

LUXOR

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INVESTIMENTOS

INVESTMENT PHILOSOPHY

OUR PHILOSOPHY

An unequivocal and precisely articulated investment philosophy stands as the cornerstone of prosperous resource stewardship. In this dynamic and competitive global landscape, investors must adhere to an approach grounded in their competencies, steadfastly devoted to delivering unwavering returns. Furthermore, a well-defined investment strategy serves as the lighthouse for navigating through the tempestuous seas of market unpredictability. At Luxor, our philosophy draws its essence from the erudition, accumulated wisdom, and astute business acumen of our distinguished team. It stands resolute upon four unshakable pillars. It consists of four fundamental pillars:

1. Focus on investing in companies,
2. Fundamentalist approach,
3. Risk management, and
4. Diligence in the analytical process.

Above all else, and with utmost significance, we firmly endorse the notion that superior businesses stand as the paramount avenue for safeguarding wealth and achieving enduring returns. Those well-acquainted with entrepreneurship recognize the trials faced by business proprietors and the inherent perils within. Nevertheless, volatility unflinchingly brings with it an opportunity – thriving investments in exceptional businesses yield ample returns on the capital employed. Our confidence stems from the judicious examination of each enterprise and its industry, coupled with a comprehensive comprehension of the associated risks and a

meticulously crafted strategy to confront them. This synergy permits us to capture exceptional returns resultant from earnings growth and the expansion of the businesses in which we invest. As a consequence, our capital is primarily allocated to enterprises that promise optimal returns for our assets.

Secondly, our faith resides in the ability to discern businesses with a bright future through our analytical process, grounded in fundamental principles. Essentially, we seek companies that embody the following attributes: (1) enterprises managed by honest and competent individuals; (2) extraordinary businesses endowed with significant competitive advantages and formidable barriers to entry; (3) firms that lead their respective sectors, amassing market share over time; (4) businesses operating in sectors that ride the tide of secular trends in societal and economic progress; (5) companies that exhibit all these traits at reasonable and comprehensible valuations; and (6) firms fortified by robust balance sheets.

We are equally ardent believers in the merits of a well-balanced portfolio, offering us a substantial advantage in the pursuit of returns. We aim to construct a collection of assets that transcends the sum of its parts. In practice, this necessitates prudent diversification: without relinquishing our stringent criteria for business selection, we artfully blend reasonably uncorrelated assets, thereby mitigating the risk of enduring and substantial capital losses. This approach furnishes us with the versatility to navigate varying circumstances with confidence.



Moreover, by preserving capital through avoiding substantial losses, we may capitalize on periods of amplified risk aversion in the markets and make investments in exceptional businesses at substantial discounts. Finally, we embrace humility as an indispensable principle. We acknowledge our capacity to identify promising assets and generate returns for our portfolio, while remaining aware that this undertaking is far from straightforward. We confront the intricacies of the world and the markets with caution, which manifests in the meticulous diligence and analytical discipline we apply daily, as well as the meticulous allocation of our capital.

Our philosophy is firmly rooted in pragmatism, not dogma. Recognizing the complexity of the world and the fact that the future never replicates the past, we refrain from relying on rigid rules, historical returns, or unwavering convictions. Our investment process hinges on diligence, yet it doesn't eliminate the possibility of errors or surprises. However, our approach positions us to be more often right than wrong, thereby delivering commendable outcomes. The practical application of these principles in our day-to-day management remains an unceasing challenge, as alluring narratives and collective frenzies invariably persist. To navigate this, our philosophy stands as our guiding compass, the quintessential instrument directing our investment practice, ensuring our course remains unwavering.

