

mar
asset
management



mar / sea

School that makes us learners since childhood.
Environment that teaches humility, respect and
how to overcome our fears, where the only
variable we can control is our own reactions.

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Conviction

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Purpose

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Principles

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Goal

Conviction

The prosperity of an investment firm depends on its intellectual capital and on a resistant and flexible partnership, supported by a confident investor base.

Purpose

Generate a positive contribution to the economy,
through an enhanced financial intermediary service.

Principles

1

Talent

A team with experience and excellent results in their respective areas.

2

Dedication

The major partners are on a converging moment in life to start a new venture.

3

Alignment of values and goals among partners

A close group that has known each other for a long time and shares personal, ethical and organizational values.

4

Alignment between the company and its investors

Investors are more than clients, they are our associates and partners.

5

...and a little bit of luck.

Goal

To achieve annual return of CDI (Brazilian Overnight Deposit Rate) + 10%,
through multiple asset classes investment

MAR

Asset Management

People

- / Partnership *de facto*
- / Dividend compensation payment
- / Low employee turnover
- / High tolerance to individual's emotional cycle

Asset management

- / Focus on absolute performance
- / Single book shared by the portfolio managers
- / Alpha generation through stock picking and macro themes
- / Low portfolio turnover, highly concentrated positions, ability to take advantage of volatility
- / Combination of different asset classes creates synergies throughout portfolio construction and risk management

Assets under management

- / Partners committed a relevant amount of their own capital to the fund
- / Investors are aligned with fund's investment philosophy and partnership structure
- / Stable capital base that enables long-term view
- / Organic and consistent growth path
- / Focus on achieving a transparent and two-way relationship with clients

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Partnership
Main partners

Partnership

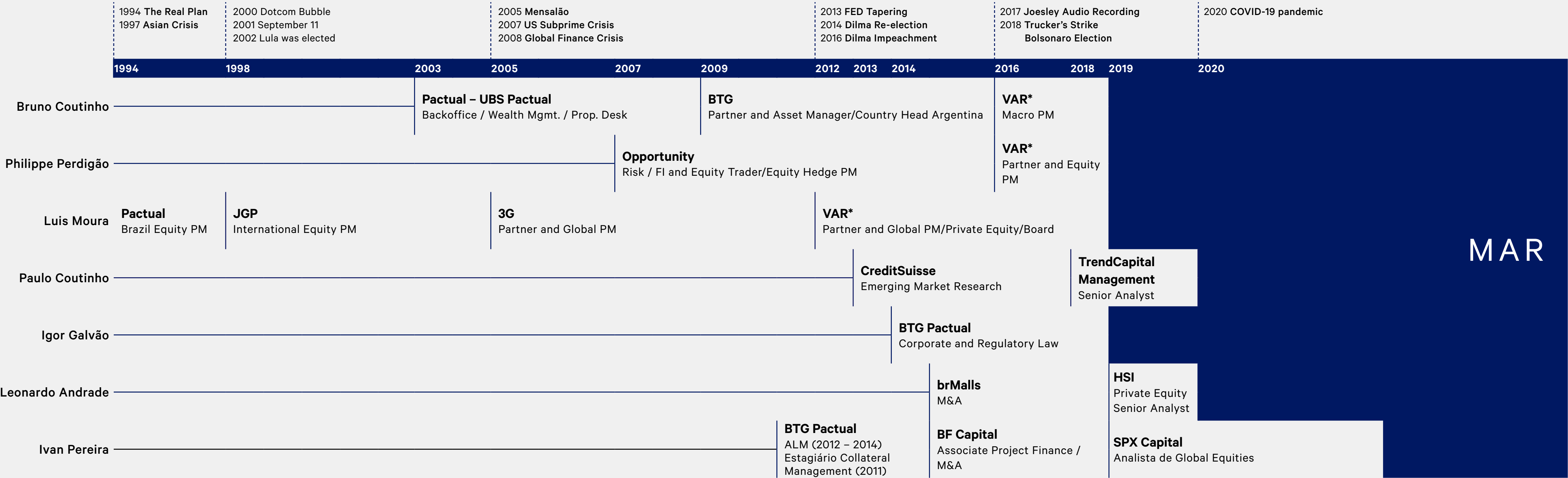
We believe a partnership is a long-term life endeavor.

We look for shareholders that are long-lasting partners, that will exchange knowledge and that will share our company's values.

Partners

Main partners have more than 10 years of investing experience.

Focus on areas of expertise and with proven trak-record over several economic cyles.



*VAR: Shared investment office

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Powerful Combination

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Investment Philosophy

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Portfolio Construction

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Shared Portfolio Management

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Macro Investments

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Stock Picking

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Risk Management

Powerful Combination

Mar is a combination of the macro/fixed income investment approach of BTG Pactual with the equity investment approach of Opportunity and 3G

- / This combination increases the range of analysis, enabling us to identify the highest conviction ideas.
- / Factorial risk analysis between different asset classes generates better risk management.
- / The best opportunities will have the heaviest weight on the portfolio.
- / There is a lack of hedge funds that build a portfolio using macro and micro themes in a single trading book in the Brazilian industry.

Investment Philosophy

Macroeconomic analysis of the cycle

Our investment experience make us capable of identifying opportunities supported by deep-dive fundamental and macro analysis.

Macro analysis approach

- / Differentiation between signal x noise
- / Analysis of market trend reversals
- / Adequate investment horizon for a thesis to mature

Private equity analysis approach for public equities

- / We focus capital and time on our highest-conviction ideas
- / In-depth and detailed analysis of the business model
- / Rigorous analysis of the decision making process and corporate governance

Risk management

- / Understanding risks and hedges in order to avoid permanent loss of capital
- / Stress test as main risk metric
- / Search for a superior reading on the probabilities distribution, good asymmetries and safety margins
- / Short-term volatility as investment opportunity
- / Stop-loss rules to protect against Black Swan events

Portfolio Construction

Cycle

- / The stage of the economic and market cycles determines the risk appetite;

Risk Signal: green, yellow or red

- / Favorable asymmetries and position sizing determined by trading signal;

Asymmetry analysis

- / Absolute transparency and intellectual honesty of the team to identify potential shifts of investment asymmetries;

Tracking

- / We actively monitor, review and adjust positions along the investment process.

Shared Management

A single book generates a series of advantages

Detailed monitoring of companies provides input for macro decisions.

Analysis of the economic cycles will determine the risk appetite.

Detailed macroeconomic monitoring provides a superior framework for equities investments.

Active allocation in different classes.
Capacity of neutralizing specific risks.

Macro Investments

Signal x Noise

Search of opportunities focused on LatAm interest rates and currencies;

Extensive market experience supports the process to identify positive investment asymmetries;

Position sizing according to the risk x return determined;

Concentrate capital on best ideas.

Stock Picking

Private Equity approach with opportunistic capital allocation on public equities.

Analysis of at least 20 companies per year.

Focus on Consumer, Retail, Real Estate, Financials and Utilities sectors.

Search for misunderstood businesses, corporate changes, hidden assets, turnarounds and secular movements.

Portfolio construction with 5 to 10 companies.

Ability to concentrate risk in special opportunities:

A deep analysis in few sectors and companies allows a more aggressive capital allocation in unique opportunities.

The position size per company may be up to 15% of the fund at cost.

Risk Management

Pain + reflection = evolutionn

Ray Dalio

Risk control doesn't mean risk avoidance.

Paul Johnson

*If you avoid the losers, the winners
will take care of themselves.*

Howard Marks

We consider risk as the probability
of permanent capital loss.

Mistakes are part of the daily routine of portfolio managers.
The constant review and improvement of the decision-making
process increases our chances to avoid big mistakes.

Risk Management Pillars:

- / Relentless analysis of probability distribution;
favorable asymmetries and margin of safety;
- / Absolute intellectual honesty in the analysis of the investment cases;
- / Risk reduction based on quantitative rules;
- / High quality investors and capital base

Our main risk metric is stress test

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Case Studies



BPAC11: BTG

Mar Thesis

- / Strategic shift towards a more client-oriented business model.
- / Greater alignment of senior management.
- / New CEO profile in line with bank's new strategy (Sallouti is a boards member Mercado Livre since Jan 2015).
- / Improving core business profitability.
- / Strategically positioned as a challenger in the retail segment: 6th largest bank, cheaper funding, high brand awareness, lower CAC.
- / Digital banking optionality not priced in.
- / Stock's attractive valuation provides margin of safety.

Market Thesis

- / BTG's business model driven by proprietary trading and volatile results.
- / Concerns about high turnover of partners/senior management.
- / Limited assessment on CEO profile, due to his former role as a fixed income trader.
- / Bank's results seen as highly dependent on economic and capital markets improvement.
- / General market view that fintechs and Banco Inter would be the main contenders of the retail banking segment.
- / Stock should trade close to liquidation value (1x price-to-book) due to corporate governance concerns.

Case study

Brazil Interest Rates

Easing cycle

Mar Thesis

- / Liberal economic agenda is very positive for the long term but has a contractionary economic effect in the short term.
- / The initial effect of a contractionary fiscal agenda, involves subdued domestic activity and lower inflation, opening room for a new expansionary monetary cycle.
- / New Brazilian Central Bank President gains market credibility in the short term, being able to cut interest rates without impacting inflation expectations negatively.
- / Higher exposure to short duration, ahead of potential risks involving social security reform approval.

Market Thesis

- / Optimism with a liberal economic agenda increased growth expectations.
- / With interest rates already hovering around historical lows and domestic activity picking up, Central Bank would be forced to hike rates.
- / New Central Bank President sounded hawkish in his initial speech and had a greater focus on microeconomic agenda.
- / Binary risk involving social security reform approval in Congress.

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Appendix

Partners

Bruno Coutinho

16 years of experience - Former Partner at BTG Pactual
Grew up in Rio de Janeiro and has lived in Mexico City,
New York, São Paulo and Buenos Aires

BTG Pactual – Partner 2009-2016

Argentina – Country Manager and
founder of BTG Pactual Argentina.

Head of Asset Management for Fixed Income LatAm.

Member of the HR Committee and responsible
for the internal culture programs of BTG Pactual.

BTG Investments – Founding Partner 2008-2009

Portfolio Manager for Fixed Income LatAm.

Pactual – UBS Pactual 2003-2008

Mexico. Structured the proprietary and
client's trading desks of UBS Pactual. 2007-2008

Junior Trader. Trader of proprietary Fixed
Income LatAm desk, except Brazil. 2006-2007

Asset Management Back Office and
Wealth Management analyst. 2003/2006

Partners

Bruno Coutinho

Search for the next challenge

“In 2016, after 13 years at BTG Pactual, having started at back-office in 2003, gone through different areas of the Bank, being a founding partner partner of BTG Investments, partner of BTG Pactual, co-head of Asset Management (R\$ 200bn AUM at 4q/2014) and finally idealized BTG Pactual Argentina (2015), always delivering very expressive results and forming excellent teams, I have decided that my next step would be to come back to Rio de Janeiro to reevaluate my professional future”.

During such period, Bruno was invited to participate as partner of various investment firms, from startups to companies consolidated in the market, but decided to manage his own capital.

He was also an investor and “invited resident” of VAR Capital, where he had a closer contact with the 3G investment approach.

“I couldn’t find an investment fund with the profile that I wanted to invest my own capital and at such moment I understood that my next step would be to incorporate an investment firm with specific portfolio construction that combines my expertise in macro themes with the capacity of micro themes analysis of Philippe Perdigão.

Add this to a strong capital base, and I believe it is possible to reach excellent returns in different economic cycles”.

Partners

Philippe Perdigão

12 years of experience - Former Associate Partner of Opportunity

VAR Capital - Partner 2016- 2018

Concentrated investments on global public equities and Brazil Private Equity.

Opportunity - Associate Partner 2007-2016

Equity Hedge portfolio manager, long & short equities with a long bias searching for absolute return 2011/2016

Structured and was the manager of the global equities investment department 2015/2016

Created and led the **Opportunity SIM**, a redesign of the interns program of the company 2011/2014

Junior trader of equities and fixed income for all the funds of the company 2010

Risk Analyst 2008/2010

Intern of the comercial, Fund of Funds and risk departments 2007/2008

Partners

Path to MAR

Philippe Perdigão

Search for concentrated investments and private equity's vision led to the partnership with Luis Moura.

During almost 10 years at Opportunity, where I have entered as intern, I managed to stand out and reach the funds management department really young in 2010. The company was fundamental to my formation and knowledge in equities investment. There, I have created new areas such as total return equity funds and global equities, being responsible for a R\$1bi strategy.

In 2016, I decided to look for new intellectual challenges. As such, I have accepted the invitation of Luis Moura to join VAR Capital. The decision brought me closer to the private equity world and I was able to improve my analysis tools through the investment in few sectors and with an opportunistic view. It was a closer contact to the management model of 3G Capital that Luis Moura helped to build.

At VAR Capital I have analyzed 12 companies within 2 years and had the opportunity to follow board committees and debates on the invested entities. In 2017 I led the analysis of the bid, made together with Squadra and Visagio, for the control of Alpargatas.

However, after 2 years, I realized I was still chasing the challenge of building an asset management business and that was not the purpose of VAR.

Finding the ideal partner for the challenge of building the business.

During our partnership at VAR Capital, Luis brought Bruno Coutinho to sit with us at the office. Coincidentally, Bruno decided to move forward with his decision to build his own business and invited me to be part of the company.

After 2 years sitting together and debating a large variety of themes, we realized there was a synergy between our skills and a sharing of values. From there, MAR Asset Management would arise.

Partners

Luis Moura

Partner and member of the Board of Directors of **Eleva Educação**, **Imaginarium**, **Brasil Brokers**, **Equatorial Energia** and **Cultura Inglesa**.

Partner responsible for public equities investments of **3G Capital** in New York from 2005 to 2011.

Between 1998 and 2004 was manager of the international stocks portfolio and head of the research department of JGP.

Was corporate finance analyst and Brazilian stocks manager at **Banco Pactual** between 1994 and 1998, and international trainee and corporate finance analyst of Citibank NA, from 1990 and 1994.

Luis graduated in business administration at PUC-Rio, has specialization in Corporate Finance at IBMEC and in mergers and acquisitions at Wharton School of Business.

Partners

Paulo Coutinho

PhD from UCLA

Credit Suisse

Emerging Market Research
Vice-President

2013 to 2017

Brazil Economist.
Responsible the banks' view for the country's Fiscal Accounts, Economic Activity, Inflation, External Sector and Politics.

Wrote periodic analyses and reports, besides having direct contact with the franchise's clients.

Trend Capital Management

Senior Analyst

2018 to 2020

Economist/Strategist with focus on global markets.

Responsible for developing investment strategies for various countries.

Path to Mar

Until my late 20s, my goal was to pursue an academic career. I began considering to move to the professional market during the last year of the PhD program at UCLA, which culminated with an invitation to work for Credit Suisse's Emerging Markets Research. During my period working alongside Nilson Teixeira, I was responsible for covering all themes in the macro area: fiscal policy, inflation, politics, economic activity, and Balance of Payments. After 5 years, I decided to migrate to the buy side to be closer to the investment decision-making process and joined Trend Capital, a global macro hedge fund in Florida. There, I was able to greatly expanded the scope of areas of my research - it is a global macro hedge fund – and also my professional attributions – with the role of strategist, in addition to that of economist. In early 2020, I was invited by Bruno Coutinho, whom I always admired and saw as a great example of success in the industry, to join the MAR Asset team.

Partners

Leonardo Andrade

HSI – Southern Hemisphere Investments

Private Equity Senior Analyst

July 2019 – December 2019

Analysis of new investments and asset management in the Real Estate sector - Shopping Centers, Hospitality, Logistic Complexes, Residential Development and Offices.

brMalls

M&A Coordinator

March 2015 – June 2019

Focus in the group's portfolio recycling strategy, directly involved in shopping mall mergers, acquisitions and divestments.

M&A Coordinator 2018/2019

M&A Specialist 2017/2018

Trainee brMalls 2016/2017

M&A and Investment Analysis Intern 2015/2016

Path to Mar

My career started at brMalls group, where I spent more than 4 years analyzing numerous opportunities to optimize the company's portfolio through Mergers, Acquisitions and Divestments, resulting in the execution of BRL 2bn of the strategy.

In 2019, in pursuit of professional and intellectual development, I migrated to the Private Equity area of HSI - Southern Hemisphere Investments, where I was able complement my M&A background with Private Equity.

At the end of 2019, Philippe Perdigão invited me to visit MAR, its other partners and to be part of the society. Soon I deeply identified with the idea, people involved and accepted the opportunity to participate in the construction of this project.

Partners

Igor Galvão

IR and Compliance

Banco BTG Pactual **Corporate and Regulatory Law**

April 2014 – March 2019

Worked on the global regulatory legal department with more than 15 regulators.

Drafted the legal documents and was involved in onshore and offshore operations in various areas of business.

LLM in Corporate Law and Capital Markets at FGV-RJ **Associate Director at Corporate and Regulatory Law**

Path to Mar

I've worked for 5 years at BTG Pactual in a series of onshore and offshore operations, as a member of the legal team responsible for the corporate and regulatory matters of all BTG Pactual's Group.

In 2015, I was the responsible of all the legal matters regarding the incorporation of BTG Pactual Argentina, period in which I was in close contact with Bruno Coutinho, the leader of such initiative.

When Bruno decided to create his own asset, I was invited as founding partner of that new project.

In search of a new challenge and knowledge, assuming the position of General Counsel and Chief Compliance Officer of MAR was a great opportunity to join partners with a huge market experience and help them build a new history.

Partners

Ivan Pereira

Analyst

SPX Capital

Global Equities Analyst (2018 to 2020)

Equity research analyst focused on global equities

BF Capital

**Associate Project Finance e M&A
2014 to 2018**

Responsible for structuring and developing infrastructure projects in Brazil and for coordinating M&A transactions.

BTG Pactual

**Analyst
2012 to 2014**

Performance in ALM, being responsible for analyzing and managing the cash flow and monitoring the Bank's financial commitments;
Collateral Management intern (2011 to 2012)

Path to Mar

I started my career as an analyst at BTG Pactual in 2011 for almost 4 years going through the areas of Collateral Management and ALM. In the meantime, I was transferred to São Paulo and joined BF Capital in 2014 to develop and structure the most diverse types of infrastructure and M&As projects in Brazil, a position I held until the beginning of 2018. For personal reasons and with the desire to migrate to the public equities segment, I returned to Rio de Janeiro and joined SPX as a global equities analyst, focused on the technology sector. In the following 2 years I evolved a lot professionally, but I felt that I needed to acquire new knowledge. In mid-2020 I was introduced to Philippe Perdigão and after a conversation I was sure MAR was the right place. I identified with the culture, the project and especially with the people. Given the unique opportunity, I decided to take the challenge and joined the team so we can write together the next successful chapters in MAR's history.

Corporate Governance

Luis Moura
Bruno Coutinho
Philippe Perdigão

A Board was created to make company decisions through periodic meetings of portfolio follow-up, presentation of investment ideas, internal results and strategic planning.

Risk Management

Thesis Review

10% drawdown triggers mandatory thesis review.

Stress

Stress of 30% (BM&F Bear)

BM&F stress is a hypothetical and standard scenario released by BM&F.

Shocks are determined by a pool of 8 financial institutions in Brazil, comprehending different risk factors.

Stop at the portfolio level

50% reduction of the risk
(measured by BM&F Bear stress scenario)
with drawdown of 15% of the fund.

Geography

Brazil

Usually biggest risk allocation for both macro and equities investments.

Mexico

Initially only in macro themes.

Argentina

Initially only in macro themes.

USA and developed countries

Monitoring to understand the economic cycles and business tendencies.

Investment in special occasions at low frequency.



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