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PRESENTATION

Operator

Good afternoon, and welcome to Vinci Compass third quarter 2025 results conference call. (Operator Instructions)

As a reminder, this call will be recorded. I would now like to turn the conference over to Anna Castro, Investor Relations Manager. Please go ahead, Anna.

Anna Castro - *Vinci Compass Investments Ltd - Manager - Investor Relations*

Thank you, and good evening, everyone. Joining us today are Alessandro Horta, Chief Executive Officer; Bruno Zarembo, President of Finance and Operations; and Sergio Passos, Chief Financial Officer. Earlier today, we issued a press release, slide presentation and our financial statements for the quarter, which are available on our website at ir.vincicompass.com.

I'd like to remind you that today's call may include forward-looking statements, which are uncertain and outside of the firm's control and may differ from actual results materially. We do not undertake any duty to update these statements. For a discussion of some of the risks that could affect results, please see the Risk Factors section of our 20-F.

We will also refer to certain non-GAAP measures, and you'll find reconciliations in the release. Also note that nothing on this call constitutes an offer for sale or solicitation of an offer to purchase an interest in any Vinci Compass fund.

On results for the third quarter, Vinci Compass generated fee-related earnings of BRL77.1 million or BRL1.22 per share, FRE margin of 32.3% and adjusted distributable earnings of BRL73.1 million or BRL1.16 per share. We declared a quarterly dividend of \$0.15 on the dollar per common share payable on December 9 to shareholders of record as of November 24.

With that, I'll turn the call over to Alessandro.

Alessandro Horta - *Vinci Compass Investments Ltd - Co-Founder, Chief Executive Officer*

Thank you, Anna. Good evening, and thank you all for joining our call. We appreciate you joining us. We hit important milestones for Vinci Compass this quarter. Before we start discussing our quarterly results, I would like to take a moment to highlight some important recent milestones.

In October, we hosted our second Investor Day in New York. It was a great opportunity to catch up with analysts and investors, reinforce Vinci Compass long-term vision, showcase the strength of our integrated platform and provide greater transparency into each of our business segments.

During the event, we shared how we are positioning the firm to capture growth across our core strategies, driven by disciplined capital allocation, innovation in product development and continued focus on delivering value to our clients and shareholders. The strong engagement and positive feedback from participants reaffirmed investors' confidence in our differentiated model and growth prospects in Latin America.

On the same day, we also discussed the acquisition of Verde, a transaction that represents a significant milestone in our strategic expansion. This transaction further strengthens Vinci Compass' position as a leading alternative investment platform in Latin America by combining forces with the region's leader in global and local asset allocation with an exceptional investment track record. The transaction was very well received by the local community as well as global clients and our shareholder base.

We had the opportunity to discuss the Investor Day and the Vinci transaction in-person with analysts and investors in the following days that week in New York, and the feedback was very constructive. We feel our constituents recognize the strategic and cultural alignment between the two firms and the long-term value creation potential for this combination, leaving us very excited and confident about the future. We remain on track to close the transaction by the end of November.

Although we had an exciting start of fourth quarter with the Investor Day and the Verde transaction, the work hasn't stopped since. We are already executing on the priorities we outlined such as accelerating regional expansion, capturing the secular growth opportunity in private credit and expanding FRE margins through revenue stream leverage and operating cost discipline.

In SPS IV, we secured not only our first offshore commitment, but also the first Brazilian pension plan commitment in the history of our opportunistic capital solution funds, a clear evidence of our outstanding ability to penetrate long-standing relationships to distribute proprietary funds across different channels. Bruno will unpack the fundraising pipeline in a moment, but we are very encouraged by the depth of interest we are encountering, particularly from foreign investors tracking our upcoming second closing.

Shifting to our third quarter results, we crossed the 30% FRE margin threshold in the third quarter, delivering a 32% FRE margin, the highest level year-to-date. This reflects both the potential for margin expansion from platform growth we have been discussing with you and our disciplined cost execution. This quarter, we began to see the impact from cost reduction initiatives carried out this year throughout the firm, combined with the operational leverage resulting from the strong fundraising in our funds over the past few quarters.

We have been extremely focused on driving efficiencies since closing the combination with Compass, and we are very satisfied with the results, which are now starting to flow through the income statement this quarter. This progress is the result of the thorough work of all management teams and the Executive Committee as we approach the final stage of integrating both companies.

As we have discussed, we see substantial opportunity to expand our margins and efficiencies represent only a portion of that. The most meaningful driver is platform growth, whether organically or through acquisitions. We are on the path to achieve our 38% FRE margin target by 2028 as discussed at the Investor Day, supported by additional cost reduction initiatives in the pipeline, substantial fundraising across all segments and the expected closing of Vinci in 2025.

Shifting to the macroenvironment, broad-based asset appreciation and an easing rate bias across emerging economies continue to create a constructive environment for our platform. Brazil should benefit even more than its peers, supported by the potential of a future political shift that could reinforce fiscal responsibility and by a likely Selic cutting cycle beginning in the coming months.

With lower rates and better anchored inflation expectations, we see further room for a re-rating of local assets, which has already begun. Across the region, Mexico and Chile are meaningfully ahead in their easy cycles.

Mexico has cut from 11.25% to 7.50% over roughly 18 months with further reductions expected. And Chile is already below 5% with its cycle well advanced. This creates differentiated asset allocation deployment and capital gains opportunities across Latin America. Reinforcing this environment, several countries are moving or are expected to move toward more market-friendly policies, including potentially Chile and Brazil as well as Colombia and Argentina, which is already undergoing Milei's pro market shift. In Argentina, specifically, authorities are taking meaningful steps to reverse years of persistent fiscal deficits.

These dynamics are also reviving the case for international portfolio diversification. We believe the trend of global investors seeking exposure beyond the US has further to run, supporting our fundraising, offering attractive risk-adjusted opportunities and potential currency diversification.

Turning to Credit. The segment is building momentum as expected with Latin America investors and increasingly global allocators. Our LatAm corporate debt strategy raised over BRL1 billion in the quarter with 30% coming from investors outside the region, underscoring both strong international appetite and the reach of our distribution across Europe and the US.

Our forestry vertical is also drawing strong international interest, especially from European development finance institutions. We aim to convert this attention into capital subscription for our Lacan IV fund in the fourth quarter of 2025 and into 2026. Our positioning as a leading provider of nature-based solutions in Latin America and the ability to scale through planted forest, while capturing higher quality carbon credits and biodiversity co-benefits, position us to pursue a significant addressable market across DFIs, global corporations, institutional investors and family offices. Recent international announcements in support of Brazil's forest programs underscore rising global capital flows into conservation and nature-based solutions.

Moving on to Global IP&S. Our third-party distribution business continues to deliver strong results with TPD alternative and liquid funds as key growth drivers. Within that, semi-liquid funds are standing out by pairing sophisticated products with retail-friendly features. We are seeing very strong receptivity in retail channels and expected continued traction as we broaden distribution. Private debt and middle market strategies continue to attract sophisticated investors, and we plan to expand our middle market funds offering.

Altogether, we delivered BRL19 billion in capital formation and appreciation in the quarter, bringing AUM to BRL316 billion. In US dollars, AUM reached just a tad below \$60 billion at a record \$59.4 billion. To wrap up, our opportunity set has never been stronger. Structural tailwinds in alternatives and emerging markets are accelerating, and Vinci Compass is the reference partner in our region.

More investors across channels are adopting private market solutions than ever, and we expect this trend to continue in the medium term. We are investing behind this demand with scalable products, disciplined risk management and a growing distribution footprint. Looking ahead, our platform is built for this environment and positioned to capture the generational shifts underway in the global economy and markets, compounding value for our clients and shareholders. Thank you again for joining us. With that, I'll turn it over to Bruno.

Bruno Zaremba - *Vinci Compass Investments Ltd - President of Finance and Operations*

Thank you, Alessandro, and good evening, everyone. We are thrilled to share that we delivered BRL19 billion in capital formation and appreciation this quarter. Global IP&S and Credit were key growth drivers, and we believe we are still in the early innings of a significant growth opportunity across all of our asset classes. We laid out this opportunity in detail during our Investor Day.

Starting with SPS IV, we achieved important milestones this quarter, our first offshore commitments and the launch of the offshore vehicle. With the fund live and seeded, follow-on offshore commitments tend to accelerate. Our pipeline includes several foreign investors, and we expect to sign additional commitments by year-end.

We also secured our first Brazilian pension plan commitment to the strategy, which we expect will catalyze additional allocations from other local institutions. Our track record is a key driver to new commitments. The first vintage, SPS I, which recently returned additional capital to investors from a successful exit, is currently delivering a DPI of 1.9x and a gross IRR of 25%, both in Brazilian reals.

Further validation comes from SPS III, which distributed during October over 9% of total commitments. This vintage is still within its investment period, which ends only in the fourth quarter of 2026 and has already started to return meaningful capital to LPs.

Still in private credit, we received additional commitments in our senior secured lending product in Peru, PEPCO II. We expect further commitments over the coming quarters in both PEPCO II and FAIPERU, our semi-liquid confirming and factoring fund. Our long-standing presence in Peru, together with our position as the largest fund in that market gives us a clear edge to keep capturing opportunities. In addition, to deepen engagement and showcase the full breadth of our regional platform, we hosted Peruvian institutional investors for a roadshow at our Brazil offices.

We have also introduced COPCO I to our Colombian LPs, our first secured lending fund in Colombia. Pension funds and insurance companies are increasing allocations to local currency alternative strategies, giving regulatory frameworks and COPCO I is designed to meet that demand. The vehicle will have a 10-year term and is expected to launch in the first half of 2026.

In Brazil, our liquid credit strategies are also showing strong growth. Infrastructure debentures, structured credit and corporate liquid credit funds all displayed strong investor interest and raised over BRL500 million in the quarter. Our diversified product lineup widens our addressable base and drives demand across different credit sub-strategies.

In equities, we continue to see outflows from our Brazilian domestic equity funds, reflecting a more risk-averse stance among local institutional investors. This trend is driven by the ongoing shift in their portfolios from equities to local inflation-linked government bonds, whose yields remain near historical highs and have not compressed this year despite the rally in the equity markets.

Shifting to Global IP&S, AUM reached more than BRL241 billion, supported by approximately BRL8 billion of inflows. As Alessandro noted, we're encouraged by the reach of our TPD business and more importantly, the depth of coverage from our client relations team. We expect to continue raising capital in this vertical, although we believe most TPD alternative inflows that charge upfront fees were recognized by the end of September and thus should have a more limited impact in the fourth quarter. On the liquid side, we see room for additional traction by year-end.

A highlight in TPD alternative this quarter was a \$300 million commitment from a Latin American institutional investor to a global private equity fund managed by a world-class GP represent in the region. This is an exceptional commitment that underscores the growing appetite for alternative among LatAm institutions as highlighted in all of our recent communications. Lastly, in Private Equity, as we work towards the first closing of VIR V expected in the first half of 2026, we're very encouraged by the interest from LPs to re-open this fund.

On the VCP front, the team is highly active in origination with a pipeline of 40-plus active opportunities and 4 transactions in advanced negotiations to deploy VCP's IV dry powder. In terms of portfolio performance, VCP III companies delivered solid operational results. In the second quarter of 2025, aggregate EBITDA grew 16% year-over-year.

We are particularly excited with our portfolio company, Agibank, as it continues to deliver very strong KPIs, expanding revenues year-over-year by 50%. In VCP IV, Arklok has been increasing revenue by 30% year-over-year, another company we have been very excited about. These results reinforce the health of our portfolio and our conviction in disciplined deployment of VCP IV. Our distribution teams are executing exceptionally well across channels, and October got off to a constructive start for the fourth quarter of 2025.

We're also preparing to navigate Chile's pension reform as benchmarks and target date frameworks finalize. Our client-facing group will have a fund 2026 as our product slate is quite full. We have private credit products being launched across the region. We have our UCITS equities funds and several closed-end funds across other strategies such as Private Equity and Real Assets.

In addition, on top of our TPD funds, which continue to exhibit strength as global allocation grows, Global IP&S will launch a series of new discretionary allocation products, allowing LatAm investors to have a diversified exposure to portfolios of semi-liquid funds across developed markets. This will lower entry tickets while helping investors with optimal allocation to their portfolios. All this alongside a nascent cyclical improvement in the region with higher demand for allocations from both local and currently under allocated global LPs.

On the operations front, AI adoption is now mainstream at Vinci Compass with roughly 80% of our team using AI in their daily work to enhance productivity, client service and risk management. As we discussed internally, we want to lead the transition into an AI-enabled workplace, and Vinci Compass needs to sponsor this change, so it's done safely and addressing the specific needs of our groups. This agenda is accelerating, and we expect it ultimately to be felt by investors through better overall decision-making and execution, positively affecting risk-adjusted returns.

We entered the fourth quarter with clear visibility and strong momentum, and the pipeline of opportunities allows us to build on these results into 2026. With that, I'll hand it over to Sergio to walk through the financials.

Sergio Passos - *Vinci Compass Investments Ltd - Global Chief Financial Officer*

Thank you, Bruno. Starting with our AUM, we ended the quarter with BRL316 billion, representing an increase of 4% quarter-over-quarter. Capital formation and appreciation totaled BRL19 billion, partially offset by a negative FX impact of BRL6 billion. We had significant inflows coming from Global IP&S, getting close to BRL80 billion in the quarter. A portion of those inflows came from TPD alternative, generating BRL18 million in advisory fees recognized onetime as upfront fees.

We expect another meaningful though smaller contribution from this line in next quarter, reflecting the time of commitment signings. In addition, we recognized success fee in our real estate advisory business and BRL4.5 million in corporate advisory. On a management fee basis, we posted BRL202 million in the quarter. We expect to continue delivering consistent growth, supported by an active fundraising pipeline and to further enhance our revenue mix as we scale our recurring fee earning base.

Total fee-related revenues were BRL238 million in the quarter, while fee-related expenses were BRL161 million. This translated to BRL77 million of FRE and a 32.3% FRE margin, our highest in 2025. The increase in the FRE margin is a result of operating leverage from revenue growth, some transaction costs that stopped impacting us this quarter, combined with cost reduction initiatives we have been working on since the beginning of the year, which have started to pay off now.

Delivering what we set out to do is in our DNA, and we remain focused on further compounding growth with efficiency. Performance-related earnings were BRL1.7 million in the quarter, coming primarily from equity funds. As a reminder, most of our Brazilian open-end funds crystallized performance fees semi-annually in June and December. So the first and the third quarters typically show lower performance fee recognition.

This is the first quarter that we highlight our investment-related earnings or IRE. We introduced this metric in our Investor Day, and our objective is to be the most transparent as we can and highlight the realized and unrealized gains from our commitments in proprietary funds. IRE is an important value driver in our business model, designed to compound growth and create long-term shareholder value through our GP commitments. IRE in the third quarter was BRL5 million with listed REITs contributing to realized income and positive markups in funds supporting the unrealized component.

Finally, putting it all together, adjusted distributable earnings totaled BRL73 million or BRL1.16 per share, representing a 28% increase year-over-year on a nominal basis and 7% growth on a per share basis. This quarter underscores durable fee power and an improving margin profile, validating our disciplined approach to growth, expand and allocate capital, leaving us well positioned for continued progress in the fourth quarter and 2026.

With that, I would like to close our remarks and open the call for questions. Once again, we'd like to thank you for joining our call. Please, operator, you may proceed with the questions. Thank you.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) William Barranjard, Itau BBA.

William Buonsanti Barranjard - *Itau BBA - Analyst*

I have a question here regarding one of the things you mentioned during the call, the first Brazilian pension plan to commit in the SPS IV, right? And you also said that this first commitment should unlock further ones from this type of project, right? So I wanted to dive a little bit here. So how fast do you think this new demand could come? And also, what kind of cross-sell opportunities this opportunity creates, right? But more importantly here, how big do you think this pocket is these new opportunities for you guys?

Alessandro Horta - *Vinci Compass Investments Ltd - Co-Founder, Chief Executive Officer*

William, that's Alessandro. Thank you for your question. That's true. That's the first pension fund commitment to SPS at all, right? Not just in the Fund IV, but overall, the whole history of SPS. Of course, we expect that would be an opportunity for raising money for this type of clients since, as you know, Vinci Compass main source of funds comes from institutional investors, both local investors, Latin America institutions and of course, international ones.

We do expect further commitments for this strategy still in Fund IV, but we cannot predict exactly the size of it. But this strategy due to the uncorrelated nature and really very low penetration on the portfolios of this type of investors, both local institutions and international institutions, both as first for SPS, we expect this to gain an important space on the overall AUM of the vertical.

William Buonsanti Barranjard - *Itau BBA - Analyst*

Okay. And if I could ask another one regarding your FRE margins, right, improved a lot quarter-on-quarter. Just wanted to hear from you if we should use this new level as the base for the next quarter or if there's any other effect that might decelerate this improvement, maybe lower advisory fees in the next quarter. How should I think about the evolution from here?

Bruno Zaremba - *Vinci Compass Investments Ltd - President of Finance and Operations*

Okay. William, this is Bruno. Yes, there's some seasonality as well on the expense line. So we usually have a second quarter that's a little bit stronger in terms of expenses. The third quarter is a little bit lighter from a seasonal standpoint.

However, we did have some aspects of the combination in terms of costs that flowed through the numbers during the past three quarters and started to reduce a little bit in the third. So looking forward to the fourth quarter and beyond and obviously not considering the Verde acquisition because that's going to change a little bit the number.

But thinking about Vinci standalone, we should be able to see margins on the 30s going forward, right? So probably the fourth quarter would be a little bit smaller than that, but still above 30%. We hope to be able to reach the 30% for the year. I think we are within that distance at this point. I think it's a possibility. And then looking forward to '26, probably we should see margins in general above 30% without the combination with Verde.

With Verde, we're going to have a big impact. The expectation is to close the transaction by the end of November. So they will impact only one month of the fourth quarter. But starting in the beginning of next year, once we have them on board for the full year, the impact should be of several hundred basis points. So this -- let's say, 30% to 31% will push towards probably at least the mid-30 level. So that's the expectation that we have once we have Verde on board. But we expect the continuation of better numbers in the margin level going forward.

Operator

Lindsey Shima, Goldman Sachs.

Lindsey Shima - *Goldman Sachs - Analyst*

We saw exceptionally strong Global IP&S inflows this quarter. Just wondering about how much of this was related to the TPD alts? And then you mentioned that there should be a small percentage of the upfront fees in next quarter. But how should we think about this line kind of going forward and then IP&S inflows more broadly in the future? Thank you.

Bruno Zaremba - *Vinci Compass Investments Ltd - President of Finance and Operations*

Okay. So this is Bruno again, Lindsey. Good to hear from you. So TPD was very good this quarter, as was the case of the second quarter as well. The alts this quarter, we had BRL2 billion positive impact. There was this big check that we mentioned from a regional player into a US-based closed-end funds, which was very relevant. And although the fourth quarter is looking like it's going to be a little bit slower, mainly on the outside, the liquid side started the quarter pretty strong. So the volume in the first month was similar to what we had in the third quarter on a monthly basis.

And I think even more so, when you look at this picture for TPD in general over the medium and long term, I think the picture is quite constructive. We have in Chile and Mexico, which are two markets that are important for us, of course, we have very strong tailwinds from increased contribution to the local institutional plans. We have, in general, more interest from high-net-worth individuals into mainly alternatives. So this is also going to be a driver for medium to long-term growth.

And finally, in Brazil, we are starting from a very low base. The penetration of this type of allocation is still very small, so we expect this also to be a positive tailwind for TPD in the medium and long term. So far, fourth quarter flows continue to be strong. And medium to long term, we continue to be quite optimistic about the business line in terms of flows.

Alessandro Horta - *Vinci Compass Investments Ltd - Co-Founder, Chief Executive Officer*

And Lindsay, that's Alessandro. I would like to add on top of what Bruno said, very, very quick comment. In Global IP&S and TPD alts specifically, we are seeing some, I would say, rotation of portfolios from our institutional clients in LatAm, especially moving from more traditional alts to new verticals for them, of course, where we do have a very good managers and products. I can give you an example like secondaries. So this is also providing a very interesting opportunity in terms of allocation.

And another point is that we are looking to the future. As we mentioned during the call, we see an opportunity for more discretionary allocation of funds and SMAs in alts on behalf of the same type of investors, ones that do not want to allocate directly, but would like us to pick up the best managers and strategies for them.

Operator

(Operator Instructions) The Q&A session is over. I would like to turn the floor back to Mr. Alessandro Horta for the closing remarks.

Alessandro Horta - *Vinci Compass Investments Ltd - Co-Founder, Chief Executive Officer*

I'd like to thank you all once again for your continuous interest and support. This was a very important quarter in which we were able to demonstrate the planned improvement in our FRE margin, and we remain optimistic that we will continue to deliver in line with the expectations we outlined at our Investor Day in New York. So thank you again and have a good evening.

Operator

This does conclude today's presentation. We thank you all for participating and wish you a very good evening.

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