Report
DYNAMO 130
2/4 2026

The Tacit Dimension of Time

In the previous Report, we dealt with mistakes as an occasion for learning and highlighted self-criticism as a cultural trait of Dynamo, expressed through the practice of System 3, our environment for collective critical discussion.

This Report illustrates our obsession with interrogating mistakes until they yield valid lessons, thereby improving our analytical toolkit. The text deals with a late discovery, on our part, about the nature of Technos's business. We had not awakened to its full meaning at the time we were investors in the company. A cognitive gap that might have shed light on some understandings and perhaps helped us avoid initiatives that proved misguided. It is a drier text, placed between two more "tangible" ones: the application of our design for organizing collective work, in the previous Report, and the account of our investment in Technos, in the next.

# #

The basic premise of "doing business" is that participants behave at arm's length: they negotiate independently, without favoritism or emotional ties, at a "safe distance," where interactions are guided by the imperative of competitiveness, dominated by market forces and governed by strictly "professional" rules; in a word, they are purely transactional relationships. This is undoubtedly a meritorious premise, as it ensures equity, prevents privileges and conflicts of interest, and brings greater compliance and transparency. These are fundamental attributes, especially in a country where the line between the public and the private is often drawn only in pencil.

We ourselves at Dynamo have vigorously defended the value of arm's-length relationships, especially at a time when the governance regime of our capital market was still taking shape. When relationships within companies were asymmetrical, at a time when related-party transactions and loans to controlling shareholders at favorable rates were commonplace, when transfer-pricing rules were ignored and the corporate structure was used for private ends, we took the more developed markets as a reference and zealously raised the banner of the arm's-length standard as an institutional improvement. Indeed, there is a well-defined lineage of intellectual tradition that associates the development of societies with their capacity to move from a predominantly familial/particular structure to a more impersonal/functional configuration.

The beauty - and the difficulty - for those who set out to decipher the hermetic texture of business lies in its broad variety. Each case is a case of its own. The mental framework and the processing algorithm that work quite well in the great majority of segments may prove anachronistic when applied to a rebellious minority. This subtlety in telling details apart is perceived only with time on the road. A repetitive exercise of exposure, introspection and assimilation. And here we arrive at the central lesson we would like to share with our readers: a business whose predominantly relational foundation subverts the Cartesian logic of the purely transactional, demanding specific attention and diligence.

# #

It is not uncommon for individuals to look to external sources for solutions to their problems. The explanations for this recurring pattern are many. It has to do with several concepts from the discipline of psychology. People with a predominantly external "locus of control" (cf. Rotter, 1966) would be more inclined to interpret the events and outcomes of their lives on the basis of external stimuli[1]. It may also have to do with the organism's internal regulatory mechanisms, such as the reduction of cognitive dissonance, a kind of psychological homeostasis that consists of the tendency to restore equilibrium in the face of discomfort, based on the understanding that changing the environment is usually mentally simpler than changing traits of one's own

1 *As usual, the complete bibliographical references are available on our website, https://www.dynamo.com.br/*

personality. Along the same lines, the psychology of preserving the self converges, observing that each of us needs to build narratives consistent with how we perceive ourselves. And so, changing the outside emerges as a mechanism for protecting one's own identity.

Psychology also documents the cognitive bias called the "focusing illusion," also known as the "next-step illusion," the belief that personal well-being lies just ahead, often associated with the novelty brought by some external change. When it is combined with the mental shortcut known as "attribution bias," the tendency to attribute the explanation of events to some agent, we can see why it is so common for us to summon "someone from outside" to solve or answer for the facts around us. And there are also explanations of an evolutionary nature: for survival reasons, the brain would have evolved basically to modify the environment, not itself, solving problems such as finding food, escaping predators, forming alliances, etc.[2]

Since societies tend to reflect the aggregate of individuals, this pattern also manifests itself at the collective level. We are endowed with an extraordinary capacity for social learning through selective imitation. Copying individuals of greater prestige and success is an efficient cognitive strategy for acquiring adapted behaviors, as it avoids far more costly alternatives of learning by trial and error. In other words, here looking outward expresses not only a feature of cognitive satisfaction, but an attribute of cultural evolution.

A quick look at history in perspective soon shows that societies move on the basis of perceived external threats or inspirations, which uphold the merit of transformations and imprint the impetus of revolutions and reforms, of coups and wars, since something new must be put in place of the old. The pattern of "imported modernization" is well known: one starts from a diagnosis of local backwardness, identifies a successful external model and seeks to import its main parameters. This is when institutional models come to be copied or cultural avant-gardes are adapted.

Sometimes it is a simple "copy and paste," a crude imitation of the reference geography. Thus, the American Constitution exerted a profound influence on the founding of Liberia in 1847, with no regard for the completely different context of the African country. Or even our Constitution of 1891, which inaugurated the "United States of Brazil," bringing the American federalist design to be implanted on top of the centralized regime of the Empire. At other times, the outside view serves as a reference and undergoes adaptations when imported, as with the Napoleonic Code, which inspired legal systems in several countries, including our own Civil Code. Finally, the external appears as an element that provokes internal reactions whose synthesis results in something different, as in the Anthropophagic Movement, which absorbed the European modernist avant-gardes, swallowing them and giving back an original artistic composition.

In times of crisis, the collective outward gaze becomes even more powerful. Often the hope of an external solution merges with an almost messianic expectation, personified in the figure of an individual, the proverbial "savior of the nation," or embodied in a revolutionary institutional arrangement, or even in a technology of such transformative reach that it is called "disruptive."

Naturally, this whole structure of thought and action carries over *ipsis litteris* to the business world. Struggling businesses and companies look outward with particular attention, hoping to find and bring in the answers for the long-awaited return to relevance and prosperity. This explains the recurring myth of the "savior CEO," the persistent hiring of global management consultancies, the cyclical adoption of whatever management technique is in fashion, or even the insistence on M&A as a strategic solution, which generally frustrates the intended outcome.

Financial markets project this kind of view in a very particular way, as they are environments marked by a fascination with innovation. They continuously incorporate novelties and select technologies. Among participants, the prevailing understanding is that one must always adopt the most modern techniques and tools, ride the latest "wave" and master the frontier of knowledge, under penalty of losing competitiveness and becoming irrelevant. This dynamic is so ingrained that, at times, everything that apparently does not fit into it is stamped as "backward," comes to be treated with indifference, and even with some disdain.

This whole script becomes even more dramatic at a time when we are experiencing an unprecedented technological advance, measured by the incredible speed of

2 *We record this last argument more as a curiosity and an illustration. Evolutionary explanations for complex social behaviors deserve to be treated with caution, since they present themselves as plausible narratives ex post, yet are very difficult to test with due rigor.*

adoption of generative Artificial Intelligence, which reached the mark of one hundred million users in just two months, against seven years for the internet and sixteen for the mobile phone, as a reference. The other side of the coin of AI's seductive promises is the credible threat of the disruptions it sets off. And so investors express their anxieties by fleeing from everything that may be reached by the steamroller of the neural Labs.

The combination of a natural inclination to seek external solutions, the urge to adopt the latest novelty and the anxiety generated by the advance of 'revolutionary' technologies projects onto companies and financial investors impatience and an imperative that "something must be done, and soon." The Portuguese word for management, *gestão*, comes from the Latin verb *gerere*, whose original meaning is "to carry out an action." Executives are the hands hired with the primary mission of doing. The ingredients above add fuel to the fire.

When financial investors take over the management of companies, these hasty dispositions are layered on top. The risk of a premature diagnosis and a hurried agenda increases. Indeed, in some cases, the interventions prove disappointing. The explanations are less precise than the empirical evidence. We venture a few. Perhaps a certain mental confusion of roles that leads us to believe that, because we follow a good number of companies in different sectors in our portfolios, we have a superior understanding of business. Or perhaps because we live in a digital environment, where investments are expressed through the simple movement of electronic book-entry records, without friction or direct physical correspondence with the real world. With such a compressed "production line," the distance from decision-making to implementation in an institution operating in the financial sector becomes practically nonexistent. Immersed in this reality of screens and digital entries, without due care, one may well underestimate the fundamental dimension of execution, so dense in subtleties. Or it may be a manifestation of financial market participants' obsession with innovation and technological performance, which drifts into the preformatted understanding that everything not in sync with this "modern" dimension deserves forced intervention. Aware of these limitations, which can easily turn into traps (into which we fell in the case of Technos), we came to regard such initiatives with reservations.

The danger of a hasty diagnosis increases in businesses that conceal complexity, appearing to have little sophistication and little embedded technology. They are often segments based on a more relational and less algorithmic dynamic, where the virtue lies in the fragmentation or capillarity of the network, and not in the visible strength of dominant "hubs." Relational businesses run on tacit knowledge, whereas imported solutions generally arrive as codified knowledge, in the form of protocols, KPIs, flowcharts, playbooks and dashboards, dimensions so dear to those who believe that the analyst's role amounts to the mere handling of electronic spreadsheets.

Relational businesses embed organizational routines that metrics and written procedures can hardly capture in full, since they constitute patterns of mutual expectation that participants develop by working together over time. In a relationship-based structure, these routines are particularly dense and implicit, because they have been refined through years of mutual fine-tuning, where custom is the true rule. Replacing them with any alternative arrangement is a risky and certainly lengthy undertaking, which poses an almost insurmountable challenge, since these transformations are usually expected to deliver short-term results.

One environment where relational aspects predominate is commerce. From this millennia-old art, rooted in the tradition of the Sumerian networks of voluntary exchange, modern economic systems were built. Some believe that in the future transactions will be largely electronic and tokenized. Until that happens, many businesses still depend essentially on interpersonal processes, where buying and selling decisions emerge from the less tangible forces of trust, habit and the complicity generated by recurring encounters. It is the handshake, the eye contact, the human warmth. "Devices" not based on cutting-edge technologies, but no less sophisticated for that, nor any less productive and essential. Quite the contrary.

The reality of exchange brings together fundamental aspects of human existence, understood in its multiple dimensions. Not by chance, the institution of exchange has drawn the interest of several disciplines. Economics, psychology, biology, sociology, anthropology, law and political science approach the question through their own lenses. In the anthropological tradition of ethnographic research, exchanges are gears that generate mutual expectations, "total" social obligations to give, to receive and to reciprocate, simultaneously expressing various aspects of collective life (Mauss, 1925). Neoclassical economics, on the other hand, ignored these broader observations and chose to focus exclusively on a mercantile dimension, assuming an environment of loose connections between individuals, characterized by impersonal relationships and contacts that change all the time. This is the realm of self-interested and opportunistic exchanges, driven by agents who maximize utilitarian objective functions, based on the given reality of prices, which work as aggregators of the information needed for an efficient allocative decision. It is a partial and reductionist

worldview, but so widespread that it may have influenced the way many "practical men" think and act.

Next came game theory, bringing refinements to this rather simplified worldview. While in static, one-shot games, such as the classic prisoner's dilemma, the dominant strategy of self-interested individuals would be not to cooperate, repeated games, in which participants interact several times, sustain an equilibrium of cooperative behavior. In environments of incomplete information, investing in building a reputation pays off and, likewise, giving up cooperation has a price, since the threat of punishment becomes credible. Not to mention moral comfort, which each person values in their own way. The results of repeated games with no defined horizon suggest that cooperation may emerge as an endogenous rational response to the possibility of successive encounters.

At the opposite end from the neoclassical proposition lies the understanding that exchanges take place through stable networks of frequent contacts, characterized as close partnership relationships, once it is recognized that exchanges involve dimensions of a social and relational nature. Relationships of trust work as a programmatic heuristic, and so the objective function of agents in this context is associated more with satisficing (*satisfy + suffice*, à la Herbert Simon) than with maximizing, as individuals seek to cultivate long-term relationships and create an *ethos* of cooperation, instead of simply exploiting dependence and short-term gains. These are the so-called exchanges *embedded* in relationships.

This line of argument was explored by "economic sociology," a lesser-known strand outside the mainstream, which grounds its arguments essentially in empirical research. It is already well documented, through several applied studies, that business arrangements in which embedded exchanges predominate establish competitive advantages and economic opportunities that are difficult to replicate through the market or formal contracts[3]. If the theory of repeated games predicts cooperation as the outcome of a rational and utilitarian logic, field studies suggest *in loco* that cooperation networks bring practical benefits to everyone involved.

Merely as an illustration, we mention here some of these empirical studies. In one of them (Dyer & Singh, 1998), the authors explored how "idiosyncratic interfirm linkages," understood as attributes that span the boundaries of individual firms, are capable of generating competitive advantages and "relational rents." Drawing on examples from various business segments, the research underscored how the different incentive arrangements in strategic partnerships lead to distinct opportunities for gains from knowledge sharing. In the automotive industry, Toyota's practice is to make its consultants available at its suppliers' facilities until the assimilation of knowledge is assured, which may take months. At GM, by contrast, a model of relationship between the automaker and its suppliers marked by greater independence was observed, in which solutions and innovations along the chain were proprietary rather than joint. As a Toyota executive summed it up:

"Many American suppliers do not understand our way of doing business. They do not want us to visit their plants and they are unwilling to share the information we require. This makes it very difficult for us to work with them effectively; we also can't help them to improve" (Dyer & Singh, 1998).

Other analyses (Shahmehr et al. [2015] and Wu et al. [2020]) focused on small and medium-sized enterprises (SMEs) and found that embedded relationships led to gains in competitiveness, with higher productivity, reflected in better operating performance within this group of companies. *"Relational embeddedness is the key organisational aspect to encourage the business toward technological innovation and organisational learning. In this case, relational embeddedness can derive information shared throughout the business to improve the quality of decisions, resulting in an improvement of business productivity"* (Shahmehr et al., 2015)[4].

The empirical work that eventually became a reference was conducted through extensive interview-based research with participants in the textile and apparel industry ecosystem around New York (Uzzi, 1997 and 2000). The accounts gathered from the various members of the chain - manufacturers, designers, providers of services such as cutting, sewing and so on - bear witness to an industrial arrangement typical of embedded relationships. One of the

3 *The genealogy of the concept of embedded relationships goes back to Polanyi (1944); it was taken up and developed by Granovetter (1985) and applied by Uzzi (1997 and 2000), as we will illustrate shortly.*

4 *There are also studies in the services segment: Mawdsley & Somaya (2020) investigated the importance of the relational environment between law firms and their corporate clients, and several works address the role of embedded relationships in the formation of bank loan syndicates, for example Sufi (2007), Gopalan et al. (2011) and Bharath et al. (2011).*

CEOs interviewed revealed: *"It is hard to see for an outsider that you become friends with these people - business friends. You trust them and their work. You have an interest in what they're doing outside of business. They know that they're like part of the company. They're part of the family."* (Uzzi, 2000).

There are three components that regulate expectations and behavior among the participants in this more relational type of exchange, bringing advantages to everyone involved: trust, the transfer of fine-grained information, and joint problem-solving arrangements.

Trust derives from the perception that the counterparty's primary motivation does not lie in self-interest alone, but in the recognition that a spontaneous extra effort has been made. A trust-based system increases firms' access to certain pools of resources, improves their capacity to adapt to unanticipated problems, reduces transactional uncertainty and creates opportunities for exchanges of goods and services that are difficult to price and to enforce contractually. Trust acts as a governance regime in a relational environment, where the participants' processing mechanism works more in the heuristic realm and is not based so much on a purely logical calculation of risk assessment, which tends to save cognitive resources and time, without harming the quality of decisions. In the same study, another interviewee stated: *"Trust means he's not going to find a way to take advantage of me. You are not selfish for your own self. The company and partnership (between firms) comes first."* (Uzzi, 2000).

A second benefit derives from the finding that relational exchanges involve transfers of proprietary information that is more fine-grained, tacit and often strategic, generally unavailable in arm's-length market transactions. It is when whoever is closest to the consumer turns to the suppliers immediately behind them in the chain and reveals which products are "flying off the shelves." Frequent communication between the parties reveals uncodified information, produces reliable knowledge, broadens the base of reciprocal behavior and improves the predictive capacity of each participant in the production chain. As another CEO explains:

"If we have a factory that is used to making our stuff, they know how it's supposed to look. They know a particular style. It is not always easy to make a garment just from the pattern, especially if we rushed the pattern. But a factory that we have a relationship with will see the problem when the garment starts to go together. They will know how to work the fabric to make it look the way we intended. A factory that is new will just go ahead and make it. They won't know any better." (Uzzi, 2000).

A third advantage is that a system of relational exchanges allows participants to coordinate tasks, as they establish flexible routines of negotiation and mutual adjustment that work as permanent problem-solving mechanisms. By working collaboratively, the parties receive direct feedback, increasing learning and the chances of discovering new combinations, reducing errors and development/experimentation cycles. These joint problem-solving arrangements work as "voice mechanisms" (Uzzi, 1997). They replace simplistic market responses, of the exit-or-stay kind, enriching the network of relationships, learning and innovation. And so, the following passage was taken from another account: *"When you deal with a guy you don't have a long relationship with, it can be a big problem. Things go wrong and there's no telling what will happen. With my guys [referring to embedded ties], if something goes wrong, I know we'll be able to work it out. I know his business and he knows mine."* (Uzzi, 2000).

Beyond the individual advantages for participating firms, from an aggregate standpoint the benefits for the system are also well known. First, time savings and greater allocative efficiency. Embedded relationships have important implications for allocative efficiency and price formation, as they allow firms to match product designs and production levels more closely to consumer preferences, which usually reduces response lags along the chain, avoiding waste and stockouts. The benefits are most significant in businesses characterized by rapid product innovation, more volatile consumer preferences and long-cycle chains. This may explain why, in segments with these characteristics, such as the retailing of fashion or collection products, embedded relationships are more frequent.

Another relevant benefit lies in the nature of contracts. More relational environments shape expectations of fairness and aspirations of reciprocity, so that each party usually commits to exceeding the letter of the agreements, in order to contribute to the relationship beyond what was specified. Detailed, "distributive" contracts give way to tacit agreements and/or "integrative" contracts, in which the parties find mutually beneficial, "win-win" solutions.

The evidence suggests that arrangements of embedded relationships, by increasing the exchange of information and learning, improve the quality of firms' decisions and adaptive responses, enabling them to identify and execute coordinated solutions to organizational problems, with positive effects on the productivity of the business and even on long-term survival. In a more relational environment, participants usually inform the others of their future production expectations, helping the scheduling of contracted suppliers and service providers, for example. This increases

predictability and the capacity for adjustment that more impersonal and opportunistic designs cannot reproduce. And so, in sectors where competitive advantage depends essentially on complex adaptations, greater relational depth ought to prevail. Unfortunately, this is not always the case. On the contrary, the most common outcome is that it does not.

At this point, a side note is in order. The economists' catchphrase that "every reality involves trade-offs" applies here as well. The benefits of relational systems come with a caveat: the empirical evidence shows that there is a threshold beyond which the density of embedded relationships may prove harmful. That is when the web of embedded relationships dominates the business environment to the point of making it insensitive to change and unable to absorb external shocks. If the intensity of reciprocity-based relationships completely displaces the imperatives of purely economic interests, the entire business network may be put at risk. From the system's point of view, some presence of arm's-length ties is healthy, since they tap information circulating in the market, allow new trading partners to be tested and expand the capacity to absorb innovations. In other words, the message here is that even in typically relational environments, for the sake of the system's resilience, it would be worthwhile to maintain some level of "pragmatic" relationships driven by market stimuli[5].

The main building blocks of businesses based on embedded relationships - trust, social capital, reputation, fluid communication - are all intangible assets. Likewise, knowledge stems basically from tacit experiences - "gentlemen's agreements," informal meetings, learned routines, shared cultures. The merit of these dimensions and ingredients is harder to see with the naked eye because it emerges from the dispersed forces of relationships and does not reside, concentrated, in specific and more visible characters.

This difficulty of comprehension instigates that "imperative to do" and the urge to import external solutions, within a logic that generally pursues "efficiency" and the optimization of codified short-term metrics. The combination of these elements ends up mobilizing interventions that erode the organizing logic of this relational system. An excess of metrics, controls, rigid contracts and purely monetary incentives signals a breach of trust and feeds reactive postures. Formal, standardized communication induces the loss of tacit knowledge and inhibits innovation. A preferential focus on penalties and monetary fines shatters the grammar of joint problem-solving, producing operational paralysis and litigation. When the measure of success shifts from the total value of the long-term partnership to short-term quantitative KPIs alone, such as "lowest unit cost" or "gross margin per transaction," it tends to destroy aggregate value and foster hidden costs.

When the results of the interventions fail to appear, frustrating such confident expectations, the reflex of executives, pushed by the design of incentives, is to double down, which only tends to make matters worse. In fact, the best decision would point in the opposite direction: to absorb the lessons and restore the system of relational forces. The most advisable strategy would be to go "back to basics," a willingness to recover the foundational elements, in this case to preserve the branched relational structures.

At this point, acknowledging that this text has become excessively dense and conceptual, we offer a brief summary in order to highlight the line of reasoning and the main messages:

1. The belief that the solution to complex problems must originate from external sources is deeply ingrained among individuals and societies;

2. There are countless explanations, with biological, psychological and social roots, that underpin this recurring pattern of thought and action;

3. The history of societies offers abundant ground for convincing illustrations of the argument, especially in times of crisis;

4. The same understanding carries over to the corporate and business world;

5. Financial investors, when they set out to manage companies, embody this idea in a particular way, associating external changes with modernity and an efficiency shock;

6. The anxiety over the need to adopt new technologies, a reflection of the psychological discomfort of being left out of the latest management trend, further increases the desire to act quickly and the risk of a premature diagnosis;

5 *In the next Report, we will mention a specific case in which this "excess" of embedded ties made it difficult to recognize the emergence of an innovative technological change in the industry, resulting in structural competitiveness problems for the incumbents.*

7. The danger of a hasty diagnosis increases in businesses that conceal very particular characteristics, appearing to have little sophistication and little embedded technology;

8. Typically, more relational business segments display these characteristics, as their virtue lies hidden in the fragmented web of relationships, built organically over a long period;

9. Relational businesses involve embedded exchanges and are structured around elements such as trust, the transfer of tacit information and joint problem-solving arrangements, producing numerous well-documented benefits for companies, such as better quality of decisions, better-adapted responses, gains in competitiveness, higher productivity and even effects on longevity;

10. Since the main attributes of relational arrangements are intangible assets, the merits of this kind of order tend to be harder to recognize, which may provoke the urge to intervene, under the pretext of "modernization" or the pursuit of "efficiency";

11. Since the premises of the intervention differ from the relational logic, one risks striking at the structures that sustain the system. When this happens, rather than doubling down, the most advisable strategy is to rebuild the fundamentals, the so-called "back to basics."

We have seen this script repeat itself countless times, most often with financial investors in the leading role. Here at Dynamo, we have learned that these established relational structures were dynamically refined over time, not statically crystallized. They emerge, counterintuitively, as an organic, discreet and resilient wisdom. That being so, deliberate external attempts to displace them should be assessed with enormous care, since a technological shock can also work as a disruption in reverse.

This lesson, which we now describe with clarity, is distilled from a reservoir of experiences. Many positive, others not so much. Unfortunately, we too have been caught up in this circuit, when a lack of proper discernment pushed us toward an uncertain agenda. Since we cannot come to terms with our mistakes until we have dissected them completely, after much introspection and self-criticism we have managed to organize these understandings, which we now share with our investors.

In the next Report, we present the story of an investment that we believe illustrates this whole script very closely. It is Technos S/A, a company in which we were deeply involved for a long time. In light of these reflections, we now realize that our understanding of the nature of its network of specialized retailers, the company's main asset, was mistaken. We thought of this asset basically as a physical shelf of brands and categories to be optimized, failing to see that it was a system of embedded relationships, whose power derived precisely from the tacit routines, the trust and the reciprocity we have just described.

Rio de Janeiro, October 30th, 2026.

Dynamo Cougar x Ibovespa Performance in R$ up to September 2026

Period	Dynamo Cougar	Ibovespa*
120 months	215.8%	219.3%
60 months	24.7%	67.9%
36 months	52.6%	59.9%
24 months	32.6%	41.4%
12 months	21.7%	27.4%
Year (2026)	11.2%	15.6%
Month (September)	4.5%	5.0%

(*) Ibovespa closing. Indices are presented as economic reference only, and not as a benchmark.

DYNAMO COUGAR x IBOVESPA
(Performance in US$)*

Period	DYNAMO COUGAR Year	DYNAMO COUGAR Since Sep 1, 1993	IBOVESPA** Year	IBOVESPA** Since Sep 1, 1993
1993	38.8%	38.8%	7.7%	7.7%
1994	245.6%	379.5%	62.6%	75.1%
1995	-3.6%	362.2%	-14.0%	50.5%
1996	53.6%	609.8%	53.2%	130.6%
1997	-6.2%	565.5%	34.7%	210.6%
1998	-19.1%	438.1%	-38.5%	91.0%
1999	104.6%	1,001.2%	70.2%	224.9%
2000	3.0%	1,034.5%	-18.3%	165.4%
2001	-6.4%	962.4%	-25.0%	99.0%
2002	-7.9%	878.9%	-45.5%	8.5%
2003	93.9%	1,798.5%	141.3%	161.8%
2004	64.4%	3,020.2%	28.2%	235.7%
2005	41.2%	4,305.5%	44.8%	386.1%
2006	49.8%	6,498.3%	45.5%	607.5%
2007	59.7%	10,436.6%	73.4%	1,126.8%
2008	-47.1%	5,470.1%	-55.4%	446.5%
2009	143.7%	13,472.6%	145.2%	1,239.9%
2010	28.1%	17,282.0%	5.6%	1,331.8%
2011	-4.4%	16,514.5%	-27.3%	929.1%
2012	14.0%	18,844.6%	-1.4%	914.5%
2013	-7.3%	17,456.8%	-26.3%	647.9%
2014	-6.0%	16,401.5%	-14.4%	540.4%
2015	-23.3%	12,560.8%	-41.0%	277.6%
2016	42.4%	17,926.4%	66.5%	528.6%
2017	25.8%	22,574.0%	25.0%	685.6%
2018	-8.9%	20,567.8%	-1.8%	671.5%
2019	53.2%	31,570.4%	26.5%	875.9%
2020	-2.2%	30,886.1%	-20.2%	679.0%
2021	-23.0%	23,762.3%	-18.0%	538.9%
2022	-7.8%	21,899.9%	12.0%	615.4%
2023	32.1%	28,965.0%	31.8%	842.8%
2024	-30.8%	20,002.8%	-29.9%	560.7%
2025	56.1%	31,224.4%	50.8%	845.5%
2026***	18.1%	36,961.4%	22.8%	1,123.4%

(*) Considering that this is a Fund that has existed since 1993, the figures were converted into dollars (US$) as a way to eliminate the volatility of the Brazilian currency throughout the period and, in this way, minimize the risk of possible misinterpretations by the reader in the case of an investment decision/divestment. Dynamo Cougar is a fund that invests in NAV of an equity investment fund and is currently closed for new investments. (**) Ibovespa closing price. The index is presented as a mere economic reference and does not constitute a target or benchmark for the Fund. (***) Return up to September 2026.

Additional information:

- **Inception:** 09/01/1993
- **Objective:**
  Deliver NAV appreciation above inflation in a medium/long term horizon by investing at least 95% (ninety-five percent) of the fund´s net worth in the NAV of Dynamo Cougar Master Equity Investment Fund ("Master Fund")
- **Target investor:** Qualified investors
- **Status:** Closed for new investments
- **Redemption grace period:** 12 months grace period or liquidity fee of 3% for redemption within this time period*
- **Redemption NAV:** D+12 (calendar days)*
- **Redemption payment:**
  D+2 (working days) after NAV conversion*
- **Applicable taxation:** Equity
- **Anbima´s classification:** "Equity - Free Portfolio"
- **Management fee:** 1.90% per year for the Fund + 0.10% for the Master Fund
- **Performance fee:** on the top of IPCA + IMAB*
- **Average monthly net worth last 12 months:**
  R$ 5,876.9 million.

(*) Detailed description provided in the bylaws

To find more information about Dynamo and our funds, or if you wish to compare the performance of Dynamo Cougar to other indices in different time periods, please visit our website:

www.dynamo.com.br

This letter is published for informational purposes only and should not be construed as an offer to sell Dynamo Cougar or any other fund, nor as a recommendation to invest or disinvest in any of the aforementioned securities. All judgments and estimates contained herein are opinions only and may change at any time without notice. The information contained in this document is, in Dynamo´s better understanding, materially accurate. However, Dynamo is not responsible for any errors, omissions or inaccuracies regarding the information disclosed. The performance obtained in the past does not represent a guarantee of future results. Performance disclosed is net of management and performance fees, but not net of taxes, performance adjustment or exit fee, if applicable. Investing in mutual funds is risky. Carefully read the regulation before investing. The regulation of Dynamo Cougar is available on Dynamo´s webpage, www.dynamo.com.br. Investments in funds are neither guaranteed by the administrator, by any insurance mechanism, nor by the Credit Guarantee Fund. Supervision and Inspection: Brazilian Security and Exchange Commission (CVM). Citizen Service, www.cvm.gov.br.

DYNAMO

DYNAMO ADMINISTRAÇÃO DE RECURSOS LTDA.

Av. Ataulfo de Paiva, 1235 / 6º andar, Leblon, 22440-034, Rio, RJ, Brazil. Phone: (55 21) 2512-9394. Contact: dynamo@dynamo.com.br