ALASKA
ASSET MANAGEMENT

Risk Manual of Alaska Investimentos LTDA
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1. INTRODUCTION

The purpose of this Manual is to establish the policies, structure, processes and control of the monitoring and risk management of investment funds ("Funds") managed by Alaska Investimentos LTDA ("Alaska"). The Manual also presents the methodologies used for the calculations.
For risk control, Alaska uses its own and outsourced systems, as well as monitoring from administrators of the Fund.

The risks monitored are Market Risk, Liquidity Risk, Credit Risk, Operational Risk, Concentration of Financial Assets Risk and Counterparty Risk. The risk management is conducted by the Risk Department, which is independent from the resources management area and reports directly to the Executive Committee.

2. STRUCTURE

The Risk Department consists of the various sub-departments responsible for calculating each type of risk. Whenever possible, each sub-department will have a team of its own with an appointed manager. Each manager is subordinate and responds directly to the Risk Officer.

In cases of its own calculations, Alaska uses spreadsheets developed in Microsoft Excel as its working platform, together with programming made in Visual Basic. Information regarding price and position are available in the MySQL database management system.

Asset pricing is carried out in accordance with the Mark-to-Market Manual of each administrator. When the Manual establishes the use of primary prices of stock exchanges (such as BM&FBovespa) or reference institutions (such as ANBIMA), data capture occurs through external sources with the use of financial platforms and terminals (such as Bloomberg, Broadcast, etc.), fitting into this asset profile, stocks, futures and government bonds. For assets with pricing under the responsibility of each administrator, prices are captured through files made available by the administrators themselves or directly from the portfolio of Funds, options and fund shares that fit this description.

When there is outsourcing of risk calculations, portfolios passed on to consulting institutions are made through spreadsheets or XML file. The results received are treated in spreadsheets for internal reporting.

3. RISK CONTROL

Financial risks are associated with the possibility of loss of invested capital arising from unexpected, uncontrollable events or flaws. Risk management is a way of identifying and measuring loss scenarios. Management does not mean completely eliminating the risk, but seeking to minimize its impact.

Alaska maintains controls for the main risks of its funds based on the methodologies described in this manual, further conducting *Backtests* on

a quarterly basis to verify the adherence of indicators in relation to the performance, whenever possible.

The methodologies are reviewed every 2 years or in a period shorter, if any inconsistency is identified within the tests performed.

3.1 MARKET RISK

It consists in the possibility of occurrence of losses arising from the change in the value of financial assets. A significant adverse change in the price of assets can strongly affect the result and profitability of the portfolio.

The change in the price of assets arises from fluctuations in macroeconomic and microeconomic variables. The main market risk factors of Funds managed by Alaska are: interest rates in the local market and, indirectly, from the foreign market, foreign exchange, commodities and stocks.

Monitoring of Market Risk is conducted by calculating the VaR and Stress.

3.1.1 VALUE AT RISK (VaR)

The VaR synthesizes, for a certain period of time, the highest expected loss of a portfolio, with a confidence interval. That is, the VaR provides a measure that indicates the highest loss value that will be extrapolated by the amount of times indicated in the confidence interval under normal market conditions.

The main advantage of the VaR is summarizing the portfolio risk in a single easy-to-understand measure. Thus, the VaR provides a summarized measure of the market risk. For example, a portfolio with a daily VaR of R$ 100 million and a confidence level of 95% means that, under normal market conditions, there are 5 opportunities out of 100 of the loss being above R$ 100 million. A fund with a daily VaR of 2.5% and a confidence level of 99% means that there is 1 possibility out of 100 that the fund will

have a negative return above 2.5% if there are no changes in market conditions.

There are several models that seek to measure the VaR, the main ones being the parametric VaR, historical VaR and Monte Carlo. To sum up, the VaR is calculated using volatilities and correlations of assets. The VaR can be obtained through the following steps:

i-) Setting the rate of return of a portfolio with *N* assets from *t* to *t+1* as

$R_{p,t+1} = \sum_{i=1}^{N} w_i R_{i,t+1}$, where

$R_{i,t+1}$: the return of the asset *i* at *t+1*

w_i : asset weight *i* in the portfolio

ii-) Rewriting the return in matrix notation, we have

$$R_p = w_1 R_1 + w_2 R_2 + \cdots + w_N R_N = \begin{bmatrix} w_1 & w_2 & \cdots & w_N \end{bmatrix} \begin{bmatrix} R_1 \\ R_2 \\ \vdots \\ R_N \end{bmatrix} = w' R$$, where w' represents the vector of transposed weights and R is the vector containing the individual returns of the assets.

iii-) The expected return of the portfolio is

$$E(R_P) = \mu_P = \sum_{i=1}^{N} w_i \mu_i$$

iv-) Portfolio variance is

$$V(R_P) = \sigma_p^2 = \sum_{i=1}^{N} w_i^2 \sigma_i^2 + \sum_{i=1}^{N} \sum_{j=1 j \neq i}^{N} w_i w_j \sigma_{ij} = \sum_{i=1}^{N} w_i^2 \sigma_i^2 + 2 \sum_{i=1}^{N} \sum_{j<i}^{N} w_i w_j \sigma_{ij}$$

expressing the variance in matrix form, we have

$$\sigma_p^2 = \begin{bmatrix} w_1 & \ldots & w_N \end{bmatrix} \begin{bmatrix} \sigma_{11} & \sigma_{12} & \cdots & \sigma_{1N} \\ \vdots & \vdots & \vdots & \vdots \\ \sigma_{N1} & \sigma_{N2} & \cdots & \sigma_{NN} \end{bmatrix} \begin{bmatrix} w_1 \\ \vdots \\ w_N \end{bmatrix}$$

defining Σ as the covariance matrix, the variance of the return of the portfolio can be written as

$$\sigma_p^2 = w' \sum w$$

or in monetary units

$$\sigma_p^2 W^2 = x' \sum x$$

v-) Through the delta-normal method, it is assumed that the returns of all individual assets are distributed normally, so the return of the portfolio, which is a linear combination of normal random variables, also has normal distribution. Thus, the confidence level c on a deviation α of the standardized normal distribution in such a way that the probability of a loss occurring, worse than $-\alpha$, is $(1-c)$. defining W as the initial value of the portfolio, then VaR is

$$VaR_{carteira} = VaR_p = \alpha \sigma_p W = \alpha \sqrt{x' \sum x}$$

The VaR calculated using the delta-normal method can be implemented through the following steps:

i-) Listing of portfolio risk factors;

ii-) Mapping the linear exposure of all portfolio assets to the risk factor;

iii-) Grouping of assets exposed to the same risk factor;

iv-) Estimating the risk factors covariance matrix; and

v-) Calculation of the VaR.

3.1.2 STRESS

Stress test is a risk management technique that consists of analyzing gains/losses from investments in extreme scenarios. Such scenarios are particular situations that could lead to large variations in investments. Scenarios can be fictitious, building within pre-determined and plausible

assumptions (hypothetical stress tests), or they can be historical data, occurring in the market on a given day or period (historical stress test).

Based on the variation of the main risk factors within the scenario, it is possible to reprice assets and thus analyze the behavior of investments and the profitability of the portfolio within the established scenario.

3.2 LIQUIDITY RISK

It consists in the possibility of an imbalance between payments (liabilities payable) and receipts (assets negotiable) from the Fund. In this way, a Fund may not efficiently honor expected and unexpected, current and future, obligations without affecting its daily operations and without incurring significant losses.

This imbalance may be due, for example, to an atypical need for resources at a time of low liquidity in the market or to a high position in respect to to the volume usually traded in the market.

Liquidity risk can be analyzed in two categories: asset liquidity and liability liquidity.

3.2.1 LIQUIDITY RISK: ASSETS

The liquidity risk of the asset measures the ability to trade and dispose of an asset quickly in the market without significantly changing the price of that asset. The possibility of the fund not being able to dispose of the asset may be due to the high position in relation to the volume normally traded in the market or the lack of demand due to some discontinuity in the market.

The various assets that compose the portfolio of the Fund have different deadlines for them to be converted into financial resources. The table below lists the main assets held in the portfolio by the Funds and the settlement deadlines after the completion of the operation for zeroing the asset:

Assets	**Working Days Cash Conversion**
Current Account Resources	D+0
Committed	D+0
Government Bonds	D+0
Private Credit with Daily Liquidity	D+0
Shares	D+2
Private Credit without Daily Liquidity	According to due date
Share of Investment Funds	According to regulations

Some listed assets may also be deposited as collateral margin and the margin replacement is made, at the most, in D+1. The total withdrawal of assets deposited as margin depends on the position that demands margin, after the zeroing of the assets demanding margin, the withdrawal is made in D+1.

To count the days required to convert the Fund's entire portfolio into cash, it is used a percentage of the arithmetic average of the daily volume of a trading period, for example, 50% of the average trading volume of the last 30 days, 30% of the average trading volume of the last 90 days or another % of the volume of a period to be analysed. Alaska uses, as a standard metric, 25% of the average daily volume of the last 30 business days.

It is thus possible to calculate the amount of days for an asset to be converted into cash as follows:

$$DL_i = \frac{Posição_i}{25\% \frac{\left(\sum_{t=1}^{30} VolumeDiário_t^i\right)}{30}} + DCC_i, \text{ where}$$

DL_i: Days Settlement of asset *i*

$Posição_i$: Fund's Position in asset *i*

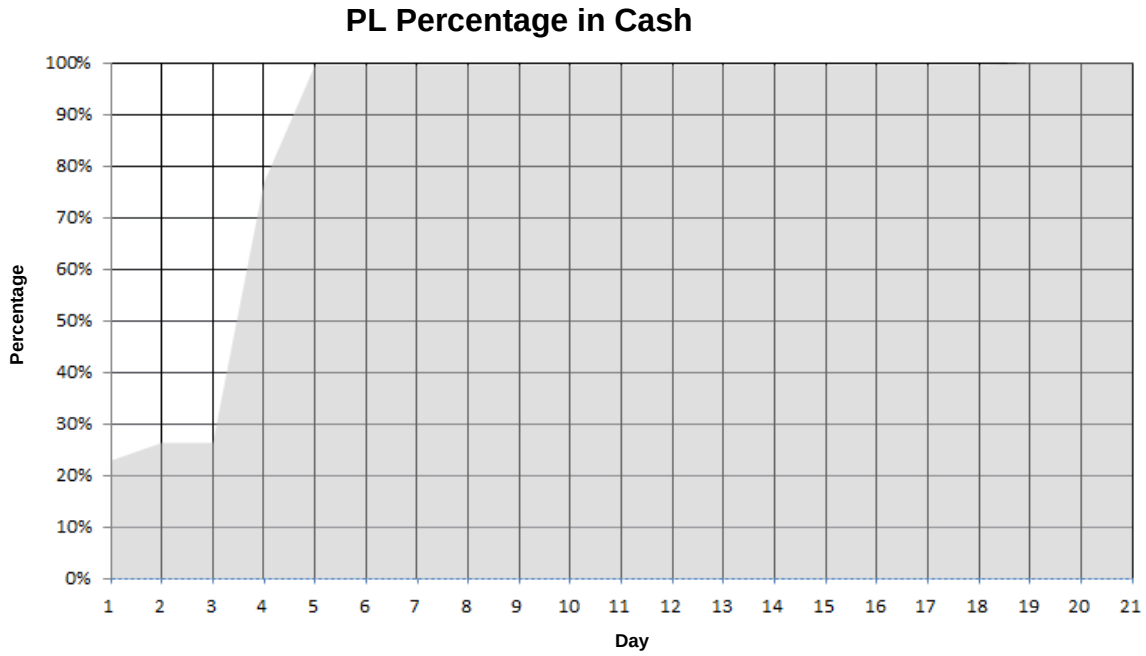
$VolumeDiário_t^i$: Volume traded on the market of asset *i* on the day *t*

DCC_i: Business days for settlement after trading the asset *i*

For example, if a portfolio has an amount of 150,000 of a specific share and the average daily trading volume for that share in the last 30 days was an amount of 500,000, it is expected that all the shares will be converted into cash in 5 days (with 83% of the shares being converted into cash on the 4th day).

In the absence of a trading history for an asset (such as illiquid options), it is necessary to check, with the brokers, the possibility of zeroing the asset. In the event that the Funds may have relevant interest in companies whose shares are scarcely traded in the market, the rules of diminishing or zeroing relevant interest with the companies should be consulted.

Chart analysis of the number of days for all assets to be available in cash:



3.2.2 LIQUIDITY RISK: LIABILITIES

The liquidity risk of the liability analyzes the current expenses of the Funds, such as audit payment, administration fee, CVM fee, among others, and expenses due to the trading of assets, such as daily adjustment of futures, purchase of assets and brokerage. The liability also includes redemptions requested and scheduled by shareholders as well as an estimate of expected redemptions based on the redemption history of the Fund.

For Funds whose regulation provides for a minimum percentage of the Net Worth applied in an asset class, the days necessary for settlement of these assets with the operating expenses of the Fund and the redemptions that will be settled in the same period are ascertained. For example, for a stock fund, on a given day the expenses and redemptions that will be settled in D+2 are calculated so that in D0 an examination of available resources in cash is made and, if necessary, the Fund can sell shares and generate cash in D+2.

Through the amount applied by the quotaholders, it is possible to establish the profile of liabilities of the Fund. This analysis is conducted by calculating the degree of dispersion of quotas:

$$GrauDispersãoCotas = \frac{DesvioPadrãoFinanceiroCotistas}{MédiaFinanceiroCotistas}$$

Therefore, the lower the degree of dispersion of quotas, the greater is the standardization of the resources of quotaholders, that is, a more balanced distribution of resources occurs among the various quotaholders. When the degree of dispersion of quotas is high, there is a large concentration of resources in a few quotaholders.

In this way, the degree of dispersion of quotas allows to partially assess whether redemptions of the largest quotaholders will substantially impact the liability. A low degree of dispersion of quotas means that redemptions of the major quotaholders will have relatively moderate impacts on liabilities favoring a lower need for cash generation on the part of the Fund. However, a high degree of dispersion of shares forces the Fund to generate a high volume of cash if there is a need for payment of redemptions to the major quotaholders.

In addition to the analysis of the degree of dispersion of shares, an estimation of redemptions of the quotaholders is conducted for the next 5, 10, 15 and 30 days. From the historical redemptions of the Funds, an estimation of redemptions through the average between the frequency of the interval of values of historical redemptions and a weighting of the last redemptions of the analyzed period are conducted.

The calculations of the frequency of the interval and the weighting of the last redemptions are conducted as follows:

i-) Calculation of Redemption by Frequency of the Interval:

Starting from the desired period (5, 10, 15 or 30 days), the days of historical redemptions are divided into blocks in the amount of the business days of the period. After the division of blocks, it is conducted the sum of redemptions within each block. Each sum is included in previously calculated redemption intervals, thus obtaining the frequency of each interval (the median of the sum of the redemptions of each

block is used to define the interval). New redemption values are randomly generated from the Monte Carlo method obtaining new redemption frequencies for each interval. Finally, the redemption value by frequency is calculated by means of the weighted average between the average redemption of each interval and the new frequency.

Example of calculation of the redemption from the frequency of the interval for the period of 5 days:

Date	Redemption Paid
10/08/2021	40,197.19
10/09/2017	540,000.00
10/10/2017	146,951.32
10/17/2017	90,236.73
10/18/2017	20,000.00
10/23/2017	227,364.44
10/25/2017	53,147.90
10/26/2021	44,186.95
10/30/2017	4,256.59
11/07/2017	7,621.91
11/08/2017	102,968.31

Blocks for a 5-day Period		Redemption Sum for the Period
11/08/2017	11/01/2017	110,590.22
10/31/2017	10/25/2017	101,591.44
10/24/2021	10/18/2017	247,364.44
10/17/2017	10/10/2017	237,188.05
10/09/2017	10/03/2017	580,197.19

Interval (I)	Amount of Redemption Sums	Frequency
0.00		
237,188.05	3	60.00%
474,376.10	1	20.00%
711,564.15	1	20.00%

Average of I for each interval (II)	New Frequency Generated by Monte Carlo (III)
118,594.03	58.37%
355,782.08	20,46%
592,970.13	21,17%

Weighted Average between II and III:	267,548.12

In the example above, the estimated redemption by frequency is R$ 267,548.12, that is, the frequency indicates that, for a 5-day period, the Fund pays, to redemptions, R$ 267,548.12.

ii-) Weighting of the Last Redemptions:

Initially, the redemptions of the last business days for the Fund are listed (the amount of business days considered is twice the amount of days of the analyzed period). For analysis of redemptions in 5 days, the last 10 business days are listed; for 10 days, the last 20 business days are listed, and so on. From this list, it is calculated the arithmetic average of the redemptions (even when the day has no payment of redemptions, it is included in the calculation). In the methodology used, each day has the same weight on the average, however it is possible to establish a greater weight for the most recent redemptions.

Example of calculation of the weighting of last-day redemptions for the 5-day period:

07/13/2017	95,870.27
07/12/2017	38,993.61
07/11/2017	16,843.06
07/10/2017	254,229.12
07/07/2017	0.00
07/06/2017	31,672.61
07/05/2017	15,275.92
07/04/2017	98,273.32
07/03/2017	11,500.00
06/30/2017	0.00
Average:	56,265.79

In the example, the average daily redemptions of the Fund in the last 10 business days was R$ 56,265.79. At this level, for 5 days, we can expect a sum of R$ 281,328.96.

The calculation of the redemptions by frequency verifies, per block, the historical redemptions of the Fund. The redemption of the last days inserts a greater weight for the most recent redemptions and consequently the recent behavior of quotaholders.

With the values of the redemption by the frequency of the interval and the average of the last redemptions, it is possible to estimate the expected redemption of the Fund by weighting the two values.

By the examples above and using the same weight between the two types of redemption, under ordinary conditions, the total sum of the expected redemptions for the Fund, for the next 5 days, is R$ 274,438.54.

3.2.3 LIQUIDITY RISK: CONSOLIDATED

From both the expenses and redemptions already requested and estimated, it is possible to analyze the need for resources of the Fund

and together with the analysis of the Fund in disposing of the assets and verifying its ability to honor payments in abnormal market scenarios.

In cases of stress and great need for generation of resources, the manager can adopt parallel strategies such as futures, options or other assets traded on the stock exchange that can help generating cash to quickly meet payment obligations.

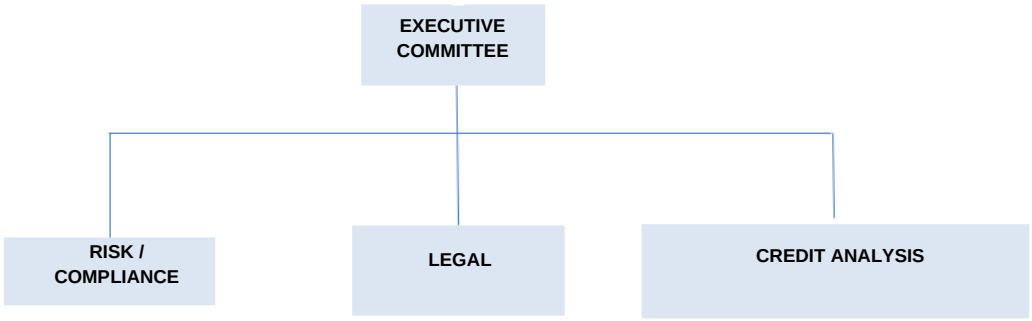
3.3 CREDIT RISK

Credit risk arises basically from two possibilities: loss arising from the counterparty not honoring the agreed financial obligations and the devaluation of the credit agreement due to deterioration in the risk classification of the debtor. In this way, the Fund can have its equity reduced considerably, according to its exposure, if some debt asset (public or private) in the portfolio has its price revalued due to the possibility of not receiving the principal or interest payment.

Alaska manages only Funds regulated by CVM Instruction No. 555. This credit risk topic does not cover Credit Rights Investment Funds (FIDCs) regulated by CVM Instruction No. 356 and the Real Estate Investment Funds (FII) regulated by CVM Instruction No. 472. In the event that Alaska starts to manage funds regulated by CVM Instruction No. 356 or 472, the manual must be updated to address the management and control of these funds.

3.3.1 STRUCTURE

The private credit risk area of Alaska consists of the Risk and Compliance Departments, the Legal Area, and the Credit Analysis Area. The three departments act independently and are subordinate to the Executive Committee.



EXECUTIVE COMMITTEE: Formed by the main executives of Alaska and meets to resolve on the specific investment in private credit assets that require an elaborate analysis or when any credit asset is imminent or is already in default. There is no minimum periodicity for convening the Executive Committee to deal specifically with private credit; meetings for discussion of private credit occur on demand from the need for validation of a new type or modality of private credit or the analysis of issuers that are under the process of default. The meetings are recorded through minutes.

CREDIT ANALYSIS: Responsible for assessing the company issuing the credit asset and the entire structure involved in the issuance of the asset, ranging from the type of asset to the payment history of the company.

LEGAL: Analyzes the validity of the documents submitted by the company and the need to submit additional documents to legitimize the operation. Responsible for the analysis of the guarantees submitted in the event of non-payment of the credit.

RISK/COMPLIANCE: The risk area calculates the exposure of funds to the credit asset and verifies that the risk limits remain at acceptable limits within the limits established for each Fund. The compliance department verifies whether the funds can acquire the asset in accordance with their term, regulation and legislation, and the maximum amount of the asset that can be acquired.

MANAGEMENT OF NON-COMPLIANCE WITH FINANCIAL OBLIGATIONS

Alaska adopts the following attitudes in order to minimize the credit risk resulting from the non-settlement of operations:

i-) Selection process of brokers with an analysis of their general structure, including the ability of the broker to settle, if necessary, the payment of a client who has not settled the financial obligations. Additionally, the broker must also be approved by the Fund administrators; and

ii-) Trading of assets only on organized markets that enable guarantees using structures offered by institutions, such as BM&FBovespa, Cetip and regulated settlement entities.

Alaska periodically monitors the brokers in order to assess their ability to continue acting as a counterparty to the operations.

ANALYSIS OF CREDIT ASSETS

Funds may only trade credit assets that are regulated by the CVM, the Central Bank or regulatory bodies with jurisdiction in this matter defined by the legislation in force. In addition, each Fund must also observe the maximum limit for the acquisition of government bond and private credit established in its regulation.

There is no need for prior analysis for the acquisition of government bonds issued by the Federal Government, provided that the bond has a broad and liquid secondary market. This category includes National Treasury Bills (LTN), Financial Treasury Bills (LFT), National Treasury Notes series B (NTN-B), among others. If the bond does not meet the previous requirement, there is an obligation to conduct a verification of the rules of the bond and analysis of the Executive Committee.

Each investment in private credit is analyzed individually, since there may be objective differences between the various credit assets issued by the same company. These differences can occur in the existence of a secondary market for the asset, as well as its liquidity, issuing price of the asset and guarantees offered in the event of default.

From the interest of the manager in acquiring a private credit asset to a Fund, the process of analysis until its acquisition follows the following steps:

i-) Asset Data Collection: Initially, the basic asset information such as issuer, type of asset, issuing date, expiration date, issuing price, index and coupon payment are gathered.

ii-) Compliance Analysis: With the asset data, the Compliance Department must check whether there is a restriction for trading and acquisition of the asset by the Fund. Verification is carried during the term of the fund, pursuant to its regulations and legislation. The Compliance Department also assesses the maximum investment allowed for the Fund to acquire the asset. The maximum investment must be less than those allowed by the regulations, since the analysis considers the issuer of the asset and the negative impact that a possible default can bring to the Fund.

iii-) Risk Analysis: The risk area calculates the effect of the asset on the behavior of the Fund and passes the information on to the manager, so that the feasibility of the investment can be analyzed. If the risk area perceives excessive exposure in the parameters of the Fund, the investment value of the Fund must be verified.

iv-) Credit Analysis: Through the reports and balance sheets issued by the company, of the conglomerate it is inserted, the economic sector of its operation and the macroeconomic scenario, the analysis area makes a balance of the asset and the issuer and its ability to honor the financial commitments. The result of the analysis is passed on to the Compliance Department and the Risk Area so that they can re-assess their analysis and issue new opinions, if necessary.

v-) Legal Analysis: The legal area must verify the validity and authenticity of all documents used for the analysis of the issuer and the asset. Alaska may hire legal advisory services depending on the complexity of the asset and the amount invested.

The analyses and assessments above are integrated and dynamic and they are not conducted in isolation.

Processes in the analysis:

I-) Asset Data Collection:

The operating area searches for as much asset information as possible with the issuer, counterparty of the operation or market. The minimum information to be obtained is the type of asset, asset code, cetip code, if any, issuer, profitability rule, index, if any, coupon, issuing date, issuing price and expiration date, regulation and prospectus of the issuance. This data will be used by the operational area to register the asset in Alaska's database.

II-) Compliance Analysis:

From the asset data collected by the operational area, the Compliance Department must ascertain, from three levels, whether the fund can invest in the asset:

I-) Term: If the asset and its class fall within the universe of expected investments for the fund and disclosed to quotaholders.

II-) Regulation: If the asset complies with the investment policy described in the fund regulation and if there is any impediment to the acquisition of the asset and what maximum limits can be acquired.

III-) Legislative: If there is any instruction or standard preventing the fund from investing in the asset or its class.

The Compliance Department must obtain, with the fund manager, the objectives and expected results with the investment in the private credit asset. A survey is made regarding the characteristics of the asset and the company issuing the credit, including its history of debt payments. If the issuer of the asset has undergone a recent default, the asset investment can only be made after analysis by the Executive Committee. The Compliance Department analyzes the guarantees offered by the company, such as validity and coverage. The existence of a secondary market or repurchase of the asset by the issuer must be ascertained in the event of a need for Fund classification.

Based on the information researched and made available by other internal areas of Alaska, together with the term, objective and

investment policy of the Fund, and advisory from independent institutions such as risk agencies, the Compliance Department must establish the maximum amount allowed for investment in the credit asset considering the investment that the fund already has in other assets of the same issuer or economic group. The maximum limit to be established must be below those allowed in the Fund regulations, in order to avoid the need for partial sale of the asset, in case the limit in the regulations is reached by avoiding mismatch problems. The absence of a secondary market or repurchase of the asset by the issuer restricts the maximum amount that the Fund can invest.

The Compliance Officer has the autonomy to veto, at any time, the acquisition of the asset if verified a lack of documents that prevent an in-depth analysis of the asset or the issuing company, reluctance of the issuer or the company to offer the requested data or if meetings requested by Alaska are avoided, changes in macroeconomic or sectoral scenarios during the investment analysis process, lack of corporate governance in one of the issuers.

III-) Risk Analysis:

The risk area performs simulations in several scenarios to examine the behavior of the asset in the portfolio of the Fund. Changes in the risk parameters must be in accordance with those established for the Fund. Calculations with multiple amounts of the asset are conducted to assist the Compliance Department in establishing the maximum limit allowed for acquisition of the asset.

IV-) Credit Analysis:

The credit area must assess the quality of the asset and its issuer. When the credit area finds lack of minimum corporate governance requirements, the Compliance Department is thus informed.

The credit area is used in the objective part of the analysis, presentations, balance sheets and financial reports issued by the company or by other institutions that have already analyzed the company, to project cash flows that guarantee the payment of financial obligations. The analyses are made based on the economic and financial indicators of the company, such as capital structure, leverage and level of indebtedness,

revenues and costs, net profit, among others, also observing the operational side of the company, such as economic branch of operation, industrial, commercial or administrative processes for the delivery of the product or service. If necessary, additional reports may be requested. Meetings are held with the officers of the company in order to know its purposes and strategies, as well as the structure, processes, controls and people. It is performed a sectoral analysis, in which the company is inserted, and a macroeconomic projection, thus being possible to determine the behavior of the cash flow of the company in various environments.

The credit area verifies the effectiveness and compatibility of possible guarantees submitted by the issuer.

Even when there is a rating and the summary of the asset or issuer provided by a risk rating agency, these are used as additional information to the assessment of the credit risk and other risks to which they must proceed, and not as a sufficient condition for their acquisition and monitoring. At the end of the analysis, the credit area issues an opinion on the asset and the capacity of the issuer to honor the payment.

V-) Legal Analysis:

The legal area must validate the documents used by all areas. The legal area is also responsible for examining the validity of the guarantees submitted by the company in the event of default, essentially with regards to its coverage in relation to the investment and legitimacy. It is the responsibility of the legal area to certify that the company complies with all the regulations that it is inserted. All documents and reports are stored on the server, indefinitely, and the minimum time required by the legislation is guaranteed.

Based on all the information obtained and the analysis made, the Executive Committee authorizes or not the investment in the private credit asset and determines the maximum amount allowed for the investment. The maximum amount is defined by observing the applicable laws and regulations of the Fund, type of Fund (open,

restricted or exclusive), shareholders' equity, history of transactions. The issuer of the credit asset, investment modality and asset class are also taken into account. In case of investments in credit funds, additional limits for the acquisition of quotas per manager and type of fund are examined. The guarantees submitted by the issuer of the credit along with the validation by the legal sector are used to assess the liable amount of investment. Finally, it is verified if any of the funds already have, in the portfolio, the asset under analysis or the issuer, in order to avoid large joint exposures of Funds within the same asset and issuer. The Executive Committee may request further analysis before issuing an opinion.

The Executive Committee may, whenever necessary, request the hiring of specialized companies to assist Alaska in the analysis of private credit assets. The hiring can only occur for a specific demand as legal aid or to deal with the entire process, including compliance analysis, risk analysis, credit analysis and legal analysis. In the hiring, it must be noted the suitability of the institution, experience of the contractor in the sector of its operation, submission of results of previous analyses involving private credit, and cost of service compatible with the investment in the asset. However, outsourcing the management activity is prohibited, as described in Article 12, paragraph 3, annex I - Investment Funds 555, of the ANBIMA's Code of Regulation and Best Practices for the Administration of Third-Party Resources.

Not all acquisition of private credit assets requires a meeting of the Executive Committee. Single credit assets previously analyzed, as CDBs and financial bills of large banks, debentures of publicly held corporations that make up the Bovespa Index and have large equity, according to Article 19, Annex I - Investment Funds 555, of the ANBIMA's Code of Regulation and Best Practices for the Administration of Third-Party Resources, do not require a meeting of the Executive Committee. However, a preliminary analysis of the areas of compliance, risk and credit is necessary before the investment in the credit asset is carried out by the Funds.

No Fund is authorized to acquire private credit from companies that do not have the balance sheet and financial statements audited by

independent audit companies. The Fund is also prohibited from acquiring credit assets from issuers/assignors of the Funds themselves.

The Funds will not be able to invest in private credit from companies that have failed to comply with payments of any credit acquired by any of the Funds managed by Alaska.

3.3.4 EXPOSURE LIMITS

The definition of the maximum amount allowed for the Fund to invest in the private credit asset must take into account the profile and shareholders' equity of the Fund, the profile of the liability and history of transactions of the Fund, investments in other private credit assets owned by the Fund, assets already owned by the Fund from the same issuer of the credit, debt of the issuing company, shareholders' equity of the company, existence of a secondary market, existence and effectiveness of guarantees, history of payment of the company and existence of a secondary market.

In addition to the maximum amount established by the Executive Committee and the Compliance Department, each Fund has, in its regulations, the concentration limits of assets per issuer and exposure to private credit assets. The Fund is prohibited from acquiring private credit assets that exceed the limit established in the regulations. The risk area must verify the investment values that present a reasonable interval regarding the regulatory limit in order to avoid the Fund partially disposing of the investment for exceeding the regulatory limit.

3.3.5 MONITORING CREDIT ASSETS

After the acquisition, there is a daily monitoring to assess the behavior of the asset. The monitoring takes place through news related to the company, assessment of the secondary market and consultation of players and brokers, analysis of rates and indicative price of Anbima when there is disclosure of information. Additionally, it is examined the asset pricing made by the Fund administrators. Pricing allows the manager to complement and add, in their own analysis, the assessment of the asset and issuer by another institution, enabling a greater control

over the quality of the credit asset. Finally, it is carried out the analysis of other credit assets that present a similarity to the one acquired, companies with interest in the same sector index, or that present similar risks.

The Compliance Department verifies, on a daily basis, whether the Fund is within the limits of its term and regulations. In addition, the risk area performs calculations in order to determine whether changes have occurred in the risk parameters of the credit asset.

In cases of passive mismatch of the limits in the regulations, the manager must dispose of the asset by trading it on a secondary market, observing whether the price charged is consistent with the value of the asset, or through repurchase by the issuer. If decrease is not possible through the previous options, the Executive Committee should meet to decide the procedures for reclassifying the Fund.

A reassessment of the asset is performed, on an annual basis, involving the entire analysis process, including compliance analysis, credit analysis and legal analysis. More complex assets with a higher perception of risk may undergo more frequent reassessment processes. When financial or corporate governance problems are found, which may affect the payment of debt by the company, the analysis process will be performed in a shorter period of time in order to monitor the evolution of the company and, in such cases, the Executive Committee is informed about the situation of the company.

In case of imminent default, the Executive Committee must meet urgently to verify the issue. The following processes are adopted in order to guarantee or minimize the loss with the investment in the credit asset in the event of default: Contact is made with the company to understand its real financial situation; the secondary market of this asset, the use of the guarantees offered and the exchange of securities in the event of restructuring the company's debts are analyzed. In parallel, the legal area studies the possibilities of a lawsuit by the company.

3.4 RISK OF ASSET CONCENTRATION

The risk of asset concentration arises from exposure to assets of the same issuer or of few issuers. A high concentration can cause great losses to the Fund in cases where a company has an expectation of a negatively revised result, or to other assets, upon occurrence of a change in the macroeconomic scenario. In addition, a high concentration in assets also accentuates the Liquidity Risk to the extent that a need to dispose of the asset may be hindered in adverse market conditions.

3.5 OPERATING RISK

Operating risk consists of losses arising from flaws, deficiencies or the inadequacy of Alaska's internal processes involving both people and systems. As a way to mitigate operational flaws, Alaska works with redundancy and multi-task conferencing. All operational processes in the Middle and Back Offices area are known to all those involved in the areas, which ensures the continuity of the process even with the absence of the employee responsible for the task. Alaska also works with the automation of procedures as a way to minimize flaws in operational processes. Each associate has access only to the files on the server that serve their work.

Alaska features redundancy of machines and Internet links, as well as daily back-up saved to disk and cloud of all files saved on the Alaska server. Alaska also seeks to keep up to date all equipment used in the daily tasks of associates.

The main tasks and routines performed in order to mitigate operational risks are:

1. Back-Office - Daily check of positions and price of assets belonging to the portfolio with comparison of databases of specialized systems and information provided by the administrator and custody. Our Back-Office also has controls to check the regularity of margin calls and adequacy of intraday orders.

2. Middle-Office - This area uses a specific system to perform direct distribution processes of funds managed by Alaska. The controls used allow the verification of adequacy of the registration processes, know your client, suitability, and money laundering

prevention and terrorism prevention. More details can be found in our Distribution and Anti-Money Laundering and Anti-Terrorism Policies

3. Front-Office - The board, advised by the back-office area, performs the "pre-trade" process, in order to verify adequacy to the apportionment policy, investment risk, portfolio framework and Fund regulation. The compliance area, through sampling, verifies the regularity of orders executed by the board.

In addition, Alaska has a contingency location, far from the head office of Alaska, with sufficient operational and systemic capacity and with places for key people from Alaska to work in the event of disasters that prevent the business continuity at its head office. Alaska has a contingency manual for internal use detailing the action plan in case of impossibility of continuing with its business at its head office.

3.5 REGULATORY RISK

Alaska's main activities take place in regulated markets (mainly capital markets).

In this sense, risk management is focused on the identification of all rules that we are subjected to, through regulatory inventory held on a regular basis, development of policies, processes and internal controls able to satisfactorily comply with these obligations.

The Risk and Compliance Boards have functions within this scope, and the methodology of action is detailed in the Compliance Manual.

General Data Protection Law – LGPD

The use of personal data of third parties in the management of investment funds ("Funds") managed by Alaska Investimentos LTDA ("Alaska") makes investments in Information Technology constantly necessary, in addition to the concern with the fulfillment of a permanent ethical attitude, to avoid the inappropriate treatment of this information, all in accordance with Law No. 13.709/18, called General Data Protection Law – LGPD.

In this sense, Alaska will carry out this data processing in the following cases: with the consent of the data subject; for compliance with legal or regulatory obligations; when necessary, for the entering into contracts or preliminary procedures regarding the contract to which the data subject is a party, at the request of the data subject; and in other cases in which this processing is necessary, without violating said law.

Of the hypotheses presented, the consent of the data subject regarding the use of his/her personal data is the most relevant, and must occur for a specific purpose, that is, at the time of consent, the data subject must make it clear that he/she is aware that the data provided to Alaska will be used for a specific purpose, that he/she understands this purpose and that he/she is aware that he/she may revoke this consent at any time.

On the part of Alaska, the purpose of the processing should be clearly demonstrated, with the commitment that the data processing will be terminated as soon as the data subject displays an interest in withdrawing the consent given.

Similarly, Alaska undertakes to use personal data only to the extent and for the purpose specified in said consent.

3.6 COUNTERPARTY RISK

Alaska associates counterparty risk mainly regarding compliance with orders sent by Alaska *traders* until the settlement of operations in settlement institutions and systems (SELIC system, CBLC, BM&FBovespa). In order to minimize this risk, selected brokers must bear the quality seal "Execution Broker" provided by BM&FBovespa. Brokers must also be approved by an Internal Committee and Fund administrators.

3.7 REPUTATIONAL RISK

Reputational risk relates to the possibility of losses arising from negative events that could bring damage to the image of Alaska with its current or potential clients, and its mitigation must be constantly sought through

the assessment of the probability and impact of business decisions on the external opinion.

Given that some events regarding reputational risk are derived from other risks, such as operational risk and socio-environmental risk, it is essential that the risk management is conducted in an integrated manner, and that, in the imminence of such events, Alaska can present a timely and transparent response, coordinated by its Board of Directors.

Integrated Risk Management enables aspects of other Alaska policies to be considered in the assessment of reputational risks involved in decisions, such as in the case of the socio-environmental risk, in which the manager's own ASG policy already provides for the possibility of using a negative filter, which refers to the exclusion of investments in sectors/companies/projects that do not comply with minimum ASG standards, as established by national or international organizations.

For a timely and transparent response, Alaska may set up a permanent Crisis Committee or to deal with specific events, composed of legal, compliance, information technology and communication professionals, at least to advise the Board of Directors in decision-making or to decide directly in cases that require prompt intervention from the senior management.