager. Throughout the day, the securities in the portfolio are traded with the aim and concern of keeping the Classes in line and aligned. There is a matrix apportionment between the Classes, as applicable, i.e. the asset is allocated proportionally between the Classes so that everyone maintains the same exposure.

3.2 Classes with different mandates

There will tend to be no apportionment to be considered between Classes with different investment objectives and/or policies, i.e. whose investment universes predetermined by the fame are incompatible with each other (e.g. more polluting companies vs. companies committed to the environmental, social and governance agenda).

If there is any common issuer between the investment universes, the provisions of the Mirrored Mandate Classes will apply to the acquisition of the respective assets, if the proportions are to be maintained. On the other hand, in the event that the Classes with Different Mandates do not aim for the same proportion of allocation in the issuer, fama will promote the apportionment and division of orders so that the securities portfolios managed by the Manager have the price as close as possible to the average price of all the orders of all the portfolios on the same day, for the same asset.

The apportionment between the Classes shall also take into account:

- the net assets of each Class;

- the characteristics of each Class

- net fundraising;

- the relative cash position of each Class

- tax characteristics that are relevant to the Classes;

- the risk position of a Class; and

- specific situations of exclusive Class clients.

If the Manager has to change the list of Classes defined to participate in the apportionment, it must keep a record and justification for this change.

3.3 Exceptions

Fame, always striving for trustworthiness towards its investors, understands that in certain cases its search for an investor may run counter to the use of the parameters outlined above. In this sense, it lists below the main cases in which the parameters for apportioning and dividing orders should not be observed:

(i) buy and sell orders that are precisely identified as to the fund in which they are to be executed or allocated (for example, due to shareholder applications or redemptions);

(ii) it is necessary to carry out a framing of the portfolios;

(iii) there are any specific restrictions for a given portfolio, such as cash availability or risk limits; and

(iv) the quantity traded is so small that it is impossible to make the necessary calculations for apportioning and dividing orders fairly.

Monitoring of the parameters for apportionment and division of orders is checked by the Operational area and monthly by the company's Compliance area, and any exceptions must be duly documented by the Compliance area in internal systems.

4. RULES FOR MITIGATING CONFLICTS OF INTEREST

4.1. Manager or Employees Acting as Counterparties to Classes

Manager and/or Employees are prohibited from acting as Class Counterparties, even though CVM Resolution 21/21 and Section 206(3) of the Adviser Act provide for exceptions to this prohibition.

4.2. Direct Transactions between Classes

In the event that the Classes have opposing interests in a given asset, their operations may end up crossing paths in a stock exchange environment. Fame may carry out certain “direct operations” on the stock exchange between its Classes, provided that they are exclusively for the purpose of making adjustments and rebalancing portfolios, in order to ensure that investment strategies are preserved after certain movements.

Such transactions will always be at market price, preferably at the closing auction, without affecting the price.

Direct transactions between Classes will be monitored by the Compliance area, together with the monitoring of the apportionment and division of orders.

In addition, fama does not have any financial intermediaries that are related to it. Notwithstanding this, should it have or contract financial intermediaries that are linked to fame for the operations of the Classes, the best execution conditions will be observed so that the price resulting from the Class operations and the service provision conditions seek to serve the best interests of the Class shareholders, observing market conditions.

5. TYPES OF TRADING

Fame uses the main types of trading available (e.g. market order, limit order, managed order, matched order) in order to always execute the best order for its investors.

The Manager may request the brokerage house to negotiate or register a certain asset purchase or sale operation for one (individual account) or more Classes (Master account), under the conditions to be specified by the Manager.

Orders will be transmitted in writing via electronic means (e-mail, Bloomberg, or other communicators), and may be confirmed verbally or via electronic means (e-mail, Bloomberg, or other communicators), subject to registration and filing.

6. TRANSACTION COSTS

In addition, should any purchase or sale order transmitted by the Manager relate to more than one Class, the costs involved in the transactions will be apportioned proportionally (in quantity and value) to each Class, so as not to allow any advantage to be gained by one or more Classes to the detriment of another.

7. TRADING ERRORS

As far as Employees are concerned, they carry out their activities with all the care and diligence that every upright man is accustomed to when making decisions that may have an impact on business. Nevertheless, mistakes can happen, and if they do, the Investment Director and the Compliance Director must be immediately informed so that the possible impacts on the Classes can be analyzed and corrected as quickly as possible, including being able to bear the costs and losses generated by the error.

In addition, any gains generated by the error will be allocated equally between the Classes.

Version Control	
Mai-2014	Version 1
Dec-2015	Version 2
Jun-2016	Version 3
Jan-2019	versão 4
Ago-2022	versão 5
Out-2024	versão 6