

FCL Capital

SENLIMAJ FUND



Senlimaj

Noun

A word taken from *Esperanto* – *Limitless, borderless, unconstrained*

PHILOSOPHY

The Alpha Paradox



Here comes, in our opinion, the paradox: since we live in a market that tends to efficiency — as opposed to an efficient market — any strategy that is too explainable and replicable will also be arbitrated away. How do we reconcile that?

FCL Capital · December 2013 Investor Letter

THE QUEST FOR ALPHA

The Challenges — or why is it hard to beat the market and “get rich”

01

Competition compresses skill gaps

As shown in any human competitive endeavor, when the number of competitors and participants in any “game” increases, the advantage of the best participants above the rest decreases. In other words, it gets more known and competitive.

02

The investment industry is now crowded

Today the global investment industry is certainly competitive. There are brilliant minds around the world and billions of dollars invested in the eternal search for alpha.

03

Most assets underperform

Most long-term investments are mediocre at best. Most stocks don’t bring any real returns, and most assets fail to deliver alpha.

04

Most active managers fail

Because of challenges 1, 2 and 3, empirical evidence has shown that most market participants fail to beat their benchmarks.

As competitive sports have shown, there is a correlation between the number of players and the skill gap: more players in a game decreases the difference between the best player and the median player.

THE EXCEPTIONS

And yet some investors compounded extraordinarily.

Graham's disciples. The early private equity pioneers. Buffett in his partnership years. Soros. Simons. The first institutional allocators to crypto.

What did they have in common?

Not the same asset classes. Not the same geographies. Not the same time horizons or portfolio structures. What they shared was subtler: each operated in a corner of the market where fewer competitors could — or would — operate. Each, in its own way, played a game others were not yet playing.

“No one wants to get rich my way.”

— Warren Buffett

FRAMEWORK

The Three Reservoirs of Alpha

With the advent of cheap passive investing, secondaries and other alternatives we think sustainable alpha will increasingly require operating where competition is thin. We see three such reservoirs, and Senlimaj is designed to fish in all three.

01

Emerging asset classes

Before institutional capital has arrived — where the playing field is undefined and returns have not yet been arbitrated away.

02

Overlooked markets

Niches most institutions cannot or will not enter — EM small-caps, illiquid positions, very long horizons, out-of-mandate assets.

03

Cross-asset flexibility

The gray areas between traditional mandates — “no man's lands” that few players are structured to exploit.

RESERVOIR 01

New and emerging asset classes.

The value-investing revolution of the 1950s–60s. The venture capital boom of the 1970s–80s. The LBO and private-equity revolution of the 1980s–90s. Crypto in the 2010s.

Each delivered extraordinary early returns to participants willing to operate before the asset class was fully institutionalized.

When a new asset class is born — or better yet, before it is even recognized as such — competition has not yet formed, the playing field is not yet understood, and opportunities remain in the open.

Our design principle: build a fund structure with embedded flexibility to allocate a portion of capital to instruments and asset classes that are not yet institutional.

HISTORICAL PATTERN

Early pioneers outperformed.

1950s–60s	Value investing · Graham, Schloss, Ruane
1970s–80s	Venture capital · Arthur Rock, KPCB, Sequoia
1980s–90s	Private equity · KKR, Bain, early LBOs
2000s	Emerging-market equities · BRIC thesis
2010s	Crypto · early institutional allocators
2020s →	On-chain RWAs, prediction markets, secondaries

RESERVOIR 02

Markets most institutions cannot enter.

Most institutional investors operate under narrow mandates. They cannot allocate to emerging-market small caps, deeply long-horizon positions, illiquid venture and private-market ideas, or assets classified as “exotic” or out-of-mandate.

The mechanics of alpha here are straightforward: when most competitors are excluded by their own rules, the few players who can still operate tend to earn above-average returns.

EM small-caps

Below the radar of both US large-cap and EM institutional mandates

Long time horizons

Multi-year theses that require patience most funds don't have

Controlled illiquidity

Positions sized to reward patience, not punish it

Venture & private markets

Angel syndicates, seed/growth-stage venture, and secondaries accessible through personal networks — too small for institutional mandates

RESERVOIR 03

Cross-asset flexibility.

Opportunities and competition are never static. Few investors can jump from one game to another. And the frontiers — the gray areas between two fields — are typically left behind as “no man's lands.”

“My coach didn't demand that I ace the net game or the baseline game. But he demanded that I be better at the net than any baseline player, and better at baseline than any net player.”

— Pete Sampras

Entry points matter as much as asset selection.

Work by GMO and others has consistently shown that prospective long-term returns for any given asset class are heavily conditioned on the valuation at which capital is deployed. A flexible mandate allows the manager to wait for favorable entry points rather than being forced to invest at any valuation — turning patience itself into a source of alpha.

Our structural response.

A “best-ideas” vehicle that can shift allocation across asset classes based on where long-term risk/reward is most attractive. Geographic agnosticism with a focus on intersections of public and private markets — PIPEs, club syndicates, secondaries, long-term value positions. No obligation to participate in any specific market.

Buying companies vs. buying stocks.

“I still love buying stocks. It's just that over the past few years buying whole companies was more attractive — they were more reasonably valued.”

— Warren Buffett, 2006

The point: flexibility is itself an edge.

Most managers operate under strict mandates that force them to play the same game continuously — long-only equities, high-yield credit, early-stage venture. The rules of their game may change, their relative attractiveness may shift, but they must keep playing.

A flexible mandate allows the manager to simply stop playing a game that has become unattractive — and move capital to where the opportunity set is richer. The freedom to pass is as valuable as the freedom to act.

INVESTMENT STRATEGY

Where we look for edges.

In our search for inefficiencies, we concentrate on the overlooked corners of global finance:

Misunderstood EM companies

Positions in emerging markets where we believe we have an informational or analytical edge, particularly businesses below the radar of both US large-cap and EM institutional mandates.

Paradigm-shifting technologies

A continuation of the FCL Opportunities mandate: new technologies and business models that introduce new habits and industry structures before they are correctly priced by public markets. Past expressions include early conviction in Match Group, Uber, Wise and BYD.

Relatively illiquid assets

Secondaries, late-stage privates, and positions where a multi-year holding period is rewarded rather than penalized — accessible to Senlimaj through the side-pocket mechanism that was not available in prior FCL vehicles.

PHILOSOPHY

Growth at a reasonable price.

Growth and value are two sides of the same coin.

Value

Margin of safety. Buying below intrinsic worth, with downside protected by the price paid.

Growth

Compounding engines. Businesses with reinvestment runways that allow capital to multiply over long horizons.

Quality

Durable moats. Return on capital, capital discipline, and the judgment to know which advantages persist.

At the intersection of growth, value and quality, we tend to fluctuate toward wherever the clearest opportunities emerge in a given period. Rigorous quantitative work — value, growth and quality metrics — combined with the analytical judgment that quantitative screens alone cannot provide.

ALPHA IN PRACTICE

Past top-down theses in action.

Over time, FCL's portfolio has been anchored by a rotating set of top-down convictions. Each was identified early and sized meaningfully when the opportunity was clearest.

Chinese consumption

Anta, BYD and selected China names captured the secular rise of the Chinese consumer through the 2017–2021 window.

Tech disruption

Early positions in Match Group, Uber and Wise reflected conviction in business-model change ahead of broad institutional recognition.

European luxury

Moncler was added as a core position during the 2020 drawdown and delivered the post-COVID luxury rally.

Energy transition

BYD, copper miners and electrification-adjacent industrials captured the multi-year decarbonization build-out.

Overlooked EM companies

HDFC Bank as the anchor India financial position; selected LatAm and EM small-cap exposures where FCL had analytical edge.

Past holdings reflect theses executed in FCL Opportunities, a liquid-only global long-only equity mandate, and are illustrative of process rather than a forecast. Positions have been held through both strong and weak periods; the fund has also held positions that underperformed or required early exits. FCL Senlimaj Fund is a separate vehicle with a broader mandate; its track record will build independently.

How we invest in practice.

1

Public investments with top-down allocation

A focus on a few specific industries and geographies where our house has an edge — emerging-market companies, specific sectors and geographies, and gray areas between asset classes. Typically a concentrated portfolio of 6–20 long-term, mostly long-only ideas.

2

Opportunistic private investments

A flexible approach combining angel syndicates, venture capital and middle-market investments through personal and business networks, opportunistic investments in secondaries, distressed credit, and more — typically up to 10% per side pocket.

3

Smaller-size advantage

Access to deals that are simply too small to justify the work for established multi-strategy players in the tech and private markets landscape.

PAST WINS

New industries, instruments and trends.

Over time, abnormal pockets of alpha have been found in new and emerging theses — from the institutionalization of value investing in the mid-20th century, to the private equity revolution of the 1980s, to crypto in the 2010s. In public markets, investors have been consistently slow to recognize changing business models.

Our house was among the first non-US investors with meaningful stakes in world-changing companies like Match Group, Wise, BYD and Uber. With the more flexible and powerful structure of Senlimaj Fund, we aim to find revolutionary new opportunities — companies and asset classes — with an even more intense focus on both private and illiquid markets and the inefficient corners of public finance.

<p>Anta Sports</p> <p>China consumption</p>	<p>BYD</p> <p>EV / electrification</p>
<p>Moncler</p> <p>European luxury</p>	<p>ASML</p> <p>Semi infrastructure</p>
<p>HDFC Bank</p> <p>India financials</p>	<p>Wise</p> <p>Cross-border payments</p>

Past holdings are illustrative of process, not a forecast. Some positions delivered strong returns and were exited; others required earlier exits than anticipated.

CURRENT FRONTIER

Where we see the next reservoirs forming.

Two emerging categories currently command disproportionate research attention from our house:

01

Real-World Asset tokens

On-chain representations of treasuries, private credit, real estate, and private equity secondaries. Early institutional infrastructure — the stage that private equity occupied in the late 1980s and crypto occupied in 2013.

02

Prediction markets

Binary contract venues (Polymarket, Kalshi) where inefficiencies in pricing, liquidity, and information aggregation are large and persistent. Opportunity across direct trading, infrastructure equity, and venue-agnostic arbitrage strategies.

Position sizing in emerging asset classes will be deliberate and bounded by the fund's illiquidity caps. The goal is early exposure, not concentration.

VISION

Senlimaj Fund: a vehicle built around these principles.

1

Full alignment

A structure that puts managers on the same side of the table as investors — not as fee sources, but as long-term partners.

2

Flexible mandate

A long-horizon investment approach with the freedom to invest where opportunities are most compelling, rather than within a hyper-specific commoditized category.

3

Three reservoirs of alpha

An explicit mandate to operate in emerging asset classes, overlooked niches, and the gray areas between traditional asset categories.

4

Compounding over scale

A single-fund firm focused on long-term wealth creation, not on scaling AUM. Co-investments permitted where they serve investors.

ABOUT FCL CAPITAL

A single-fund firm focused on compounding, not scale.

2015

FOUNDED

Rio de Janeiro, Brazil

Global

MANDATE

Cross-asset, cross-geography, long-horizon

20 Yrs

TRACK RECORD

Investment Club → Equities → Opportunities → Senlimaj

Single PM

STRUCTURE

Founder-led, skin in the game, aligned

FCL Capital manages two vehicles — FCL Opportunities (CVM-authorized Brazilian FIA) and FCL Senlimaj Fund (Cayman, CIMA #430918). Both are managed by the same single portfolio manager with a consistent long-term, research-driven philosophy.

TEAM

Chief Investment Officer

Fernando Araujo, CFA

Founder · Chief Investment Officer · Sole Portfolio Manager

Fernando is the founder and sole portfolio manager of FCL Capital. He has managed global equity portfolios under the FCL brand continuously since 2006 — beginning with the FCL Investment Club, evolving into FCL Equities, and since 2017 running FCL Opportunities, a global, cross-border long-only vehicle. FCL Senlimaj Fund is the natural next step in that twenty-year trajectory.

A CFA charterholder with dual Brazilian and Portuguese citizenship, Fernando founded FCL with a single explicit goal — to build a durable, research-driven investment firm with full alignment between manager and investors. The philosophy has been consistent across four market cycles: patient capital, cross-asset flexibility, and a deliberate focus on the less efficient corners of global markets.

Beyond FCL, Fernando has been publishing regular investment letters since 2012 to a global audience, and is an active writer on global markets through a Substack newsletter and a podcast where he shares the firm's research and long-term perspectives.

CREDENTIALS

- CFA Charterholder
- 20+ years as PM
- Dual BR / PT citizenship
- Founded FCL in 2015

CONNECT

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[FCL Capital](#)

[fclcapital.com](https://www.fclcapital.com)

TRACK RECORD

Two decades of managing capital under the FCL brand.

Vehicle	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25
FCL Investment Club	22%	-41%	208%	29%	-24%	—	—	—	—	—	—	—	—	—	—	—	—	—	—
FCL Equities	—	—	—	—	—	21%	16%	-26%	10%	-9%	—	—	—	—	—	—	—	—	—
FCL Opportunities	—	—	—	—	—	—	—	—	—	—	29%	-1%	47%	45%	-4%	-27%	0%	9%	4%

Returns in BRL, net of fees. FCL Opportunities is USD-denominated and converted at period-end exchange rates.

CONTEXT

Two cycles, one philosophy.

Strong performance 2017–2021 driven by early conviction in European luxury, Chinese consumption, and select technology disruptors. FCL Opportunities NAV peaked in December 2020.

Underperformance 2022–2024 as US mega-cap technology led global markets and FCL's EM/luxury tilt lagged. The philosophy did not change; the environment rewarded a different set of factors. A portfolio rebalance toward tech, industrials, and electrification is underway.

FUND STRUCTURE

An evergreen vehicle with two share classes.

VEHICLE

Evergreen

Cayman exempted company

REGULATOR

CIMA

Registration #430918

MIN. INVESTMENT

US\$100k

US\$10k min. per Class

INITIAL PRICE

US\$100

per Participating Share

SHARE CLASS

Alchemy Share Class

SHARE CLASS

Senlimaj Share Class

How the structure serves the mandate.

Evergreen — no fund life clock forcing exits at the wrong time.

Free allocation between classes — each investor allocates the US\$100,000 minimum across Alchemy, Senlimaj, or any mix in between (subject to a US\$10,000 minimum per Class subscribed).

Parallel liquid portfolios — each Class is separately accounted, but both pursue the same underlying liquid strategy at inception. The classes differ in their authority over side pockets, not in their day-one positions.

Controlled illiquidity, opt-in — within the Senlimaj Share Class, up to 60% of class NAV may be designated to side pockets over time. Alchemy stays in liquid positions except in emergencies.

SHARE CLASS 01

Alchemy Share Class.

The liquid portfolio, without the side-pocket authority. For investors who want full exposure to the fund's public-markets strategy with predictable redemption mechanics.

1

Invested 100% in liquid investments

Identical investment strategy as the liquid portion of the Senlimaj Share Class — each Class is separately accounted, but both pursue the same liquid mandate. Alchemy simply does not opt in to the side-pocket mechanism.

2

12-month lock-up, then redemption within up to six months

After the 12-month initial lock-up, redemptions are subject to a gate: up to 10% with 15 days' notice to the redemption day; 10–50% within 3 months; the remaining portion within 6 months of the redemption request.

3

Side pockets: emergency-only provision

The governing documents allow side pocket shares to be issued against Alchemy holdings only if a previously-liquid position becomes illiquid. This is a contingency mechanism to protect remaining holders from forced sales — not a feature of the class in the ordinary course.

SHARE CLASS 02

Senlimaj Share Class.

The same liquid mandate as Alchemy, plus the opt-in to side pockets. For investors aligned with the manager's multi-year thesis who want exposure to designated illiquid opportunities as they arise.

1

Same liquid mandate as Alchemy at the outset

At inception, the Senlimaj Class pursues the same liquid investment strategy as Alchemy, separately accounted. The two classes diverge as the manager designates specific illiquid investments and side pocket shares are issued pro-rata against the Senlimaj NAV.

2

Up to 60% of class NAV may be designated to side pockets

The Senlimaj Share Class is structurally capped at 60% illiquid exposure — at least 40% of class NAV remains in liquid investments at all times. The cap is internal to the class; there is no fund-level constraint on how investors allocate between Alchemy and Senlimaj.

3

Liquid portion redeemable; side pocket shares returned on realization

The liquid portion of Senlimaj holdings is subject to the same 12-month lock-up and 6-month gated redemption as Alchemy. Side pocket shares are non-redeemable; capital is returned when the underlying position is realized (max 8-year cycle, no mgmt fee beyond that; performance fees are cash-on-cash).

SHARE CLASSES · COMPARISON

Alchemy vs. Senlimaj share classes.

	ALCHEMY SHARE CLASS	SENLIMAJ SHARE CLASS
Investor allocation	Freely chosen by investor	Freely chosen by investor
Underlying portfolio	Liquid portfolio	Liquid portfolio + opt-in side pockets
Side pockets	Emergency provision only	Up to 60% of class NAV (structural)
Lock-up	12 months	12 months (liquid portion)
NAV frequency	Monthly	Monthly (liquid portion)
Redemption (post-lockup)	Full in up to 6 months*	Liquid portion: same as Alchemy* · Side pockets: on realization
Management fee	2% of NAV	2% of NAV
Performance fee	20% over 6% hurdle (annual)	20% over 6% hurdle; cash-on-cash on side pockets
High-water mark	Yes	Yes

* Gate provision: up to 10% with 15 days' notice; 10–50% within 3 months; the balance within 6 months of the redemption request. Applies to the liquid portion of both classes.

SIDE POCKETS

Side pocket mechanics.

MECHANICS

How side pocket shares work.

When an investment held within the Senlimaj Share Class is designated as illiquid, **Side pocket shares** are issued pro-rata to the relevant Senlimaj holders.

Within the Senlimaj Share Class, side pocket shares can represent up to **60% of class NAV**; the remaining **≥40%** stays in the Class's liquid portfolio.

Each side pocket issuance has a maximum life of **8 years**; after that, no management fee is charged and best efforts are made to realize or distribute in-kind. Performance fees are **cash-on-cash**, paid only on realization.

The mechanism protects the liquid portfolio from forced sales when a position becomes illiquid.

SENLIMAJ HOLDER — WORKED EXAMPLE

Redemption with a side pocket open.

- 1** Investor A holds Senlimaj Shares. Post-lockup, 35% of their Senlimaj NAV has been designated to a side pocket; the remaining 65% sits in the liquid portfolio.
- 2** Investor A submits a redemption request.
- 3** The 65% liquid portion is redeemed within 6 months (subject to the standard gate).
- 4** The 35% side pocket portion remains invested until the underlying position is realized — at which point capital is returned to the liquid portion of the fund, on the same terms as all other holders of that issuance.

F E E S

Management and performance fees.

MANAGEMENT FEE

2%

of total fund AUM, applied to both share classes.

PERFORMANCE FEE

20%

subject to a 6% annual hurdle rate in US dollars, for the liquid portion of both share classes.

HURDLE RATE

6%

in USD, applied annually. High-water mark applies.

SIDE POCKETS

Cash-on-cash

performance fee paid when the side pocket is returned to the liquid portion of the fund.

GOVERNANCE

Institutional service providers.

Senlimaj Fund operates with a full institutional service-provider stack, independent of the manager:

REGISTERED OFFICE

Lainston

Lainston International Management Ltd — Cayman corporate services

LEGAL COUNSEL

Vale Law

Fund formation, ongoing regulatory, Cayman counsel

ADMINISTRATOR

NAV Fund Services

NAV Fund Services (Cayman) Ltd — NAV calculation, investor services, transfer agency

AUDITOR

Valaston

Valaston International Limited — annual audit of fund financial statements

REGULATOR

CIMA

Cayman Islands Monetary Authority — Registration #430918

COMPLIANCE TEAM

Anti-Money Laundering Officers

In line with Cayman Islands AML regulations, FCL Senlimaj Fund has appointed experienced, independent AML Officers through Vale Compliance Solutions Limited:

AMLCO & MLRO

Wilson Do Vale

Anti-Money Laundering Compliance Officer & Money Laundering Reporting Officer

Chief Operating Officer at Vale, overseeing operational, financial and regulatory infrastructure across Vale's legal and compliance offering. 35+ years of executive leadership experience in financial services and regulatory compliance, with deep Latin American market relationships. Accredited Director (Acc.Dir.), Chartered Governance Institute of Canada.

[LinkedIn Profile](#)

DMLRO

Shelley Do Vale

Deputy Money Laundering Reporting Officer

Founder & Managing Partner of Vale Law and Vale Compliance Solutions. Nearly 24 years of legal and regulatory experience specialising in AML, counter-terrorism financing, counter-proliferation financing and sanctions. Previously Head of Legal, Regulatory & Compliance at a leading Cayman trust and fund administration company.

[LinkedIn Profile](#)

POSITIONING

Why Senlimaj. Why now.

1

A structure built for where alpha lives

An evergreen, cross-asset vehicle designed explicitly to operate in the three reservoirs — not a retrofitted long-only fund with an expanded brochure.

2

Twenty years of the same philosophy

The same investor has run capital under the FCL brand through four full market cycles — one manager, consistent approach.

3

Global sourcing, global mandate

A GP with a genuinely global sourcing footprint paired with a Cayman vehicle — global access combined with differentiated deal flow.

4

Small enough to matter

Access to deals in emerging asset classes and private markets that are simply too small for established multi-strategy firms to justify working on.



It's not given to human beings to have such talent that they can just know everything about everything all the time. But it is given to human beings who work hard at it — who look and sift the world for a mispriced bet — that they can occasionally find one. And the wise ones bet heavily when the world offers them that opportunity. They bet big when they have the odds. And the rest of the time, they don't. It's just that simple.

— Charlie Munger

APPENDIX

Contact & Important Disclosures

CONTACT

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IMPORTANT DISCLOSURES

This presentation has been prepared by FCL Capital solely for informational purposes and does not constitute an offer to sell or a solicitation of an offer to purchase any security. Any such offer or solicitation may be made only by means of the Confidential Private Placement Memorandum of the FCL Senlimaj Fund (the “PPM”) and the related Subscription Agreement, which should be read in their entirety by prospective investors.

Investment in the Fund is suitable only for sophisticated, qualified investors who can accept the loss of their entire investment and the illiquidity inherent in the fund's side-pocket mechanism. Past performance is not indicative of future results. Track record figures for FCL Investment Club, FCL Equities, and FCL Opportunities refer to separate predecessor vehicles managed by the same portfolio manager; they are not the track record of the Senlimaj Fund. Returns are in BRL and net of fees unless otherwise stated.

Forward-looking statements reflect the manager's current views and are subject to risks, uncertainties, and change. The Fund invests in strategies that may involve substantial risks, including concentration, emerging-market exposure, illiquidity, and exposure to early-stage asset classes. Prospective investors should consult their own legal, tax, and financial advisers before making any investment decision.