Newfoundland
Capital Management

NEWFOUNDLAND PAN LATAM LONG ONLY FUND
Performance Update – July 2026

Focused on providing superior returns through rigorous fundamental analysis of Latin American equities

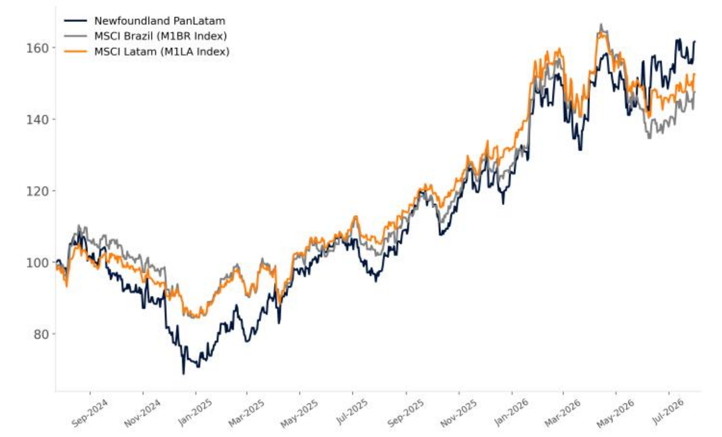
NET RETURNS (USD)	Jan	Feb	Mar	Apr	May	Jun	Jul[1]	Aug	Sep	Oct	Nov	Dec	Year	Acc
Newfoundland 2024							**-0.77%**	**2.22%**	**-5.33%**	**-5.35%**	**-10.12%**	**-12.10%**	**-28.20%**	
Newfoundland 2025	**15.06%**	**-5.83%**	**14.35%**	**8.65%**	**6.37%**	**3.70%**	**-9.75%**	**13.46%**	**8.68%**	**-0.35%**	**6.63%**	**-0.43%**	**74.83%**	**25.53%**
Newfoundland 2026	**17.69%**	**1.42%**	**-1.38%**	**1.47%**	**-0.26%**	**-0.66%**	**8.79%**						**29.35%**	**61.52%**
MSCI LATAM 2026	15.33%	3.81%	-4.30%	3.12%	-4.21%	-2.39%	4.91%						**15.90%**	**52.48%**
MSCI BRAZIL 2026	16.78%	3.94%	-1.87%	4.02%	-9.14%	-2.90%	6.38%						**16.27%**	**47.57%**

[1] *Since inception on July 23, 2024*

MARKET SUMMARY

INDEX	% MTD	% YTD
MSCI Latam (M1LA Index)	4.91%	15.90%
MSCI Latam ex Brazil (M1CXITAA Index)	2.66%	14.56%
MSCI Brazil (M1BR Index)	6.38%	16.27%
MSCI Chile (M1CL Index)	-0.20%	0.26%
MSCI Colombia (M1CO Index)	20.11%	53.61%
MSCI Mexico (M1MX Index)	1.95%	13.01%
MSCI Peru (M1PE Index)	3.57%	36.43%
CURRENCY	**% MTD**	**% YTD**
Argentina (USDARS BGN Curncy)	0.28%	2.48%
Brazil (USDBRL BGN Curncy)	-1.72%	-7.69%
Chile (USDCLP BGN Curncy)	0.92%	3.36%
Colombia (USDCOP BGN Curncy)	-8.07%	-16.48%
Mexico (USDMXN BGN Curncy)	-0.83%	-3.70%
Peru (USDPEN BGN Curncy)	-0.31%	1.08%
NEWFOUNDLAND PAN LATAM FUND	**8.79%**	**29.35%**

NEWFOUNDLAND PAN LATAM PERFORMANCE SINCE INCEPTION



FUND AUM: USD 24,367,495

PORTFOLIO COMMENTARY

July was a month of divergence. The broad emerging market complex came under pressure as the AI and technology trade that had dominated the first half unwound sharply, yet Latin America broke ranks and delivered one of its strongest months of the year, validating once again the case for a differentiated, bottom-up allocation to the region. The Newfoundland Pan LatAm Fund returned 8.79% in the month and is now up 29.35% YTD, compared to 4.91% and 15.90% for the MSCI Latin America (M1LA Index), and 6.38% and 16.27% for the MSCI Brazil (M1BR Index), respectively. While the MSCI Emerging Markets index fell on an intense positioning unwind concentrated in Asia, with the MSCI Korea Index down 17.9% in the month in its worst showing since October 2008 as leveraged AI exposure was violently degrossed, Latin America posted a resurgence after two months of decline and once again functioned as an effective AI hedge within the emerging market universe.

The macro backdrop that drove this rotation is worth dwelling on, because it is the mirror image of the second quarter. Through April and May, capital rotated out of Latin America and back into the AI trade in Asia, leaving the region to move on its own idiosyncratic catalysts rather than with the broad emerging market tide. In July that tide receded. Renewed concerns around AI capital expenditure, monetization and financing, amplified by a positioning washout in Korea, dragged the technology complex sharply lower, and the cooling of that trade prompted an initial and still only partial rotation back toward hard assets, the kind of exposure that had worked at the start of the year. A re-escalation of conflict in the Middle East that effectively ended the June ceasefire compounded the move, pushing Brent up 23.6% over the month, and higher oil is a clear tailwind for the hard asset economies of the region. That early rotation was enough to lift Latin American markets broadly, but it was not the whole story, because the move was reinforced by a genuine improvement in the regional macro and by better forward-looking prospects on the back of the political changes underway across the Andes. This is precisely the environment in which the region stops being a passive follower of the emerging market benchmark and starts to lead.

Colombia was again the standout, finishing as the best performing market in the entire emerging market universe for the second consecutive month. The MSCI Colombia (M1CO Index) rose 20.1% in July and is now up 53.1% year to date, and the rally that began with the electoral inflection has broadened into something more structural, as the market prices the investment-led reopening of the energy and mining industries under the incoming administration and a return to fiscal discipline. Earnings revisions have followed, with consensus lifting Colombian estimates by roughly 9.4% for 2026 over the month on the back of the political regime change, and the Colombian peso appreciated 8.8% to finish as the best performing emerging market currency of July. The incoming administration has now announced its full ministerial cabinet, and it is from here that we should begin to get a clearer read on the budget and on how the new government intends to repair the fiscal and governance picture it inherits. This is the payoff of a thesis we have held with conviction all year, and it is important to underline that our exposure was built well before the market as a whole was willing to underwrite it. Colombia remains a flow story with two distinct and separate legs, and both remain live. On the foreign side, international allocators continue to rebuild exposure through the most liquid available vehicle, the COLO US ETF, and Colombia remains one of the most underowned markets among global emerging market funds, which means that even a modest normalization of positioning carries outsized price impact. On the domestic side, Colombian pension funds continue to increase their equity allocation via the iCOLCAP from historically depressed levels, and while they are largely waiting for the August rebalancing before adjusting positions in size, they have already lifted their exposure by 30 basis points month over month, adding a structural and recurring bid to the local market that has yet to run its course. That both drivers remain intact while the consensus is still meaningfully underweight the country is, in our view, the clearest expression of the asymmetry that continues to define the opportunity.

Colombia's central bank surprised the market at the end of July by holding the policy rate at 12.0% in a narrow four to three vote, against a consensus that had expected a 50 basis point hike, framing the pause as a prudent moment to assess the lagged effect of the 275 basis points of tightening already delivered this year. We remain confident in the disinflation path despite the surprise, because the sharp appreciation of the peso is materially dampening imported price pressures, core inflation has been stable, and the recent pressures are concentrated in a few volatile and supply-driven components rather than reflecting a broad-based acceleration, which leaves policy at a clearly restrictive level consistent with convergence toward target through 2027.

In Peru the picture also remained constructive, with the MSCI Peru (M1PE Index) up 3.6% in July and 36.4% year to date, extending its position as one of the best performers in the region following the resolution of the electoral cycle in June. The new administration took office on July 28th, and the government leadership appointments announced so far have been very well received by the market, reinforcing the constructive read on institutional continuity. The impact of El Niño is already being mapped, and on the growth side copper projects could be fast-tracked in coordination with the government, which could accelerate the sector meaningfully. Against that backdrop we expect a more aggressive recovery in commercial loan growth, which should drive positive ROE revisions across the banks, and our exposure through Intercorp Financial Services (IFS US) and Credicorp (BAP US) continues to reflect that view. With the binary electoral catalyst now behind us and a meaningful portion of the re-rating already captured, we are managing the position with discipline, keeping our highest-conviction names while gradually recycling capital toward situations where the risk-reward sits earlier in its cycle. Lima headline inflation came in at 0.29% in July, lifting the annual rate to 4.07% and keeping it just above the upper bound of the central bank's 2% plus or minus 1% target band, driven largely by temporary food and transport shocks rather than by broad price pressure. We take comfort from the fact that core inflation excluding transport is still tracking around 2.13% year over year, which supports the central bank's wait-and-see stance at 4.25% and reinforces our read that the recent firming is supply-led and transitory rather than a signal of entrenched inflation.

One of the features that most distinguishes our process in this part of the world is that we are boots on the ground. Into the second half we have a full agenda of on-site meetings across Colombia, Chile and Peru, sitting down directly with company management teams and with members of the incoming and sitting governments to form our own view of the policy trajectory rather than relying on secondhand interpretation. We will also be meeting local investors, from asset managers to pension funds and other institutional allocators, which gives us a valuable edge in understanding how the most relevant local capital is positioned, because the market does not yet appreciate how these governments and the question of governability will actually play out. In markets where the entire investment case can turn on the credibility of a fiscal framework, the independence of a central bank or the sequencing of a regulatory reform, this direct access is not a courtesy, it is a core part of how we underwrite risk, and it is a large part of why we have been positioned ahead of the consensus on each of the Andean catalysts this year.

Brazil delivered a strong month in absolute terms, with the MSCI Brazil (M1BR Index) rising 6.4% on the back of the same rotation that favored the rest of the region, as the cooling of the AI trade and the strength in commodities brought foreign capital back after a prolonged stretch of outflows that had run since the middle of April, with roughly USD 639mn of foreign inflows over the month, and the real appreciated 1.7%. We read this recovery with a measure of caution rather than as a change in trend. History is not encouraging for Brazilian assets in the months immediately preceding a presidential vote, and the market tends to trade the political uncertainty rather than the fundamentals as the election approaches. On that front, the calendar has become live. The party convention window ran from July 20th through its final day on August 5th, candidacies were formally launched across the field, and both President Lula and Senator Flávio Bolsonaro had their candidacies confirmed by their respective parties over the convention period, with Flávio completing his ticket on the final day by naming Federal Deputy Alfredo Gaspar as his running mate, and the formal registration deadline at the Superior Electoral Court set for August 15th. The polling picture is consistent with a race that is tightening as the contest becomes real. The most recent AtlasIntel survey showed Lula leading the first round with 44.9% against 35.8% for Flávio Bolsonaro, and leading a simulated run-off with 49.2% against 42.9%, broadly stable versus its late-June reading of 48.8% against 42.3%. The first BTG and Nexus poll taken after both candidacies were formalized showed the gap narrowing to a technical tie, with Lula at 41% against 37% for Flávio in the first round and 46% against 45% in the run-off, as Flávio recovered from 33% to 37% in the space of a week. The direction of travel matters more than any single number, and the message is that this is moving from a legible two-way contest toward a genuinely contested and fluid one.

The monetary and fiscal backdrop reinforces the case for selectivity. The path for the Selic has become less friendly than the market hoped at the start of the year, when an easing cycle toward roughly 11% was in view. The Central Bank continued its calibration cycle in August, cutting the Selic by 25bps to 14.25% as expected, with a statement that struck a more neutral tone on the macro backdrop while reinstating its guidance that inflation converges to target over the relevant horizon. The balance of risks remains skewed to the upside, and the closing emphasis on patience and caution reads as an attempt to temper both analyst expectations and market pricing, consistent with a further 25 basis point cut in September rather than a more aggressive easing path, as stickier inflation and a deterioration in longer-dated inflation expectations for 2027 and 2028 constrain the room to cut, a dynamic complicated further by the prospect of a firmer Federal Reserve. Layered onto this is a pre-electoral fiscal impulse of unprecedented scale, with the great majority of the announced spending sitting outside the growth limits of the fiscal framework, which supports near-term consumption but deepens the structural deterioration and keeps a floor under long-term rates and a premium on Brazilian duration. Despite all of this, we are becoming more constructive on Brazilian equities from a valuation standpoint, because current multiples have compressed back to levels comparable to early 2025, a period that preceded one of the strongest rallies in recent Brazilian market history. We are clear-eyed about the electoral risk embedded in that view, and precisely for that reason we are adding exposure through disciplined stock picking rather than broad index beta, concentrating on companies where earnings resilience, cash generation and valuation provide a margin of safety against continued electoral and fiscal volatility.

Nowhere is that discipline more evident than in our conviction on the Brazilian education sector, which we regard as one of the most compelling asymmetries in the market today. On a year-to-date basis the sector's earnings revisions have been tracked broadly in line with, and in some cases ahead of, other domestic sectors, so the fundamental trajectory of these businesses has kept pace with the parts of the market that have actually worked. Yet the sector has delivered a year-to-date return of roughly negative 30%, the worst of any Brazilian sector by a wide margin (Figure 1). That divergence between an earnings picture that is holding up alongside the rest of the market and a price performance that has collapsed to the bottom of the table is, to us, a textbook mispricing. These are cash-generating machines with free cash flow yields in the high double digits, resilient earnings and valuations that are attractive both in absolute terms and relative to their own history and peers, and they appear to have been broadly overlooked by a market distracted by macro and political noise. We see the setup as a rare combination of a de-rated price, an intact fundamental story and an obvious catalyst in the eventual normalization of sentiment, and it is the kind of off-index, misunderstood opportunity that sits at the center of how we generate returns.

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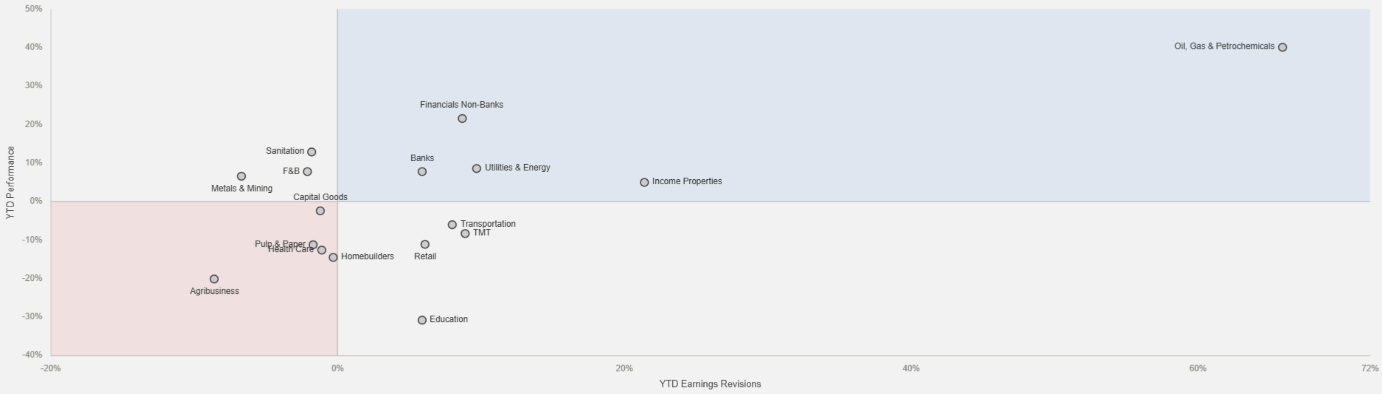

Figure 1: YTD contribution for IBOVESPA returns by year.
Source: XP Research, Bloomberg, Economatica.

As we move deeper into the second half, the portfolio is positioned for a market environment that we expect to remain selective and differentiated rather than driven by broad regional beta. The Andean re-rating has validated a thesis we carried with conviction through the first half, and we intend to harvest it with discipline while our boots on the ground across the Andean markets sharpen our read on what comes next. In Brazil we are leaning into valuation while respecting the electoral risk, expressing that view through high-conviction, cash-generative names rather than the index, with the education sector as our clearest expression of the mispricing on offer. We are midway through the Brazilian 2Q.26 earnings season, and the results reported so far reinforce that conviction, leaving us confident in our portfolio companies. It is fair to acknowledge that a potentially worse macro next year would naturally weigh on education, as it would on every sector, but that concern loses much of its force when the retail sector is already positive on the year despite facing the very same backdrop, which only sharpens the value asymmetry embedded in education at current prices. More broadly, we continue to see a weaker dollar, a constructive and increasingly bullish setup for commodities, and a materially better risk-adjusted return profile for the region than for most of the emerging market universe. Our focus remains unchanged. We look to identify off-index companies with resilient business models, strong balance sheets and clear catalysts for value creation, and to hold them with conviction through the volatility that inevitably accompanies elections, macro uncertainty and geopolitical noise in this region.

EQUITY EXPOSURES AND P&L BY SECTOR

Sector	% Market Value	% P&L
Communication Services	0.58%	0.05%
Consumer Discretionary	28.55%	2.52%
Consumer Staples	2.74%	-0.01%
Energy	6.66%	3.60%
Financials	25.75%	2.10%
Health Care	4.15%	-0.64%
Industrials	5.59%	-0.17%
Information Technology	0.00%	0.00%
Materials	15.28%	-0.16%
Real Estate	0.00%	0.00%
Utilities	2.76%	0.24%
Other	7.94%	1.26%
Total	**100%**	**8.79%**

TOP 5 CONTRIBUTORS

Ticker	% P&L
EC US	3.19%
SEER3 BZ	2.19%
COLO US	0.87%
AVAL US	0.56%
PFDAVIGR CB	0.45%

TOP 5 DETRACTORS

Ticker	% P&L
LUCA CN	-0.70%
BLAU3 BZ	-0.67%
ECOR3 BZ	-0.29%
ANIM3 BZ	-0.10%
CDPR CN	-0.09%

Fund Terms

	Class L
Lock-up:	None
Liquidity:	Monthly
Management:	1.2%
Performance:	15.0%

Fund Administration

Domicile:	Delaware
Auditor:	Spicer Jeffries LLP
Administrator:	The Catalyst Group
Prime Broker:	Morgan Stanley
Legal:	Kleinberg, Kaplan, Wolff & Cohen, P.C.

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