Dear investors,

This January we have completed our first 24 months of operation – a crucial milestone for any player in the asset management industry.

Our team of experienced professionals in the asset management and investment analysis areas was assembled throughout the Covid pandemic, and most had not worked together before. We were defied during these initial two years in a market scenario that was extremely challenging for investors, especially for those relying on equities as a primary risk factor.

We are proud of what we have built so far and pleased with our results and with the progress we have made within our team, strategy, and methodology. We launched Norte Asset in January 2021 with BRL 113 million under management, and as of the beginning of 2023, we have surpassed BRL 1.25 billion. The team has grown from 14 to 24 professionals, with 14 of those in the investment team.

Over this period, we have improved the analysis, discussion, and communication processes within the team. This has allowed us to evolve the decision-making process on to a more dynamic model, facilitating the process of increasing or reducing the portfolio exposure to various assets. We believe that one of the key factors contributing to this evolution has been the implementation of a collaborative culture, with a single book structure, aligned with our investors. Continuous debate regarding the macroeconomic landscape and its impact on sectors and companies has enabled us to quickly identify new trends and signs of changes, and to react in a pragmatic way, adjusting our portfolio if the scenario changes. We have always maintained a humble posture, questioning ourselves and being open to change our opinions if there is a shift in the landscape or if new data emerges.

As a result, we have been able to outperform the market in periods of positive performance as well as in periods of market downturn.

Performance Summary

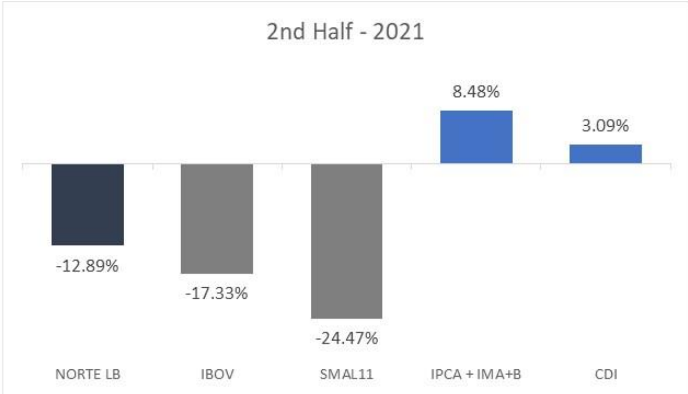
The Norte Long Bias fund concluded the 24-month period with a return of +37.02%, against -1.42% of the Ibovespa, -23.51% of the Small Cap Index and +29.09% of the benchmark (IPCA + weighted average of the IMA-B yield). In 2022, the fund returned 27.93% against 4.69% of the Ibovespa, -15.05% of the Small Cap Index and 12.17% of the benchmark.

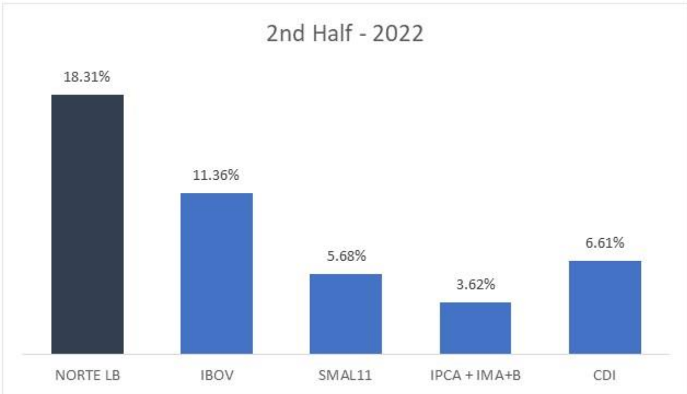
In both periods, it was the most profitable fund in its category in Brazil.

The Long Only strategy funds also had a superior performance, appearing in the 1st quartile of the industry since its launch (July 30, 2021). In these first 18 months, the Norte Long Only, Norte Previdência, and Norte Institucional returned -2.79%, -1.55%, and -5.61%, respectively, compared to -6.87% of the Ibovespa and -29.87% of the Small Cap Index. In 2022, they returned 4.95%, 6.02%, and 7.54%, respectively, versus 4.69% of the Ibovespa and -15.05% of the Small Cap Index.

With this letter, we intend to detail Norte's portfolio and performance evolution to our investors with transparency and accountability, highlighting how we achieved the performance over these two years, particularly in 2022.

Since the launch of the Norte Long Bias Fund on January 29, 2021, we have consistently outperformed the Ibovespa and the Small Cap Index in every semester, showing consistency in generating alpha, both in up and down markets, even with an average net long equities exposure of 70% of AUM.





2022 Performance

Evaluating the quarterly returns during 2022, the consistency and dynamism of our investment process becomes evident.

The results highlight the importance of having enhanced our ability to identify macro signals and to rapidly adjust the portfolio, protecting it from market downturns while also enabling us to capture moments of strong upswings.

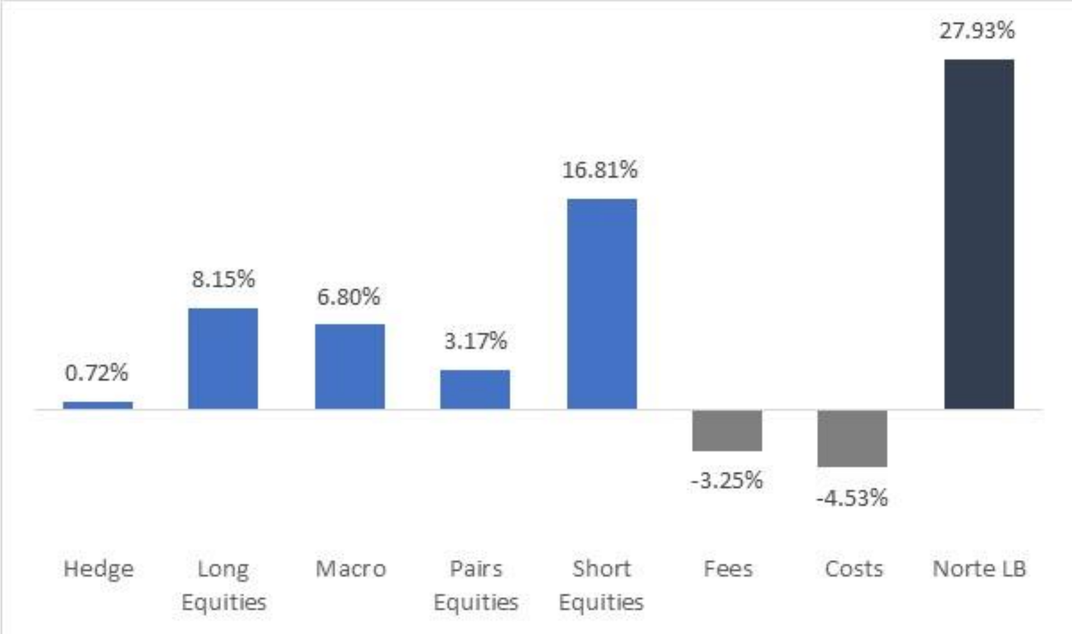
Our pragmatism, an important part of our investment philosophy, can be demonstrated when market sentiment shifts, such as in the beginning of the 2nd quarter when the Ibovespa began a nearly 18% decline, as well as in the beginning of the 3rd quarter when the index rallied almost 12%. During these two periods, we managed to rapidly adjust our positions, thereby outperforming the Ibovespa.

The charts below show the quarterly returns of the Norte Long Bias in 2022, compared to the returns of the Ibovespa, Smal11, CDI, and the Fund's benchmark.

It is important to highlight that this performance was achieved with a well-diversified portfolio: no individual stock position exceeded 9%, and the maximum contribution of a company to the Fund's results during 2022 was 3.8% (Hypera).

All strategies individually have positively contributed to last year's performance, and the main highlights were Short Equities, Long Equities, and Macro.

The chart below describes the performance attribution in 2022 by strategy:



The Macro strategy, in addition to providing input for defining the macroeconomic scenario conditions for our microanalysis, also generated an alpha of 6.80% through active positions in interest rates and currencies. Some positive highlights include payer positions in developed countries' interest rates and relative value positions in yield curves, as well as long positions in BRL against the Euro and the US Dollar.

In Equities, our stock picking worked well and the Long portfolio returned 8.15%, and the standout performer was the Short strategy, which returned 16.81% to the Fund. It is worth noting that our average gross exposure was 183%, with 125% long and 58% short, resulting in a net exposure of 67%. Excluding the sold portion that composed the pairs strategy, of about 16%, our shorts had an average return of approximately 40%, which is undoubtedly an excellent return, considering that the Ibovespa rose 4.69% in 2022.

In the **Appendix**, we will provide a detailed breakdown of the performance by sector during 2022.

Outlook for 2023

2022 was marked by a strong and widespread inflationary environment in developed countries, unlike anything we had seen for decades. It took a while for the major Central Banks to recognize this persistent inflation dynamic; however, they changed their outlook over the year and implemented a tightening of monetary policy. As a result, we initiated 2023 with restrictive interest rates and the prospect of slowing economic activity and inflation data in many developed countries. In this context, we believe we are probably nearing the end of the interest rates hiking cycle by the main Central Banks. The expectation of a slowdown in the activity of developed countries, alongside persistent high inflation, reinforces the still challenging scenario. However, the prospect of the interest rate hiking cycle coming to an end, alongside China's reopening, may benefit assets in emerging markets.

On the domestic front, uncertainty regarding the fiscal policy to be adopted by the new government has kept the risk premium of assets at elevated levels. Nevertheless, the economic situation in the country indicates a favorable starting point. In 2022, GDP growth positively surprised expectations, as did the gross debt-to-GDP ratio, which is expected to close 2022 at around 74%, well below the 2021 level. On top of that, the Brazilian Central Bank raised interest rates ahead of most Central Banks, which should help lowering inflation, which is already showing some positive signs. This conjunctural scenario could provide support for the performance of local risk assets. However, the definition of a robust fiscal policy, with a focus on the new rule that will replace the spending cap, will be crucial in shaping the future dynamics of Brazilian assets.

Main Structural Positions in the Long Equities Strategy

Arezzo

Since the beginning of the fund, Arezzo's stock has been among our largest positions, and even in the face of unfavorable macroeconomic and stock market conditions, it has made a significant contribution. The company has consistently delivered results that surpassed market expectations. Our investment case is based on an outstanding management team, the company's dominant market position, as well as its unique opportunities for both organic and inorganic growth.

Arezzo is one of a few companies capable of creating in-house brands, as well as acquiring and executing mergers and acquisitions (M&As) with excellence. We believe that through initiatives such as expanding into women's apparel, brand expansions (particularly with Reserva), expansion into the United States and European markets, and potential licensing agreements, the company will deliver strong growth with high incremental returns.

Finally, we appreciate that the company focuses on the A/B socio-economic classes and operates without the use of consumer credit, ensuring that the quality of the results is purely derived from retail operations. At current levels, we see a substantial margin of safety in this investment.

Banco do Brasil

Despite the political uncertainty surrounding this case, we believe the recent appointment of the CEO and other directors, who have an average of 25 years of experience in the bank, is a good governance indicator. 2022 was an excellent year for the bank, with a reported ROE (Return on Equity) above 19%. We believe that the new management will be responsible and will continue to deliver returns above the cost of capital.

However, in our view, the market is currently pricing that the new management will achieve a ROE close to 10%, which means it would destroy value by delivering returns below the cost of capital. We believe, despite the risk of the bank being used for political purposes, the scenario is skewed towards the upside.

Sabesp

Even though a part of the expansion of the multiple of Sabesp's asset base already happened last year, we continue to believe that there is a positive asymmetry to be captured. The composition of the ALESP (São Paulo State Legislature) indicates that the new Governor has a substantial support base, which would make the approval of the privatization process even more likely. Furthermore, the statements made by the new Secretary of Infrastructure for the State of São Paulo suggest that the necessary studies for such approval will be commissioned shortly. Lastly, the company's stock has retraced part of its late last year's gains, returning to trading at a level near 0.7x its Regular Asset Base.

Commodities

The sector continues to hold a significant position within the Fund, as we bet on the reopening of China and its respective impacts on the supply and demand of oil and mining. We also believe that this strategy is important due to its low correlation with the domestic market. To capitalize on this favorable scenario, we remain optimistic about PetroRio, 3R, Vale, and Sigma Lithium.

Global

2023 is likely to be a difficult year for consumers worldwide. Therefore, we prioritize companies backed by strong brands, which tend to outperform their peers during periods of slow economic growth. The rationale applied in the Brazilian retail sector resonates here; we are betting on strong brands in the upcoming quarters. The ability to pass on price increases not only safeguards revenue but also profit during inflationary periods. Lastly, the reopening of China (a region of great importance to European luxury companies), provides greater security in a scenario where consumption in the United States and Europe may not be as resilient. With this in mind, we prefer LVMH, Hermès, and Richemont.

Regards

We extend our gratitude to all our clients and partners for their trust! We would never have reached this point without your support! We understand that we are only in the beginning, and we commit to staying humble, focused, and diligent to honor the capital invested by our investors!

The North is where we're headed!

Norte Asset Team

APPENDIX – 2022 *Performance accountability*

MACRO

As previously stated, the Macro strategy contributed positively to the fund's performance with a 6.80% return. In the beginning of the year, the global inflation dynamics indicated signs of greater persistence. However, the interest rates in developed countries remained low and insufficient to curb the worsening inflation. In response, we established positions that would benefit from rising interest rates, initially in long-term rates in the United States, which we later shifted towards short-term rates when the Fed began to react more strongly to inflation. Throughout the year, we also had payer positions in fixed rates of Germany and the United Kingdom, whose Central Banks reacted more slowly but were eventually forced to tighten monetary policy. Additionally, we also benefited from relative positions on the yield curves. These strategies involving interest rates or relative value on yield curves of developed countries contributed 4.4% to the fund's performance.

Notable gains were also achieved through currency positions. The Dollar began the year at an exchange rate of R$5.60, which seemed high to us given the context of rising commodities prices, which support exports and domestic activity. Furthermore, the carry trade of the local currency presented an attractive opportunity due to the substantial interest rate differential compared to other currencies, particularly those of developed countries. Consequently, we held long positions in the BRL against the US Dollar and the Euro, especially during the first quarter. On the other hand, the Eurozone was grappling with the negative impacts of Russia's invasion of Ukraine, which led the European Central Bank to react more slowly to worsening inflation data, negatively affecting the Euro. Currency positions added 2.5% to the Fund's returns.

EQUITIES

Our diversified equity strategy was the primary contributor to the Fund's performance. We generated alpha through long, short, relative trades, and arbitrage positions. The performance was also highly diversified by sector. Our stock picking performed well in the Long portfolio, with a return of 8.15%. The standout performance came from the Short Equities strategy, which yielded 16.81%. The pairs and arbitrage strategy returned 3.17%. Our average gross total exposure stood at 183%, with a long exposure of 125% and a short exposure of 58%, resulting in an average net exposure of 67%.

In the following sections, we will provide a sector-specific breakdown of how we achieved this performance.

Commodities

The commodities sector (especially Oil & Gas, Mining, and Petrochemicals) contributed with gains of 3.70% to the Fund's performance.

In a year marked by the Russia-Ukraine conflict and the subsequent rise in oil prices, we achieved a gain of 3.41% in this sector, with notable contributions from Petrobras and 3R Petroleum. On Petrobras, we recognized a significant value asymmetry, considering the potential dividend payout during an election year. Subsequently, we made the correct decision to take a short position as the probability of a negative outcome in the presidential elections for the state-owned company increased. Regarding 3R, our gains were mostly due to maintaining a long position in a stock that we perceived as undervalued in a favorable oil market scenario. We closed our long position after identifying certain operational issues.

Within the Petrochemical sector, we identified a challenging macroeconomic landscape, driven by the slowdown of the Chinese economy due to its zero-COVID policy and the potential global recession amid rising interest rates worldwide. Petrochemical spreads, which had reached record levels, gradually corrected throughout the year. Our short position in Braskem performed well, contributing with gains of 1.41%.

In the Mining sector, our positive highlight was the long position in Sigma Lithium, which was held throughout 2022 and contributed with gains of 1.20%. Sigma is a lithium project with high-quality and low-cost materials, with its stock trading at a discount compared to its peers. Another significant contribution to the mining sector came from CBA, which had gains early in the year with a long position due to strong Chinese demand. Later in the year, we benefited from a short position by noticing a deterioration in the supply & demand dynamics of aluminum due to increased Chinese aluminum capacity). This investment added 1.58% to the fund's performance.

On the negative side, we incurred a loss of 1.65% in the Steel sector, primarily driven by long positions in CSN and Usiminas. We did not perceive the slowdown in the Chinese economy fast enough, and this affected local steel demand, and led to a decline in domestic steel prices, consequently impacting the financial results of both companies.

Domestic Growth

The domestic growth sector contributed with gains of 3.66%, despite its negative impact in major stock indices. However, a detailed analysis of the sector and of companies' characteristics enabled us to generate solid returns for the Fund. In the discretionary consumer sector, the selection of high-income versus low-income companies, those independent of credit versus credit-dependent firms, and those benefited by the reopening versus those benefited during the pandemic, proved to be a significant success in the year. Additionally, our short position in local e-commerce companies and long position in Mercado Livre also made a positive contribution.

Arezzo was the Fund's largest position for most of the year and contributed 1.82% to our performance. The company's excellent management execution led to continuous upward revisions of earnings expectations, and we benefited from that.

On the short side, we would like to highlight our short positions in companies we often admire but which experienced challenging periods, companies such as Lojas Renner, Lojas Quero Quero, Alpargatas, Natura, and Grupo SBF.

The construction industry made a significant contribution to our performance, returning nearly 4%. Throughout the year, we observed a series of challenging macroeconomic data for these companies; however, the election proved to be a crucial turning point. We anticipated changes in the housing program and positive rhetoric from both candidates on the topic of affordable housing. So we decided to operate in the sector with long positions in companies exposed to the governmental housing program. To hedge against macro uncertainty, we implemented pair trades, buying low-income housing companies and selling the stocks of companies in the medium and high-income segments. We placed our long bets on Cury and Direcional, which consistently outperformed our short positions such as Cyrela, MRV and Tenda.

This positive performance was partially offset by losses in the software sector, which suffered with high interest rates, that impacted small caps and low liquidity stocks, which we were invested, costing us approximately 4% of our results. In the capital goods sector, we were invested in Embraer since 2021 due to our belief in the value generation potential of the company's new initiatives, notably EVE. Even with the realization of the offering, we still calculated additional upside potential for the stock as the market value of its participation in the SPAC was not yet reflected in the share price. However, we were wrong to believe that this event would outweigh the company's short-term operational results, and this mistake resulted in a loss of nearly 2% to the fund.

Domestic Defensives

Companies in this sector contributed with gains of 10.90%. It is worth highlighting Hypera, a resilient pharmaceutical company with a defensive business model and short-term catalysts such as the expected signing of a leniency agreement and a possible stronger adjustment in drug prices due to high inflation. This stock was also trading at a significant discount to peers. The long position in the company was crucial for the portfolio's performance and added 3.80% to the fund.

The healthcare sector was another positive highlight in 2022 and generated 4.18% in gains. The largest contribution came from our short position in Hapvida, that added 2.50%. The challenging scenario of price adjustments, coupled with high hospitalization frequencies and costs, delayed the normalization of earnings to pre-pandemic levels, while valuation remained stretched. Our shorts in Blau and Qualicorp returned 1.30% to the Fund. Both companies faced a challenging environment throughout the year and failed to achieve the market's expectations on revenue and profitability.

Our long positive highlight in the healthcare industry was our arbitrage position in Alliar, that added 2.0%. The market was pricing the stock at a significant discount compared to the liquidation value of the tender offer, as investors overestimated the risk of the operation not happening, thus undervaluing the deal. Throughout the year, it became clear that the tender offer would be successful, and the stock rallied.

In the Food & Beverage sector, we had a return of 2.45%. We believed that companies in the Brazilian and U.S. protein sectors were in opposite cycles. In Brazil, export-oriented companies were benefiting from ample cattle supply coupled with strong international prices driven primarily by China's demand. In the United States, we were at the beginning of a reversal in a positive cycle and projected a margin decline for companies exposed to US Beef. Throughout 2022 and early 2023, we maintained a long position in Minerva and short positions in Tyson, Marfrig, JBS, PPC, and BRF.

In the Car Rental sector, we monitored the situation in the Brazilian automotive industry closely, as we believed that an improvement in industry production capacity and a consequent increase in vehicle inventory was essential for the rental companies' results to rebound. This scenario began to unfold in May, when we initiated a position in Localiza, contributing 1.0% to the fund's performance.

Financials

The Financials sector returned 8.97%. Banks added 1.25% to the Fund's performance, with long positions in Itaú and Banco do Brasil, which operational results outperformed peers.

In non-bank financials, BB Seguridade was one of our strongest convictions throughout 2022, contributing with 2.34%. Benefiting from the excellent scenario for the agricultural sector, the company's growth and profitability surprised the market, leading to positive earnings upgrades.

In the payments sector, the trajectory of the Selic rate during the year changed the competitive landscape, with players inclined to focus more on profitability. Our position in Cielo generated an alpha of 1.62%, as the company benefited from this scenario, gaining market share and margins. Regarding Stone, the rising interest rate exerted strong negative pressure on its profitability. We took short positions multiple times during the year in Stone, which combined resulted in a gain of 2.92%.

Utilities

The Utilities and Transportation sectors added 6.48% to the Fund. Long positions in both the Electricity and Sanitation sectors, with attractive valuations and expectations of privatization, were positive highlights.

CPFL had a robust cash position, and we believed the company would pay a significant amount in dividends considering its balance sheet position. The main premise behind this assumption was that this capital would not be allocated to inorganic growth since returns on new projects were unattractive. This assumption proved correct, and the position returned 1.61%.

As a state-owned company with clear operational inefficiencies, Sabesp traded at a valuation of approximately 0.7x its regulatory asset base, while private companies in the electricity sector were trading at an average of 1.5x. We concluded that the stock could trade at a multiple more in line with private peers if there was a higher probability of privatization, which became true with the election of the new Governor of São Paulo. The position contributed 2.36% to our performance.

We closely monitored the privatization process of Eletrobrás since the approval of the Provisional Measure in 2021, and we remained confident in the case as we believed that the completion of the offering would reduce the tail risk of the process not happening and the market would then start to discuss the long-term value that could be unlocked. We had gains with long positions in cash as well as with positions in derivatives structures, as we believed the stock would start oscillating at a new price level range after the offering. These positions added 2.96%.

We concluded that the market would begin to project better results for Rumo based on a rebound in corn volumes in the second half of the year, along with encouraging projections for the 22/23 grain harvest. These data were accompanied by convincing results, resulting in a return of 0.73%.

Global

2022 was quite a challenging year for global investors in the Consumer and TMT (technology, media, and telecom) sectors, which had their largest annual declines since the crises of 2001 and 2008. We entered the year cautiously with companies trading at very high multiples, but we had long positions in some Big Techs with reasonable multiples and dominant positions in their niches since 2021. We added some high-multiple shorts in the middle of the first quarter to mitigate the sharp market downturn. However, we ended up losing with the Nasdaq's decline in the first half of the year. In the second half, we made some thematic trades, with gains in long discretionary consumption in Europe offset by losses in discretionary consumption in the United States. The biggest successes were long positions in PANW (cybersecurity) and LVMH/Richemont (Luxury), stocks we held throughout the year and still have in the investment portfolio. We also gained in our short position in Shopify. However, these gains were more than offset by losses in long positions in Amazon, Expedia, Uber and in short positions in apparel retailers such as ABF, Adidas and Gap. All in, the global book generated 3.53% in losses.

The information contained in this promotional material is for informational purposes only. Norte Asset does not sell nor does it distribute shares of investment funds, so to invest in our funds, contact an authorized distributor. Investments in funds are not guaranteed by the administrator, manager, or any other insurance mechanism, or by the “FGC – Fundo Garantidor de Crédito”. Norte Asset's funds may adopt equity strategies with derivatives as part of their investment policy, which may result in significant property losses for their shareholders. The disclosed profitability for our funds are net of taxes and exit fees. THE PROFITABILITY OBTAINED IN THE PAST DOES NOT REPRESENT A GUARANTEE OF FUTURE RESULTS. WE RECOMMEND CAREFULLY READING THE FUND RULES, SUPPLEMENTARY INFORMATION FORM, AND ESSENTIAL INFORMATION SLIDE, IF ANY, BEFORE INVESTING. THIS FUND IS LESS THAN 12 (TWELVE) MONTHS, TO EVALUATE THE PERFORMANCE OF INVESTMENT FUND(S), IT IS RECOMMENDED TO ANALYZE AT LEAST 12 (TWELVE) MONTHS. It is forbidden to reproduce and circulate this material, in whole or in part, without prior authorization, by written by Norte Asset, which is not responsible for any errors or for the use of the information contained in this material. Norte Asset has the following communication channels: tel (11) 2780-0340 or through the website www.norteasset.com.br in the Contact section. This fund has the supervision and control of the Securities and Exchange Commission (“CVM”), Citizen Service at www.cvm.gov.br

Autorregulação ANBIMA
Gestão de Recursos

Signatory of:
PRI Principles for Responsible Investment