US Macro Outlook 2026

Another Year of Exceptionalism

Resilient Growth, Gradual Disinflation, and Policy Crosswinds

January 19, 2026

Arthur Mota
arthur.mota@btgpactual.com

Victor Amaral
victor.esteves@btgpactual.com

Luiza Paparounis
luiza.paparounis@btgpactual.com

Francisco Lopes
francisco.lopes@btgpactual.com

US Macro Outlook | Key themes for 2026

1. Economic Activity
2. Labor Market
3. Inflation
4. Monetary Policy
5. Politics

US Macro Outlook | Key themes for 2026

Economic Activity

- US growth to remain above 2%, continuing to outperform other major developed economies
- Growth remains resilient, supported by growing evidence of AI's direct and indirect effects on activity.
- At the macro level, there is no evidence of meaningful credit stress among households or corporates.

Labor Market

- The labor market continues its "no-hire, no-fire" dynamic.
- However, we do expect an improvement in labor demand as policy uncertainty recedes.

Inflation

- While tariffs are still exerting upward pressure on goods inflation, the inflation peak should be lower.
- Easing shelter prices should support disinflation in 2026.

Monetary Policy

- The Fed is effectively on autopilot, but data gaps are forcing a more cautious stance.
- Inflation risks remain skewed to the upside into 1Q26.
- We expect the Fed to resume rate cuts in mid-2026.
- New Fed Chair to start in May/June.

Politics

- Midterm elections will be a key policy driver this year.
- Supreme Court rulings will also shape the policy environment.

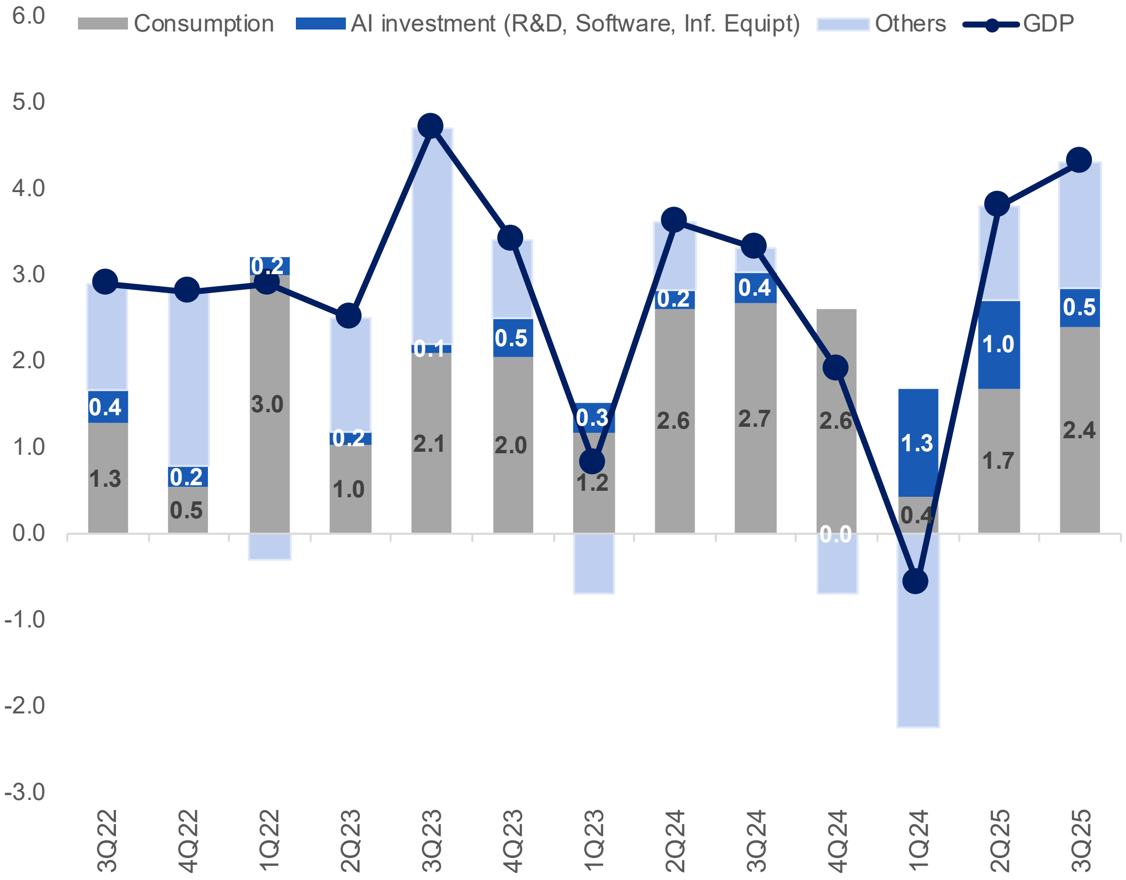
Economic Activity

GDP and the AI story

Consumption is expected to remain the main driver of US growth, supported by an early-year fiscal impulse from income tax refunds, while AI infrastructure capex should continue to play a central role in driving growth in 2026.

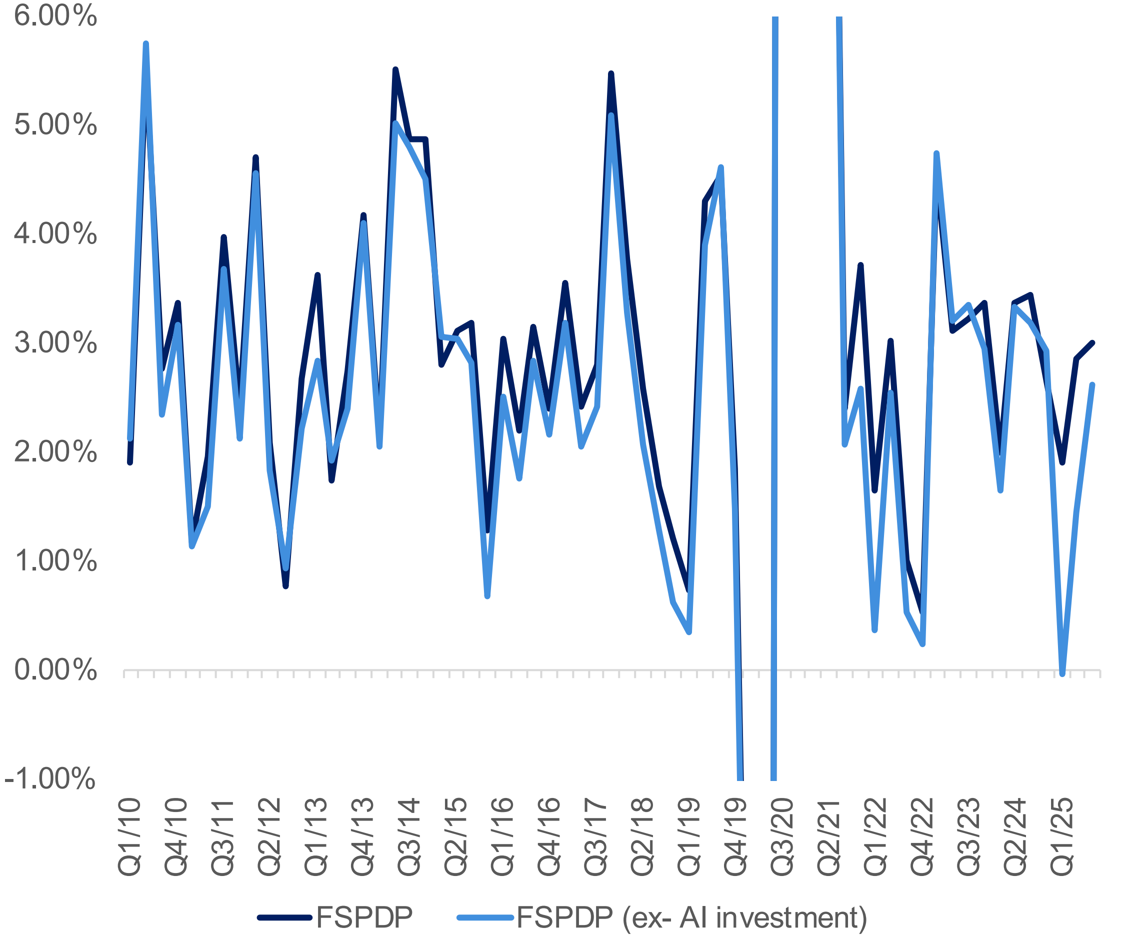
GDP Growth Contribution

(q/q, %)



Private Domestic Sales (Consumption + Business Investment)

(q/q, %)

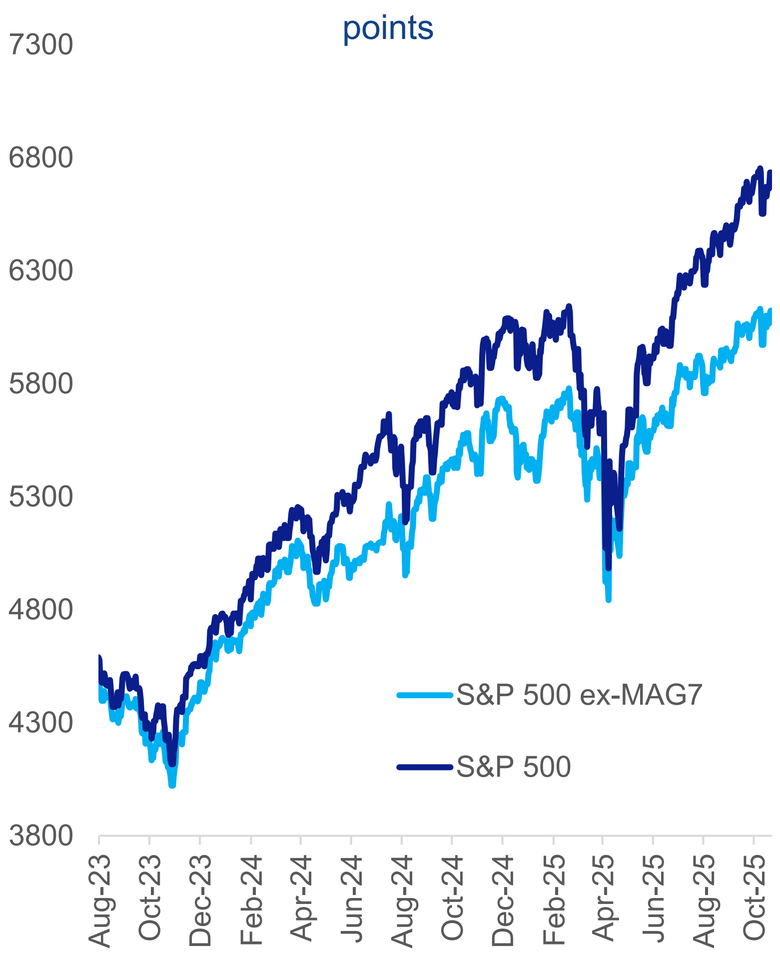


Source: BLS, BEA and BTG Pactual.

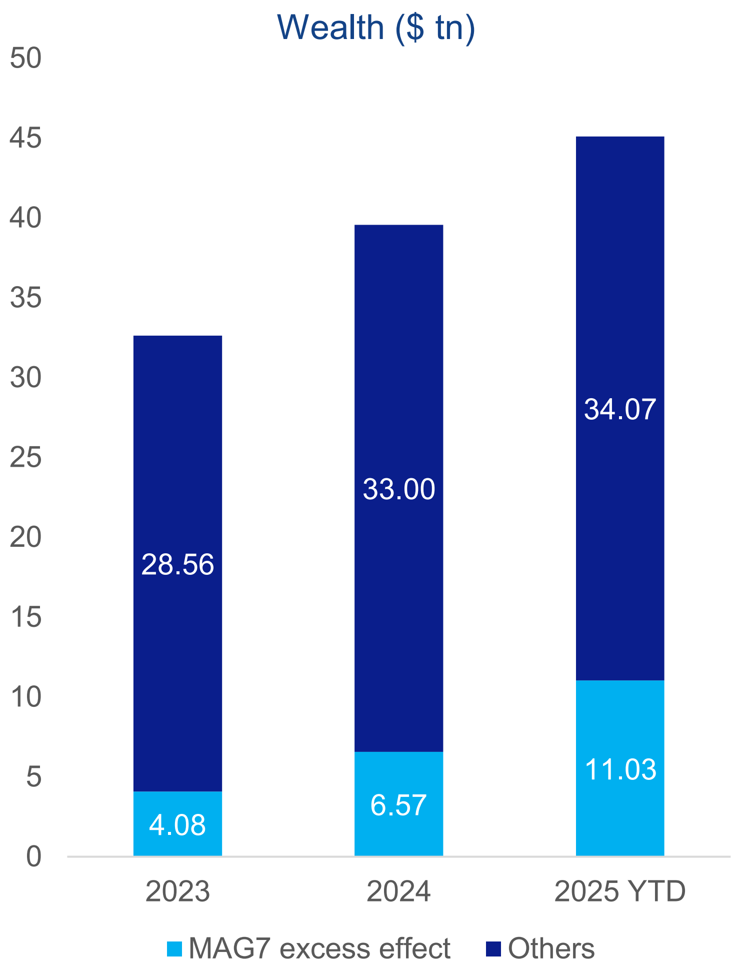
Indirect impact of AI

Beyond the direct impact, the wealth effect from asset price appreciation, alongside easier financial conditions, should continue to support US growth.

US Equities



Households Corporate Equity



GS Financial Conditions

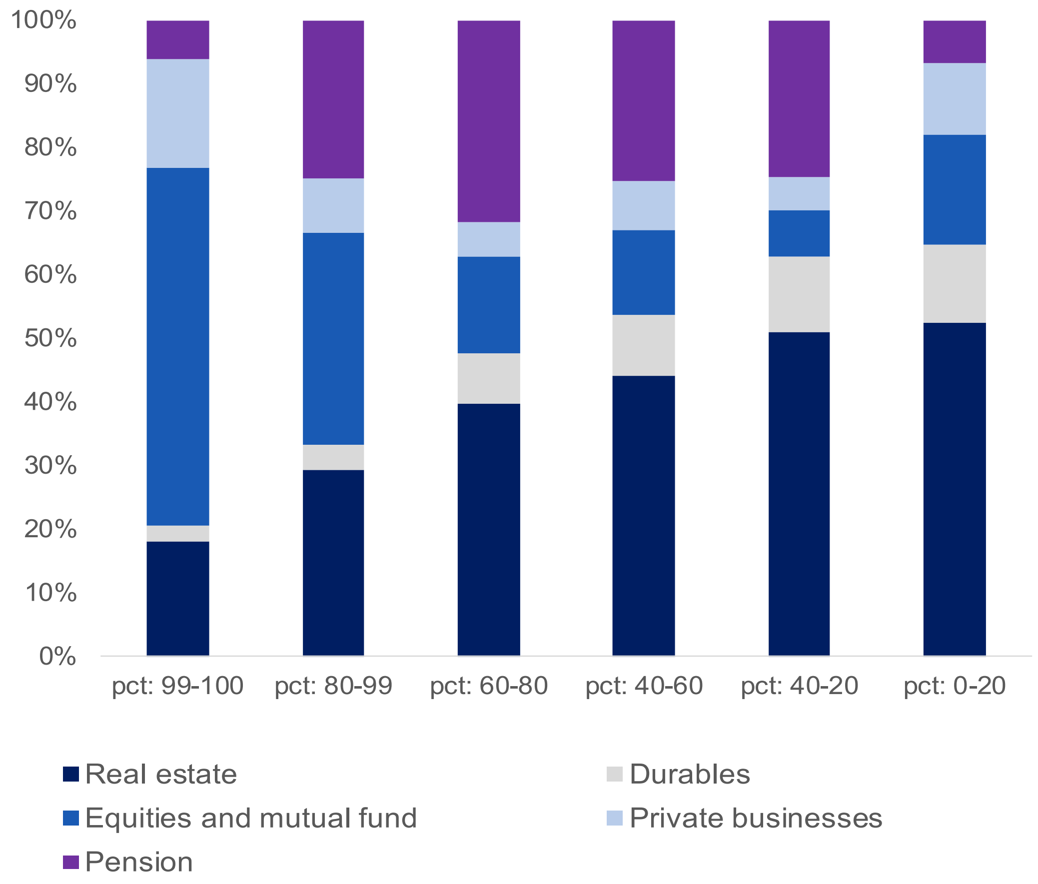
Source: Bloomberg and BTG Pactual.

Household Balance Sheets

In this sense, consumption has been increasingly supported by higher-income households, whose wealth is predominantly tied to financial assets. This dynamic should persist as market sentiment remains constructive, and policy uncertainty continues to recede.

Wealth Components across Groups/Percentile

(%)



US Spending by income quintile

(%)

	0-20	20-40	40-60	60-80	80-100
Personal consumption expenditures	9.2%	13.1%	16.7%	21.6%	39.5%
Goods	9.5%	13.1%	16.9%	21.6%	38.9%
Durable goods	4.2%	7.8%	12.4%	20.4%	55.2%
Motor vehicles and parts	1.8%	4.3%	9.0%	18.3%	66.6%
Furnishings and durable household equipment	7.7%	12.4%	15.4%	22.7%	41.9%
Recreational goods and vehicles	3.8%	7.7%	13.4%	21.4%	53.7%
Other durable goods	5.9%	9.5%	14.3%	19.6%	50.8%
Nondurable goods	12.3%	15.9%	19.3%	22.3%	30.2%
Food and beverages purchased for off-premises consumption	14.5%	16.6%	19.3%	21.6%	28.0%
Clothing and footwear	10.7%	14.5%	19.0%	23.1%	32.7%
Gasoline and other energy goods	13.1%	16.8%	20.1%	22.3%	27.8%
Other nondurable goods	10.6%	15.6%	19.1%	22.7%	32.0%
Services	9.0%	13.1%	16.6%	21.5%	39.8%
Household consumption expenditures (for services)	9.0%	13.1%	16.6%	21.5%	39.8%
Housing and utilities	10.8%	14.7%	17.9%	22.0%	34.6%
Health care	12.7%	18.4%	20.5%	22.3%	26.1%
Transportation services	5.9%	9.2%	15.3%	22.1%	47.6%
Recreation services	6.2%	10.8%	16.2%	23.3%	43.6%
Food services and accommodations	7.5%	10.8%	14.9%	22.3%	44.5%
Financial services and insurance	4.6%	8.1%	11.7%	17.7%	57.9%
Other services	5.9%	8.7%	12.9%	20.5%	52.1%
Final consumption expenditures of nonprofit institutions serving households	9.2%	13.1%	16.7%	21.6%	39.5%

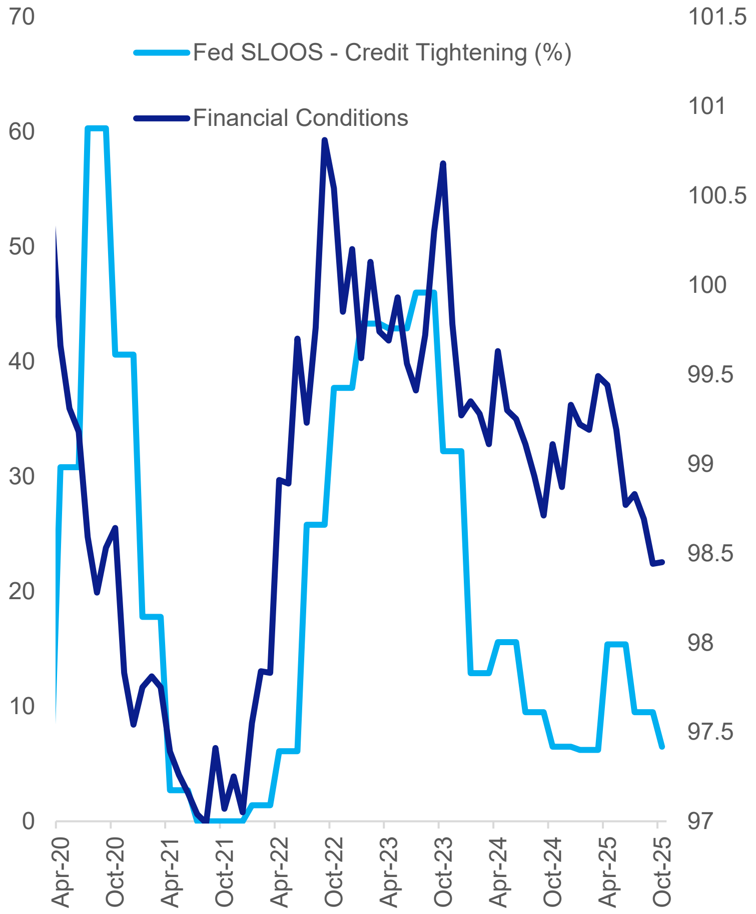
Source: BEA and BTG Pactual.

Economic Activity | Household Balance Sheets

Households and businesses remain lightly leveraged, while financial and credit conditions continue to be supportive of economic growth.

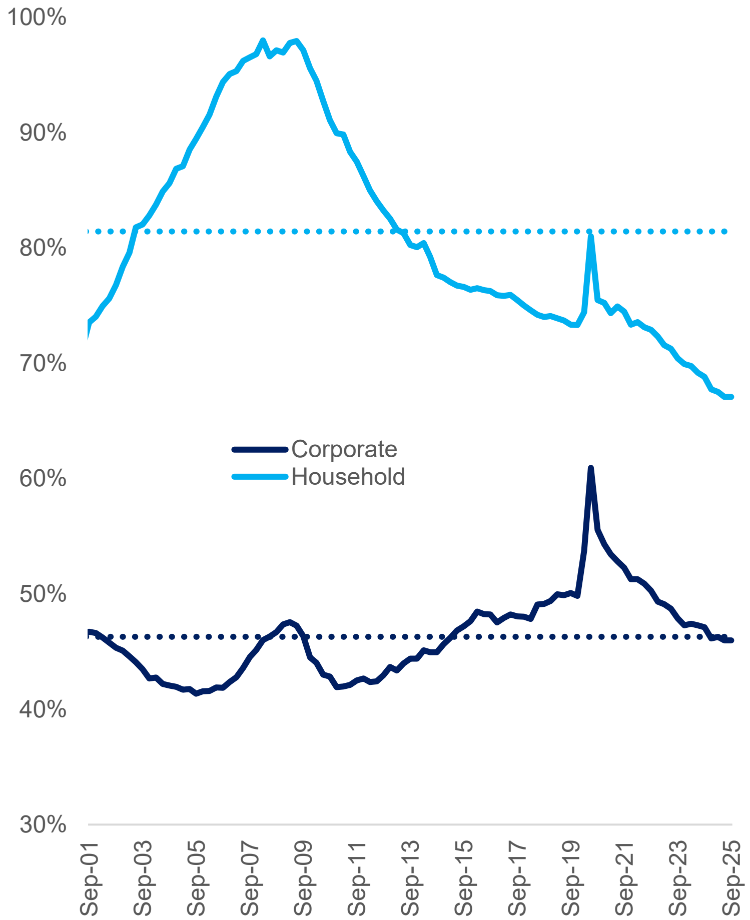
Credit and Financial Conditions

% q/q saar



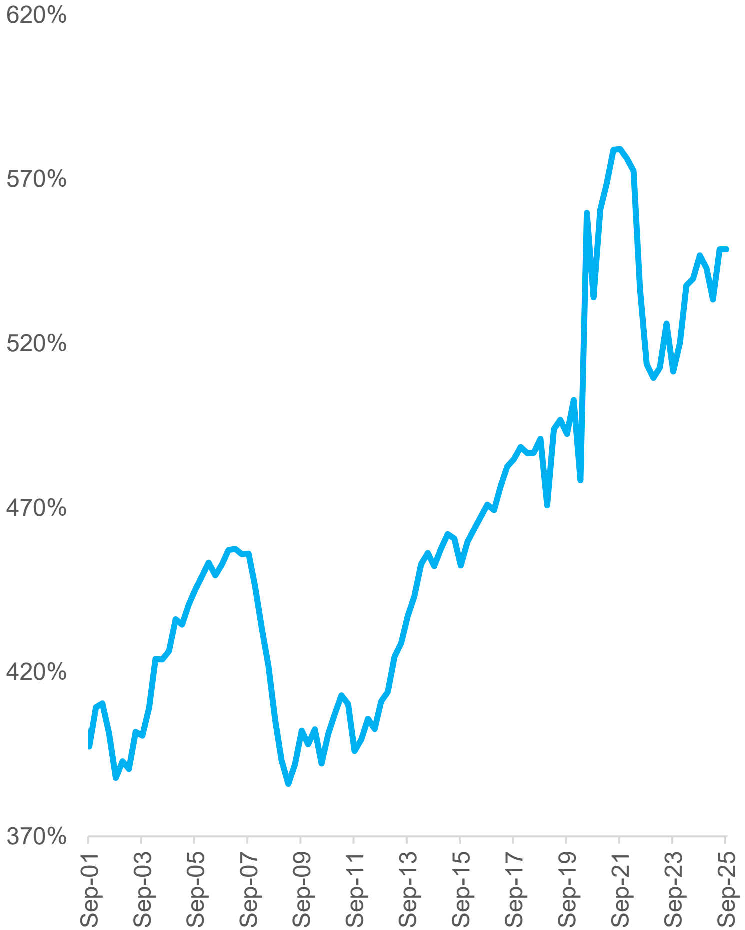
USD Debt

%



US Household Wealth

% GDP



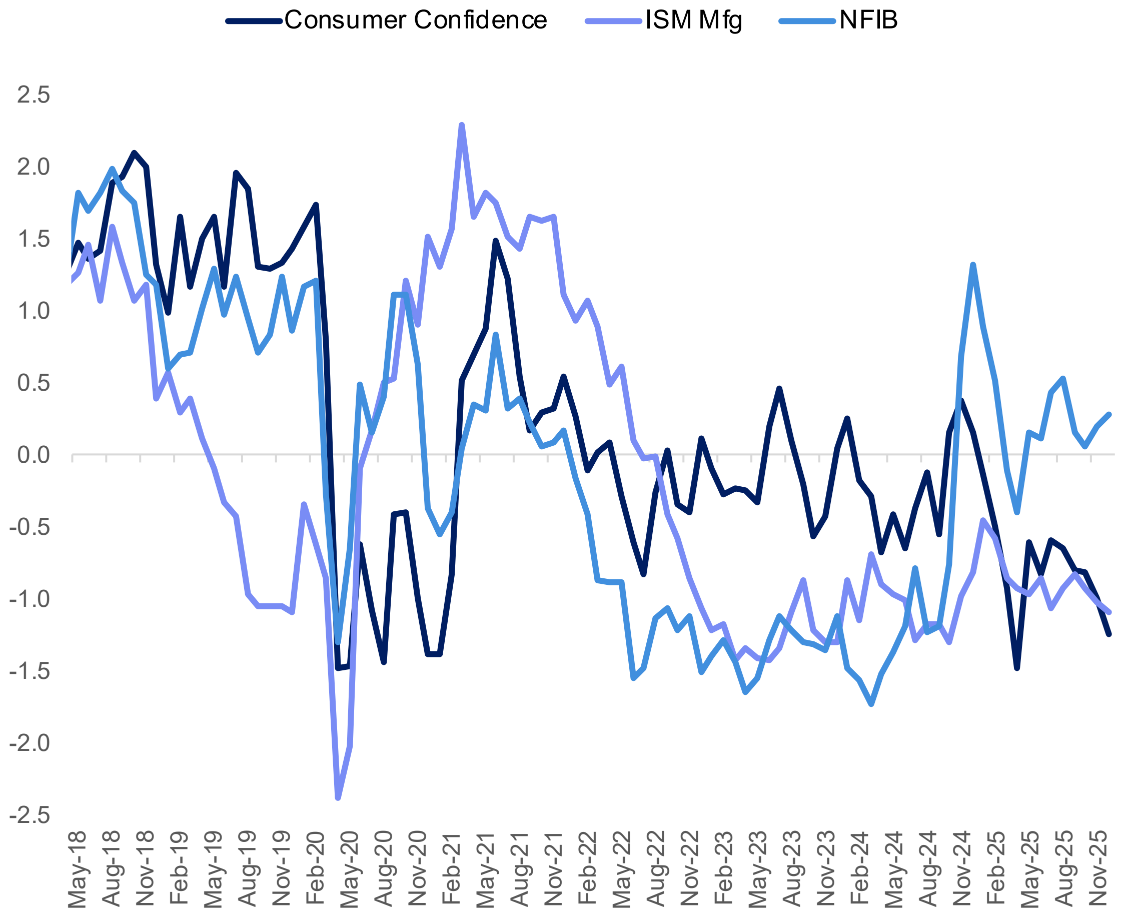
Source: BEA and BTG Pactual.

Soft vs. hard data

Consumer and business confidence declined markedly in 2025 amid elevated uncertainty about the economic outlook. However, this deterioration was not mirrored in hard data, suggesting that sentiment indicators should be interpreted with caution.

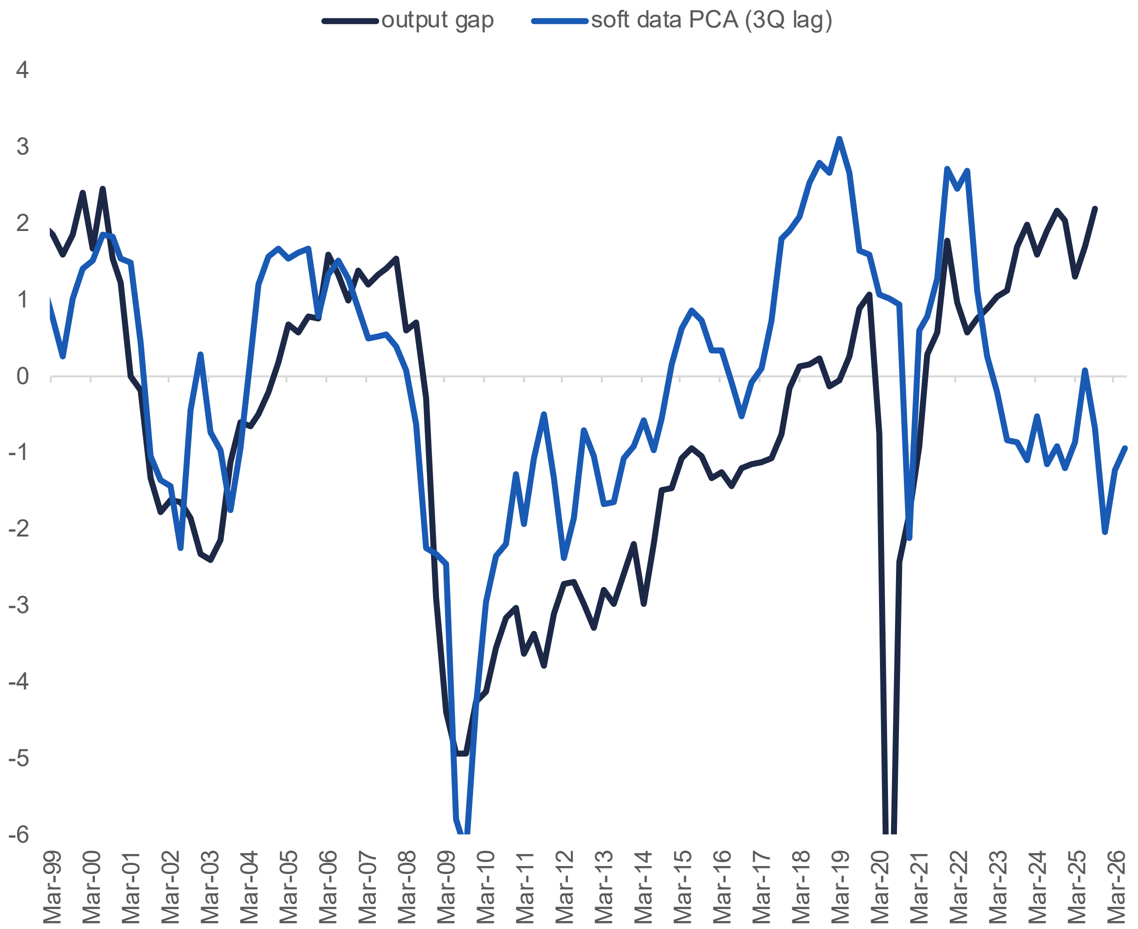
US Soft Data

(z-score)



Output gap vs. soft data

(Principal component analysis)



Source: NFIB, ISM World and BTG Pactual.

OBBBA: Fiscal impact

Consumer spending should receive a meaningful tailwind in 1H26, as many households are set to receive larger tax refunds when filing their 2025 tax returns, reflecting the retroactive application of several individual tax measures alongside the TCJA extension. While the precise magnitude of the boost to household purchasing power remains uncertain, Joint Tax Committee estimates for provisions backdated to 2025 point to an incremental $50–$60bn in refunds paid out in early 2026.

Decrease in Tax Revenue

JCT score of Senate bill relative to current policy baseline

(Fiscal Year, $bn)

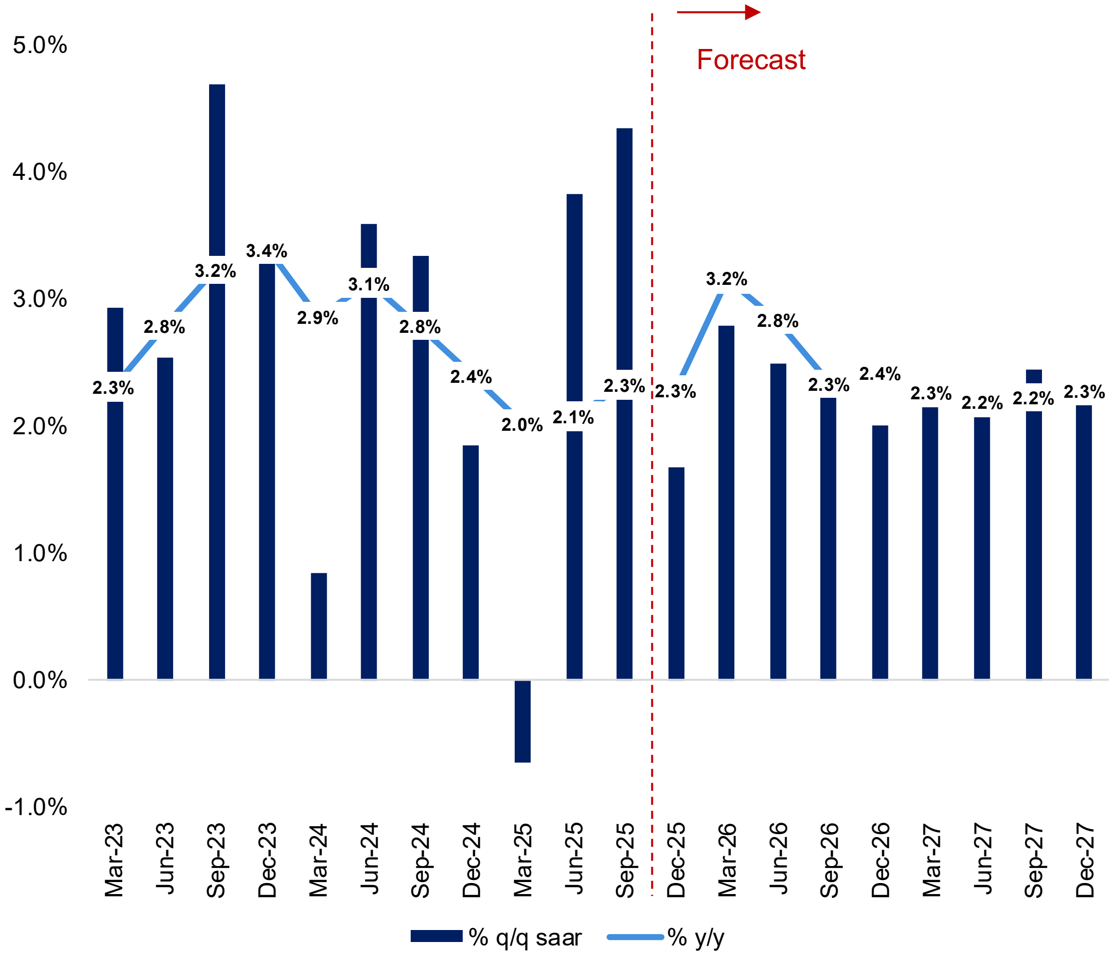
Measure	2025	2026	2027	2028
Increased Standard Deduction	7,544	17,240	17,694	18,224
Temporary Senior Deduction	9,264	22,639	22,785	23,067
Increased Child Tax Credit		8,671	5,351	7,341
Individual Deductions for Certain State and Local Taxes	5,070	33,989	28,926	30,358
No Tax on Tips		10,121	7,664	8,078
No Tax on Overtime		32,806	25,672	22,982
No Tax on Car Loan Interest	1,932	5,400	8,070	9,916
Enhancement of Reduced Rates		4,948	7,267	7,631
Fiscal Year Total	**23,810**	**135,814**	**123,429**	**127,597**
Calendar Year Total	**57,764**	**132,718**	**124,471**	**120,621**

Source: Joint Committee on Taxation and BTG Pactual.

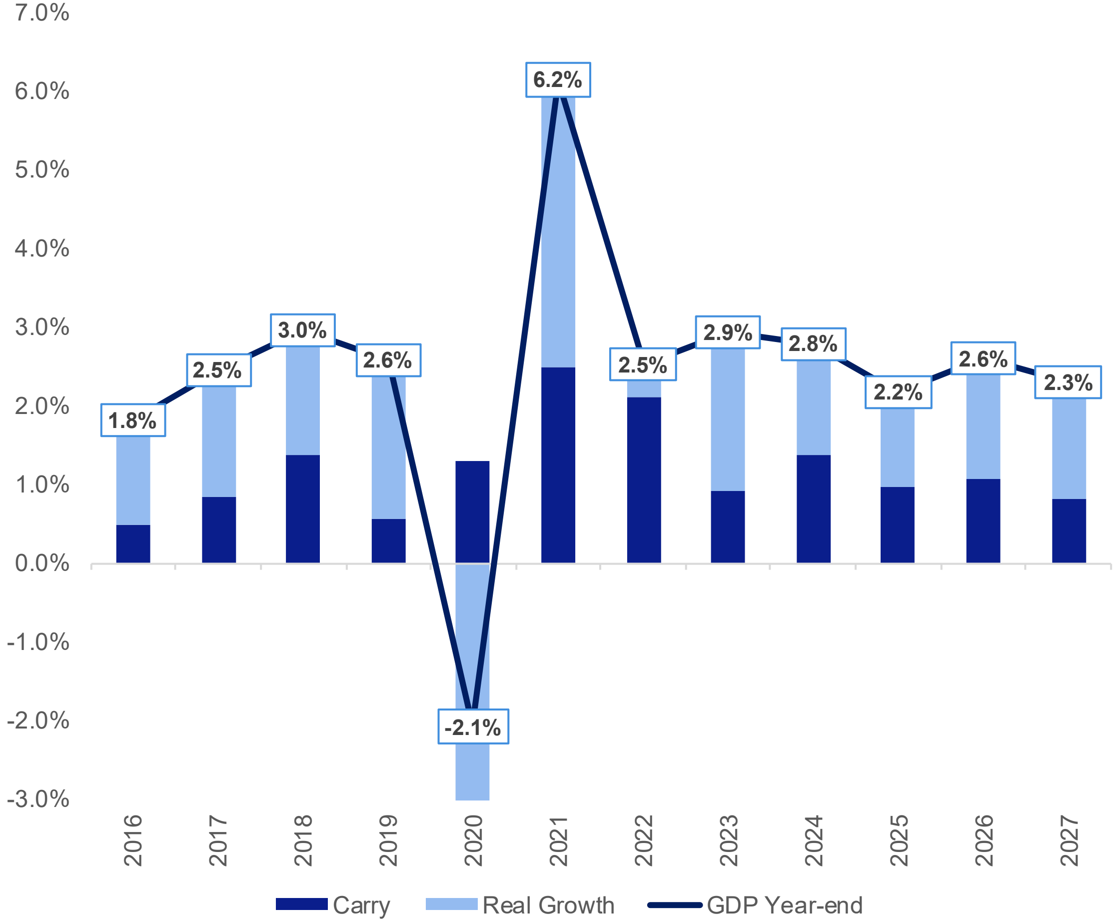
GDP Forecast

In this sense, we expect the US economy to grow 2.6% in 2026 and maintain a solid pace of 2.3% in 2027. If these figures materialize, the US economy will have recorded growth above 2% in every year since 2021.

QoQ & YoY



Year-end



Source: BEA and BTG Pactual.

2026 additional drivers to US growth numbers

- The delayed transmission of the Fed's current easing cycle should help underpin activity in the second half of 2026.
- AI-related capex should remain a key pillar of economic support this year, with spillovers across productivity, investment, and corporate profitability.
- Trade policy is likely to turn into a net positive for growth in 2026, even if tariffs imposed under the IEEPA are not fully rolled back.
- The OBBBA should provide an additional boost to FY26 GDP growth through stronger household spending and a renewed pick-up in capital expenditure.
- Statistical base effects from the shutdown will mechanically lift headline Q1 GDP growth.
- The current mismatch between solid growth and a softer labor market should be resolved via labor market normalization, rather than a growth slowdown, supporting consumption momentum going forward.

Source: BTG Pactual.

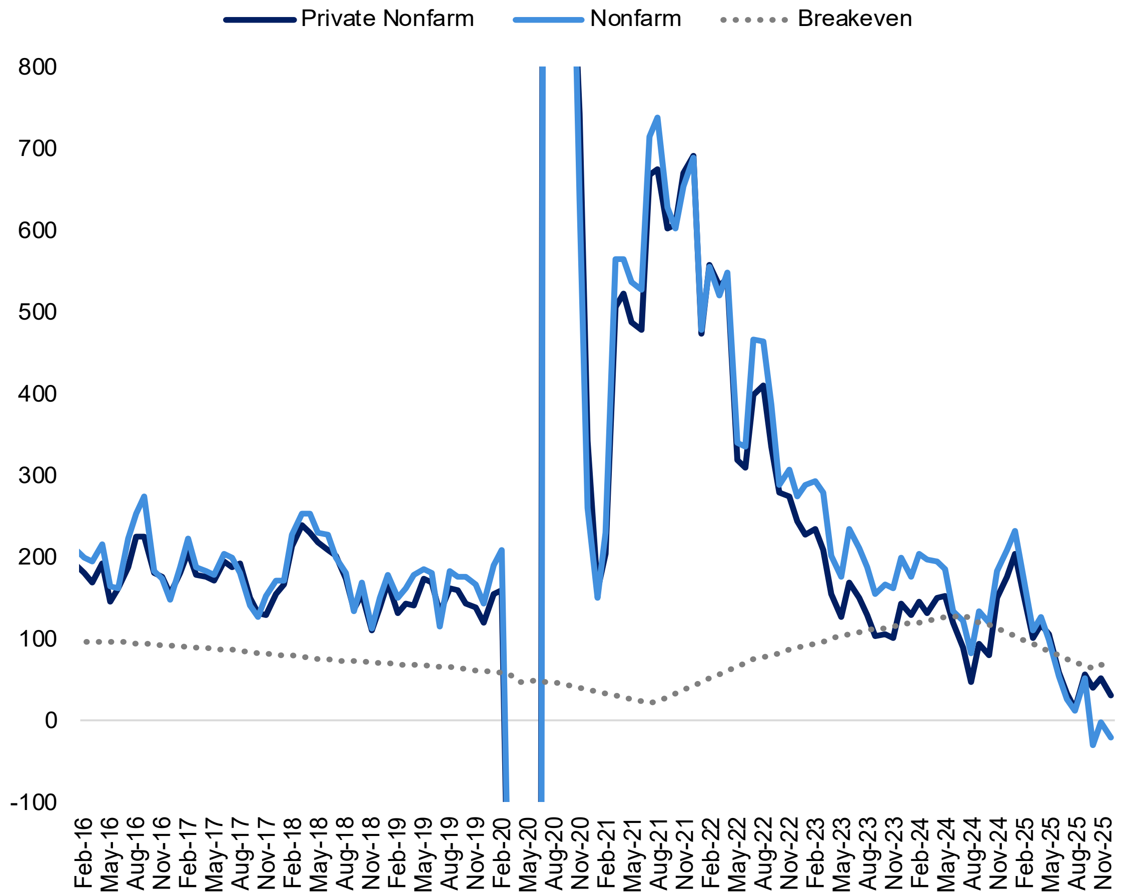
Labor Market

2026 is expected to be a better year for job creation

Private payrolls averaged 61k in 2025, broadly in line with what we consider the breakeven pace of job creation given slower population growth. While part of the deceleration reflects reduced labor supply, we believe weaker job demand also played an important role, largely due to elevated uncertainty related to trade policy. In this context, as trade policy uncertainty wanes in 2026, we expect labor demand to improve.

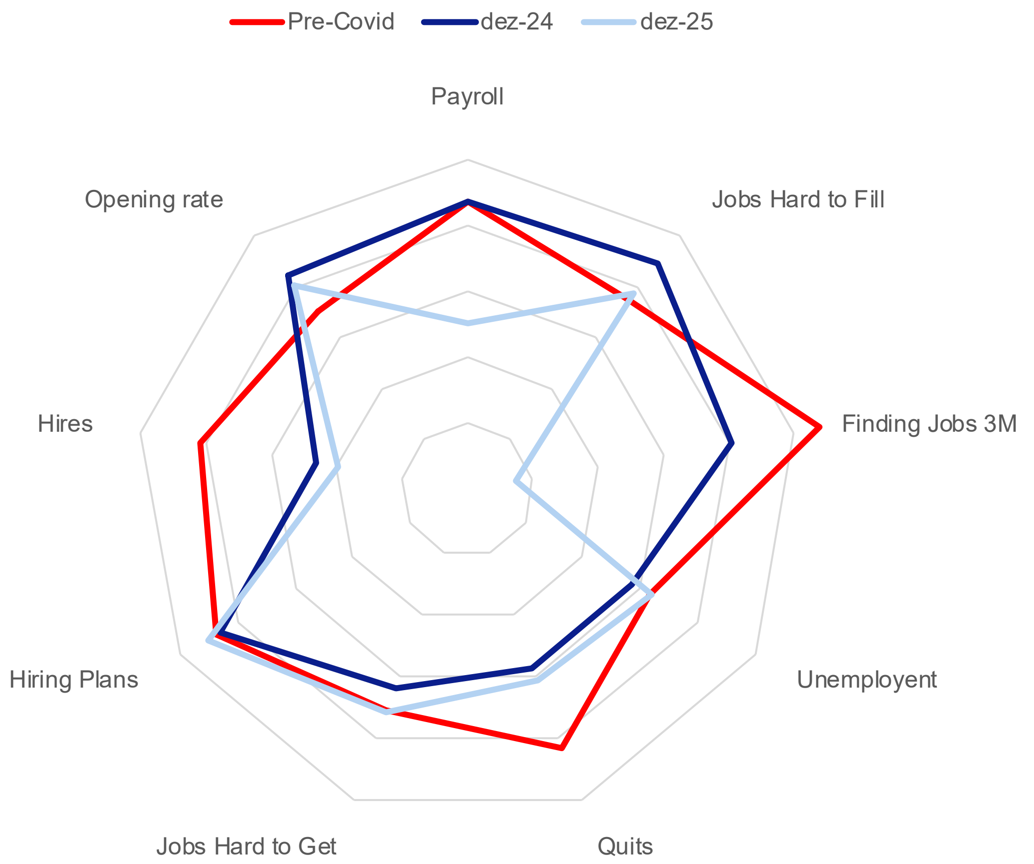
NFP Payroll

(3MMA, change)



Labor Market Conditions

(3MMA, z-score.)



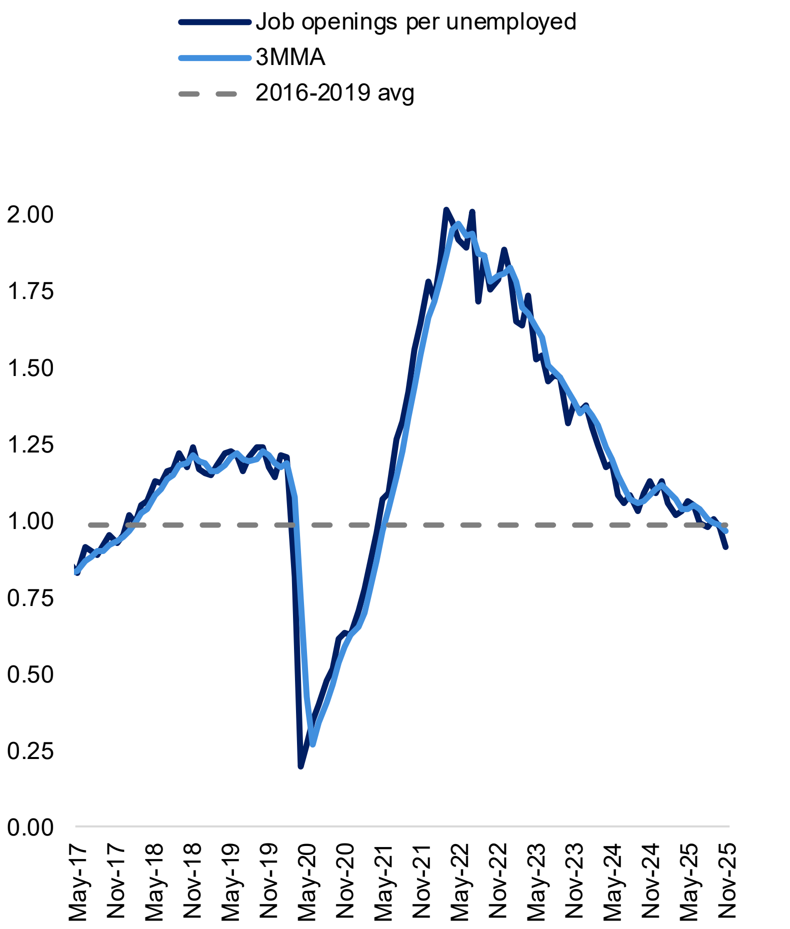
If December data are not available, the November figures were used instead.

Source: BLS and BTG Pactual.

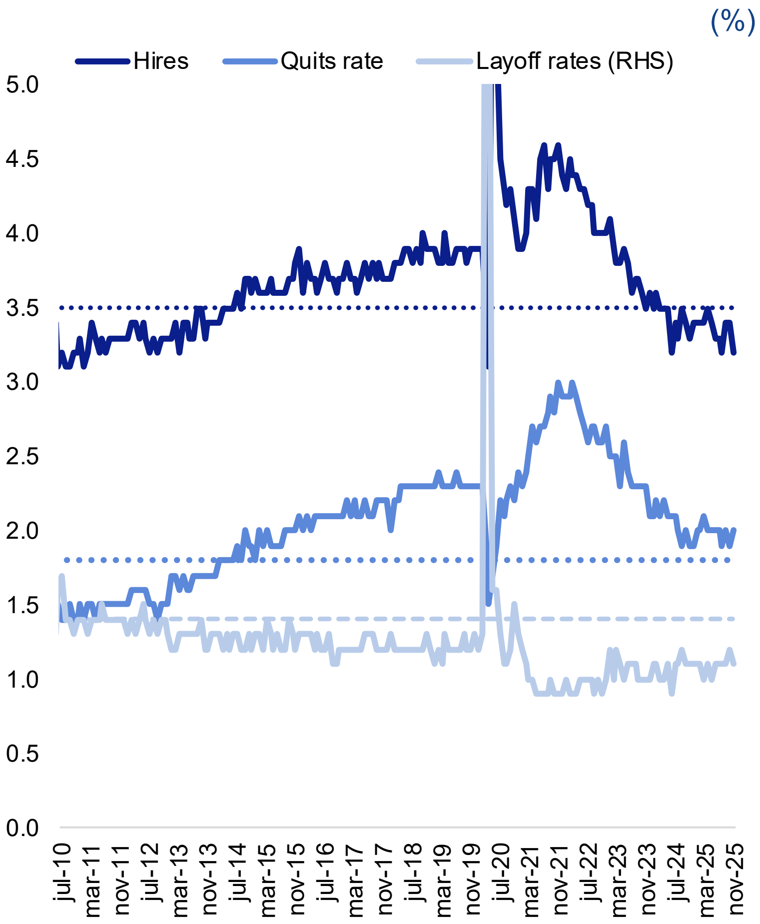
No-hire-no-fire environment

JOLTS data point to a labor market with limited reallocation. While hiring has slowed to more concerning levels, layoff rates remain stable, indicating that firms continue to retain workers. The vacancies-to-unemployed ratio has been at or below 1 over the past few months.

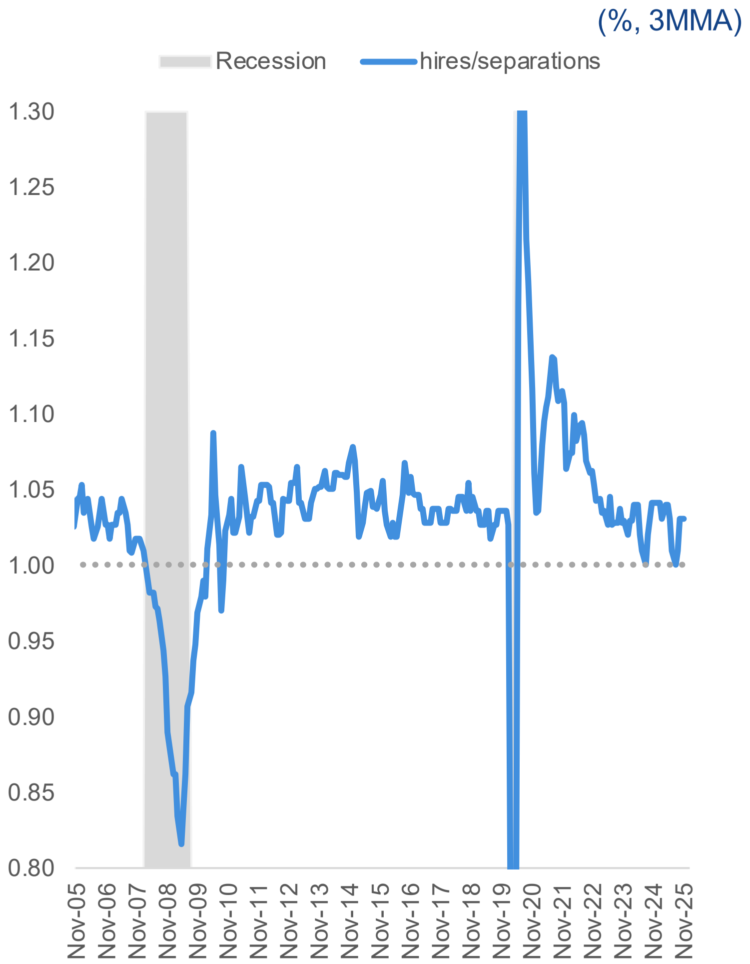
Vacancies to unemployed



Job rotation



JOLTS: hires/separations

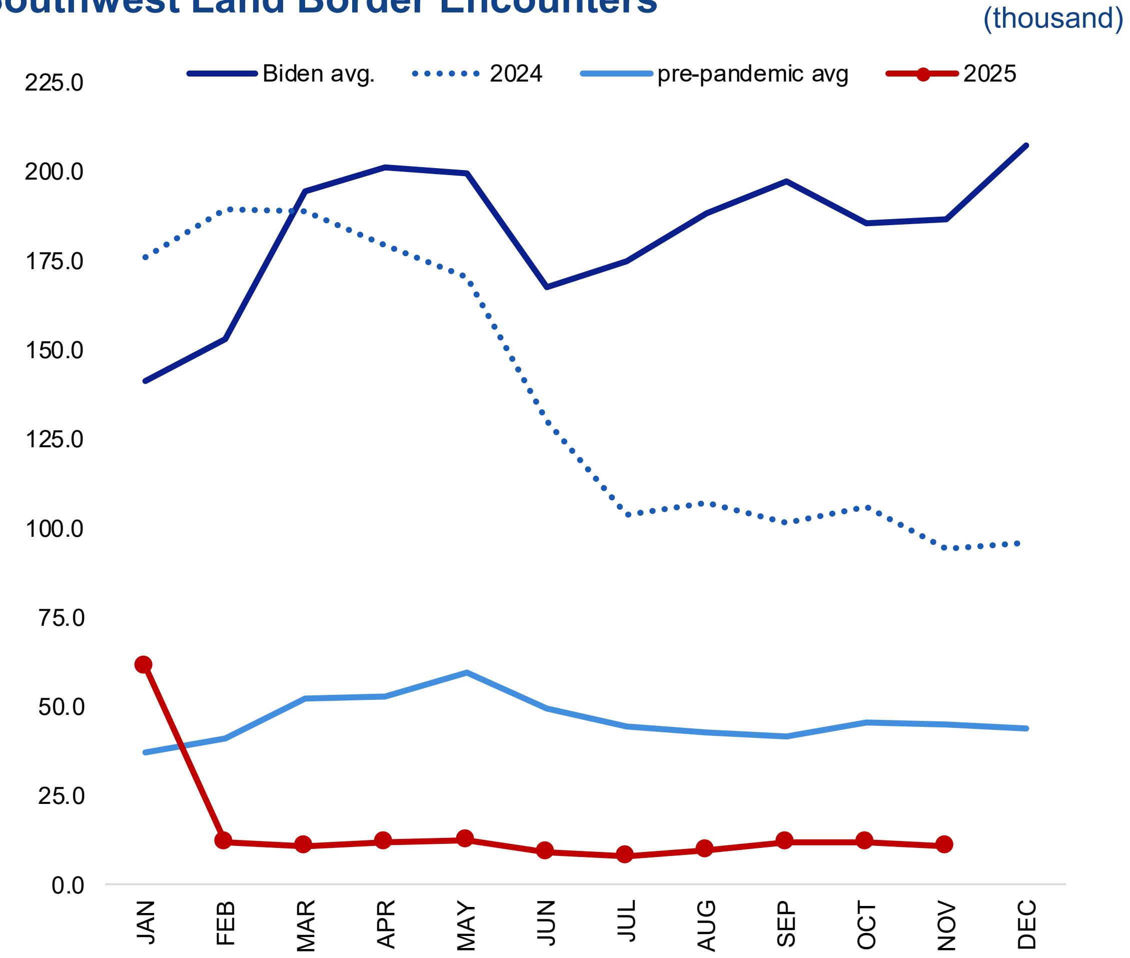


Source: BLS and BTG Pactual.

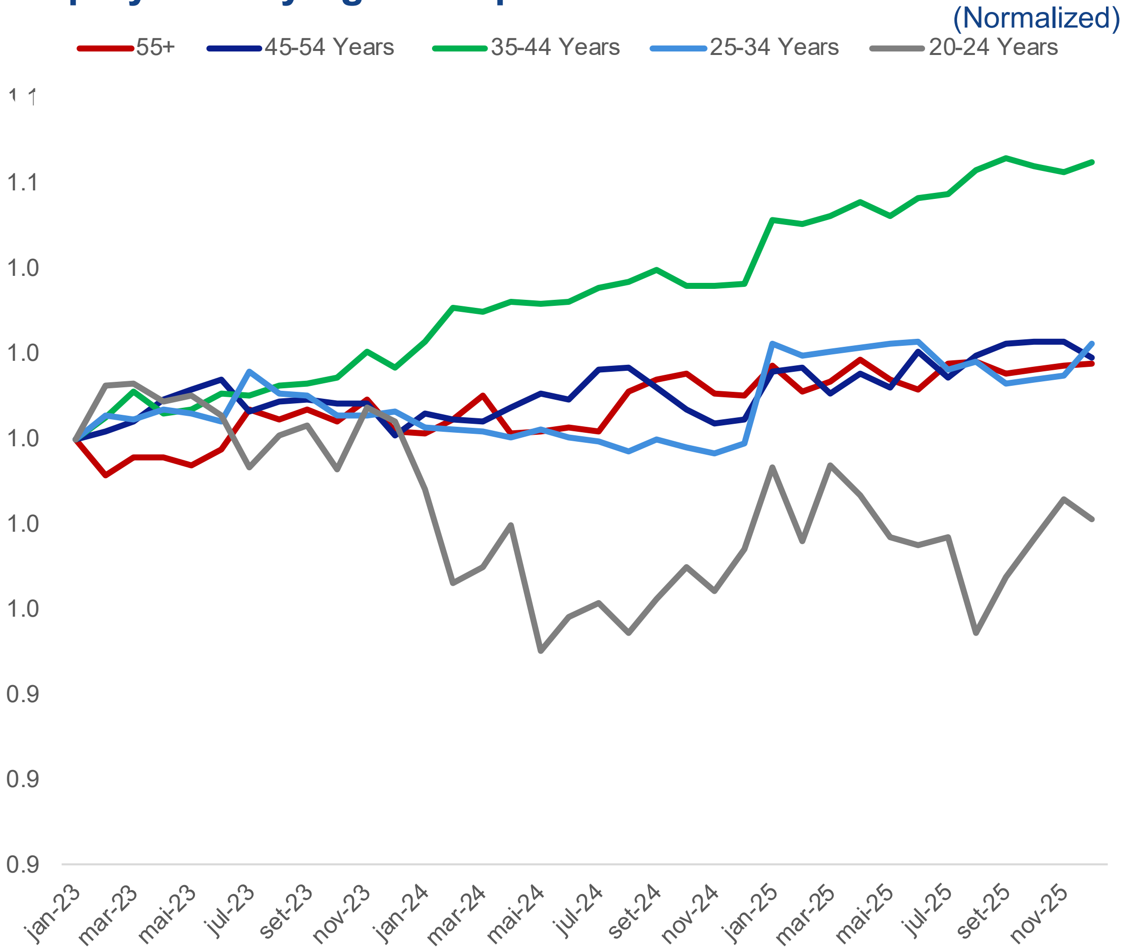
AI & Immigration impact

We should consider that job creation may be influenced not only by slower immigration flows but also by the impact of AI on hiring at the entry level in certain sectors, contributing to a lower-hiring environment in 2025 even in the absence of broader economic deterioration.

Southwest Land Border Encounters



Employment by Age Group



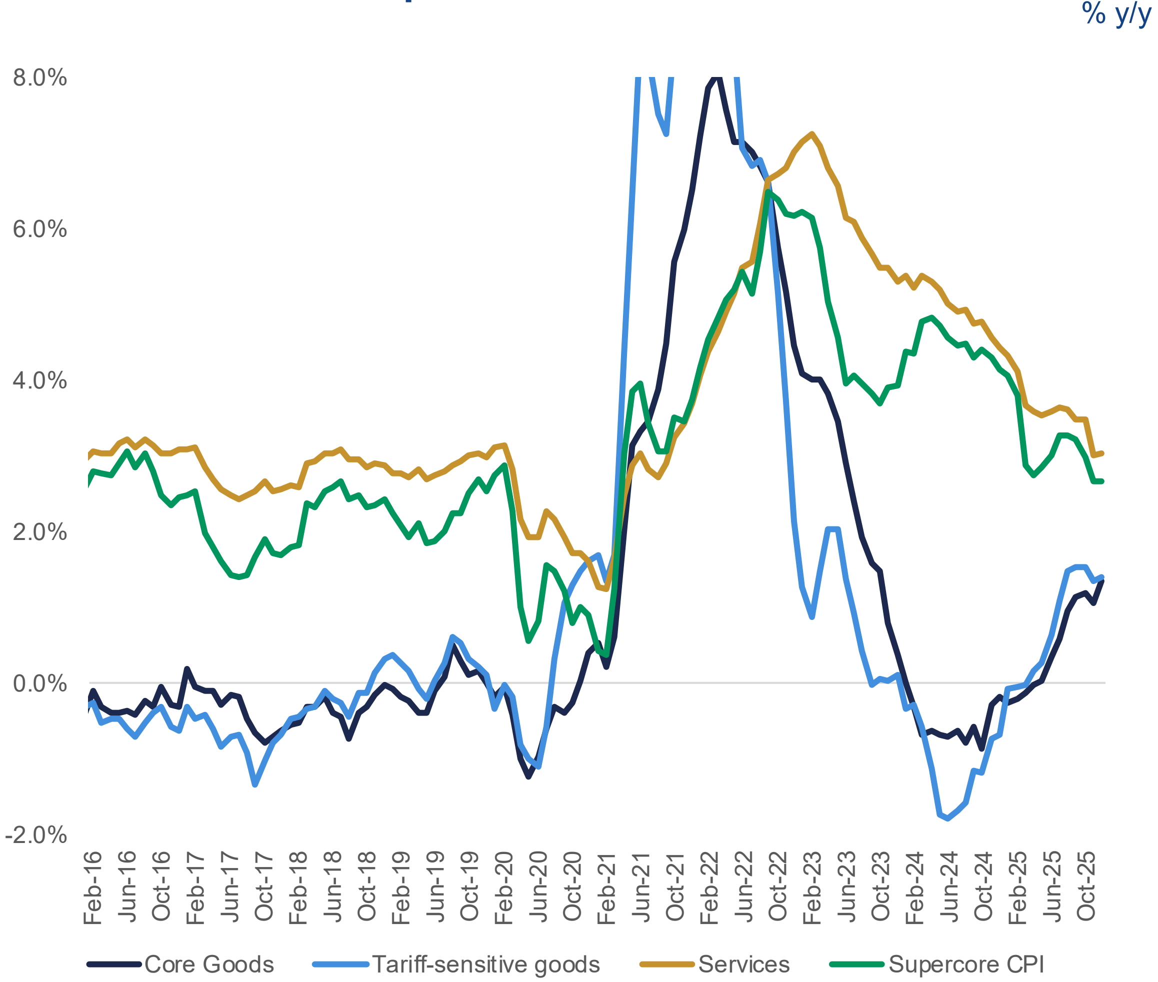
Source: Customs and Border Protection and BTG Pactual.

Inflation

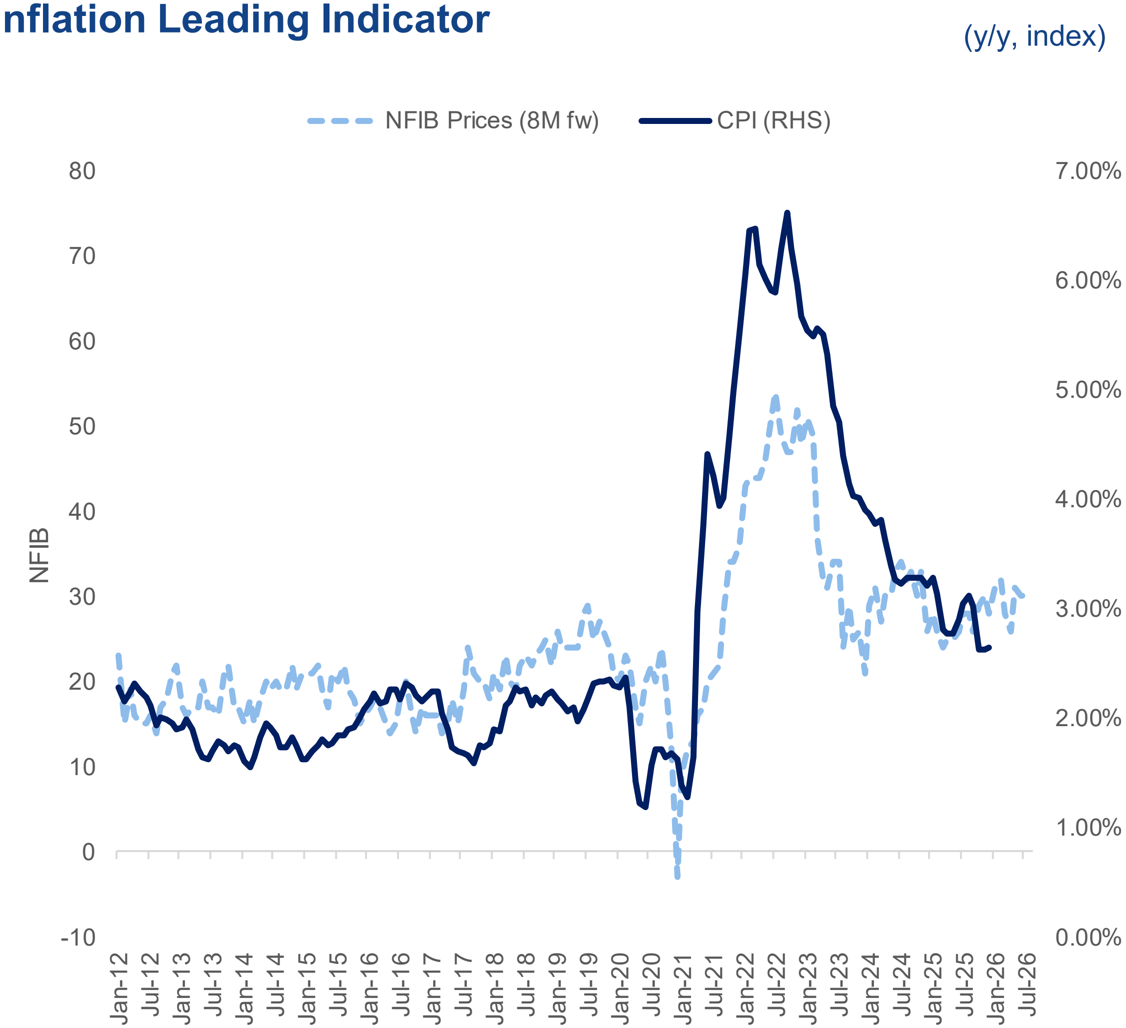
Pressure still building up

Accumulated inventories and uncertainty about the final level of tariffs and contract terms delayed the full impact of the new import tariffs. Even so, we are seeing pass-through to goods costs, which should continue in the coming months, albeit with a lower peak than previously expected.

US CPI selected components



Inflation Leading Indicator

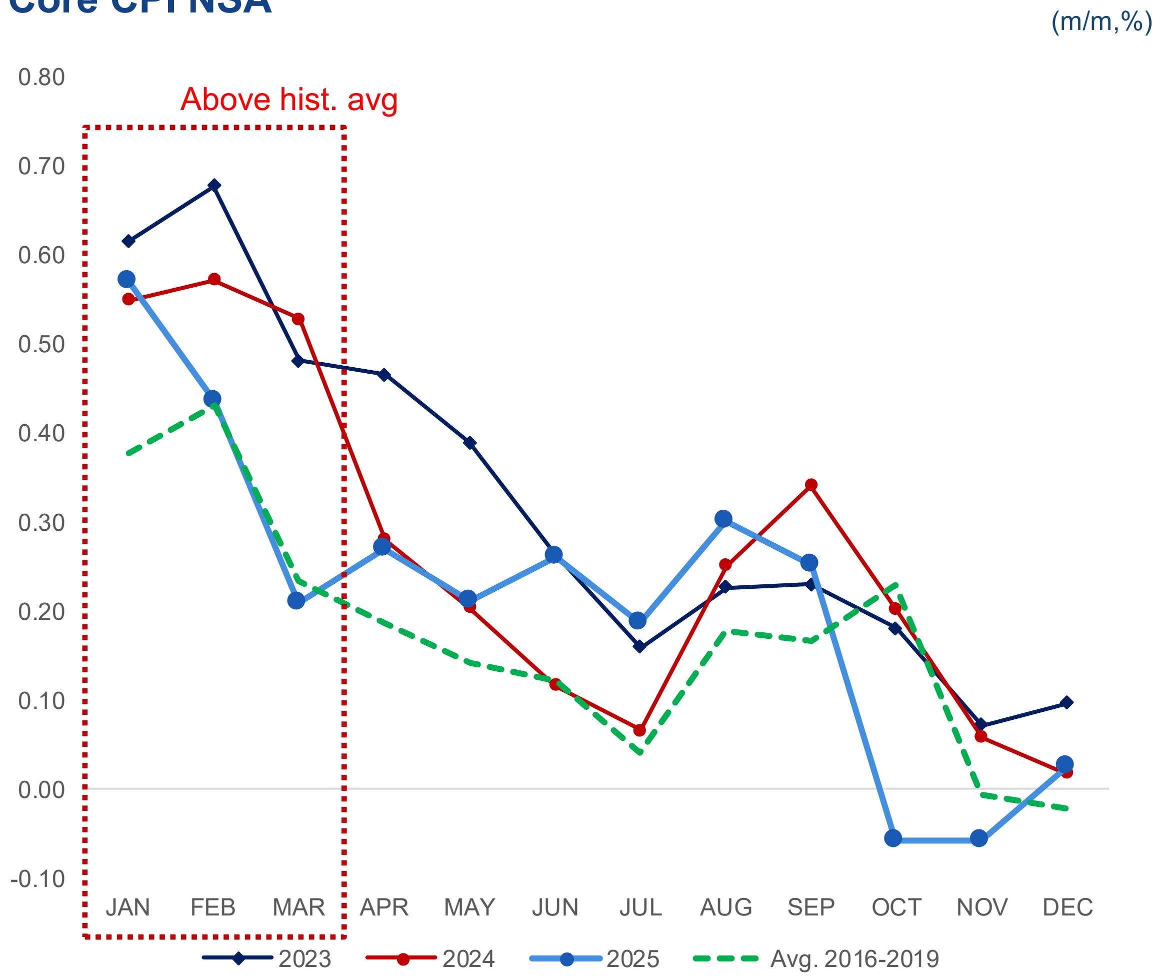


Source: Cleveland Fed, Dallas Fed, BEA and BTG Pactual.

Residual Seasonality

In early 2026, the inflation data will be crucial for calibrating expectations for the year, being the period of higher seasonal residual, with additional pressure from the PCE, which converges on the higher level of the CPI and creates a sentiment of higher inflation at the margin.

Core CPI NSA



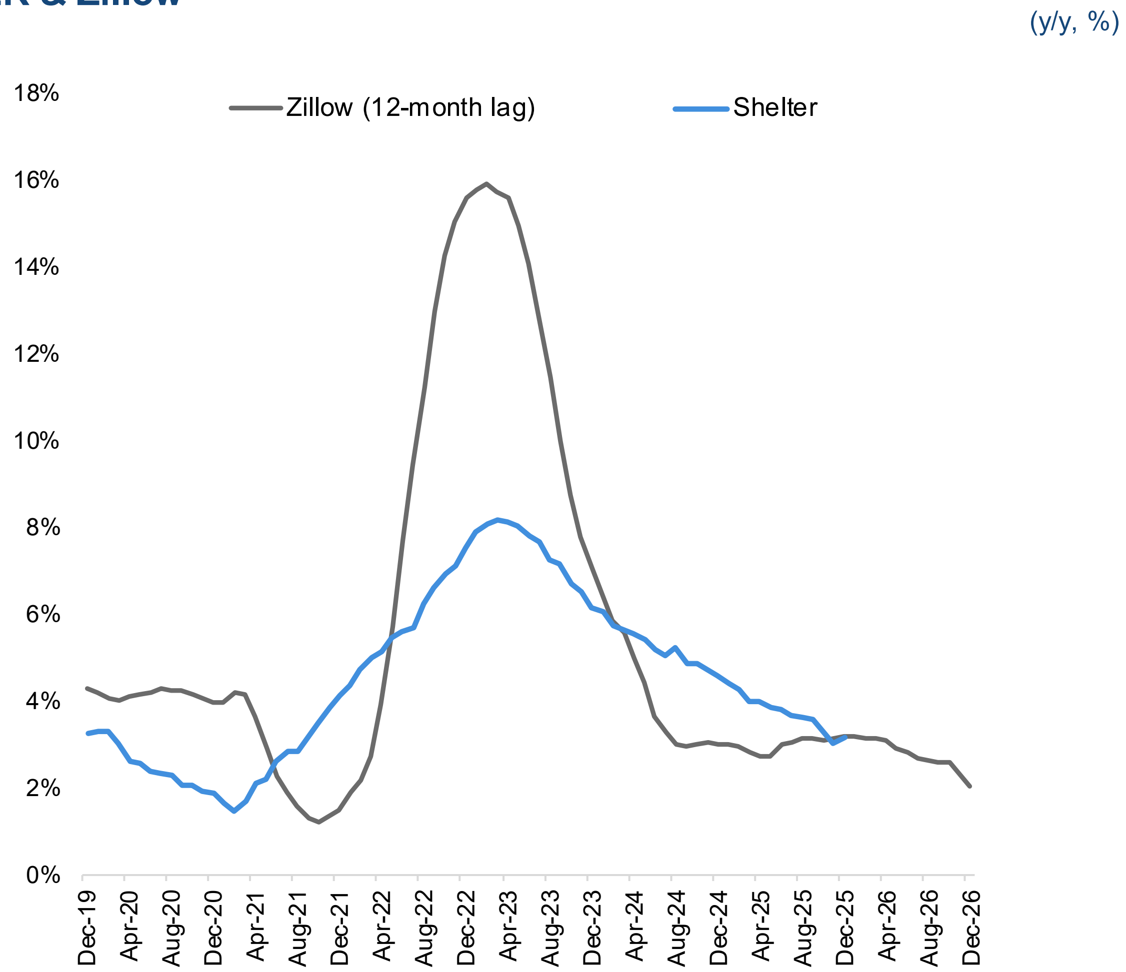
PCE – Residual Seasonality

Source: BLS, Bloomberg and BTG Pactual.

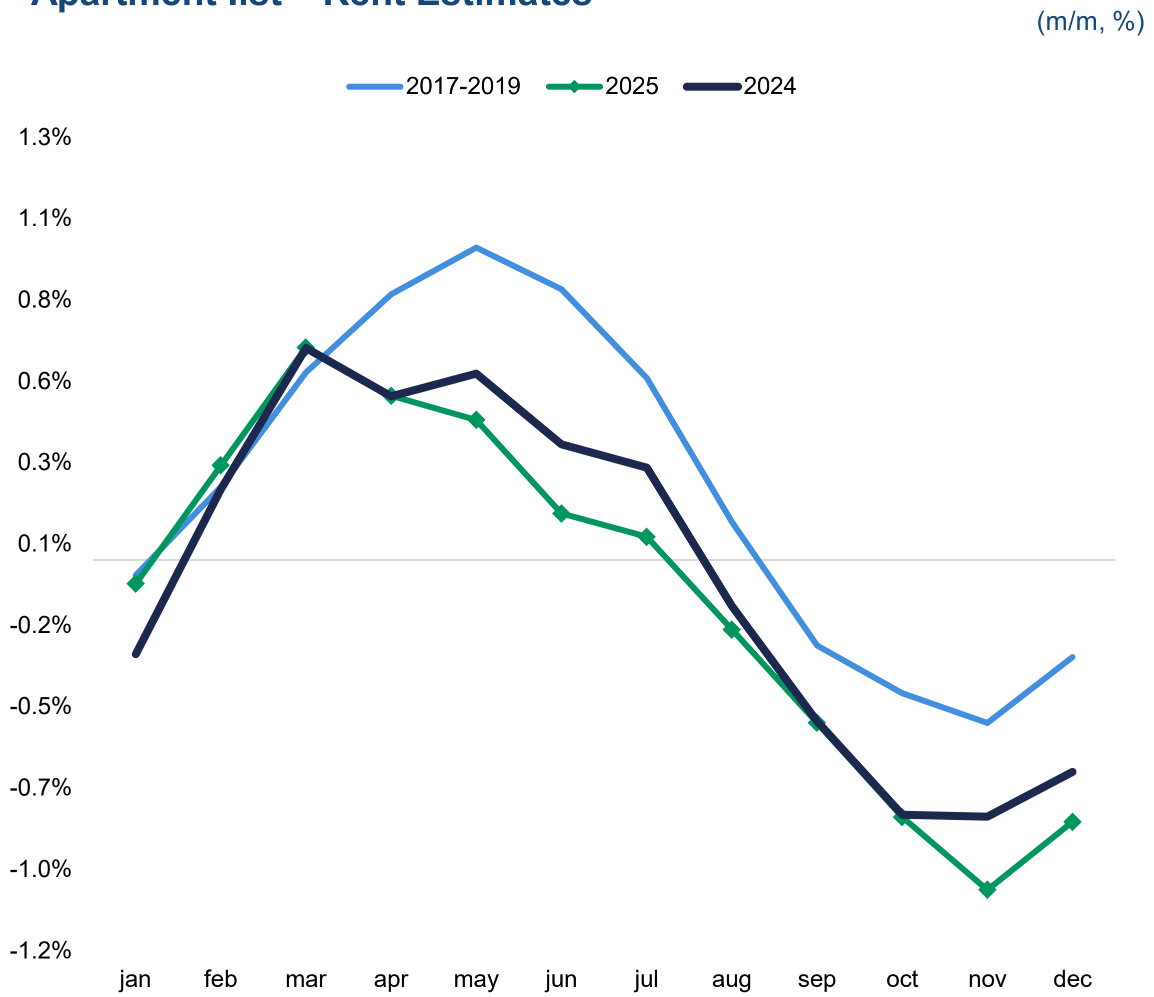
Will Shelter prices finally give?

After several years of exerting upward pressure on inflation, shelter prices in CPI appear to be aligning with private measures and could pose a downside risk to inflation in 2026.

OER & Zillow



Apartment list – Rent Estimates

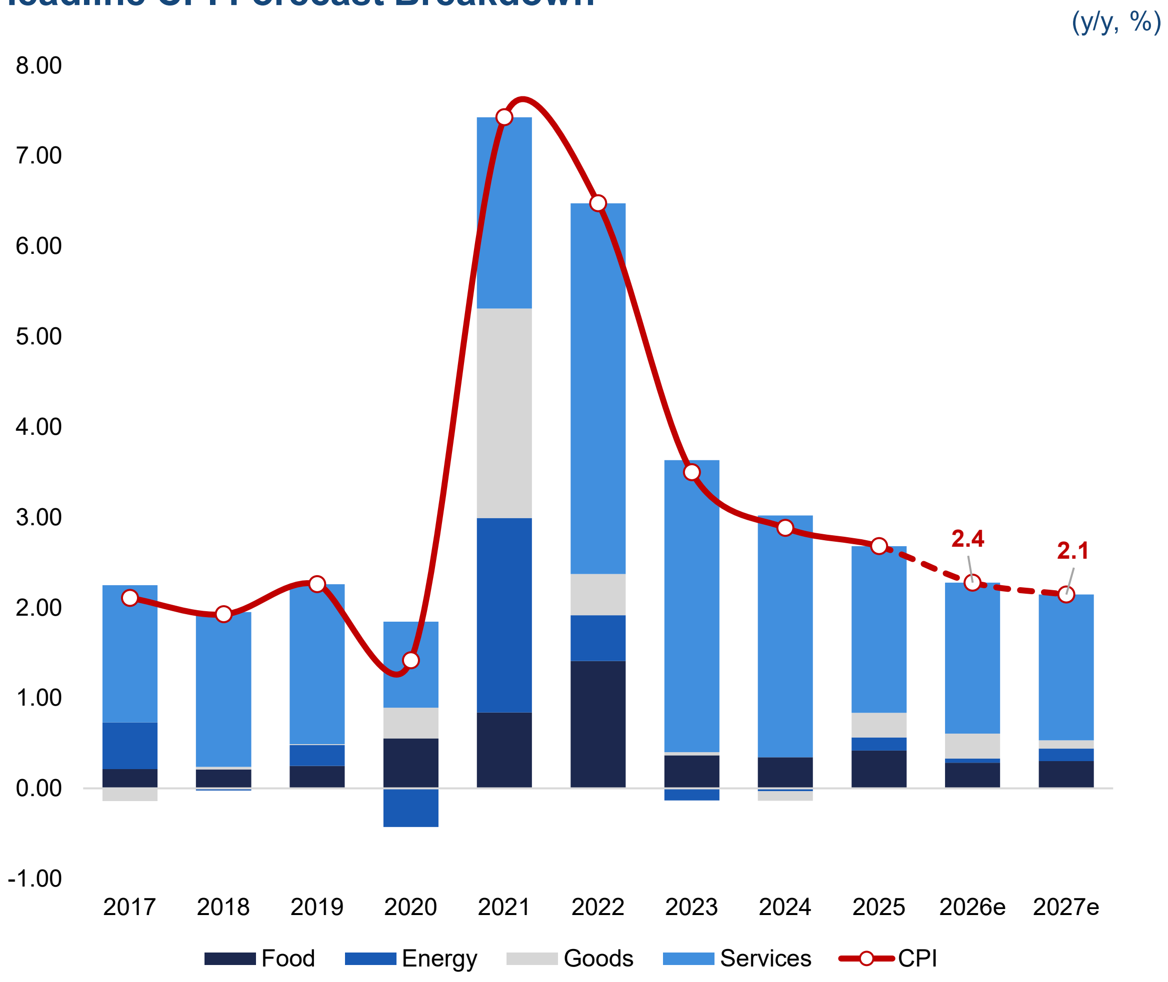


Source: BLS, Zillow, Apartment List and BTG Pactual.

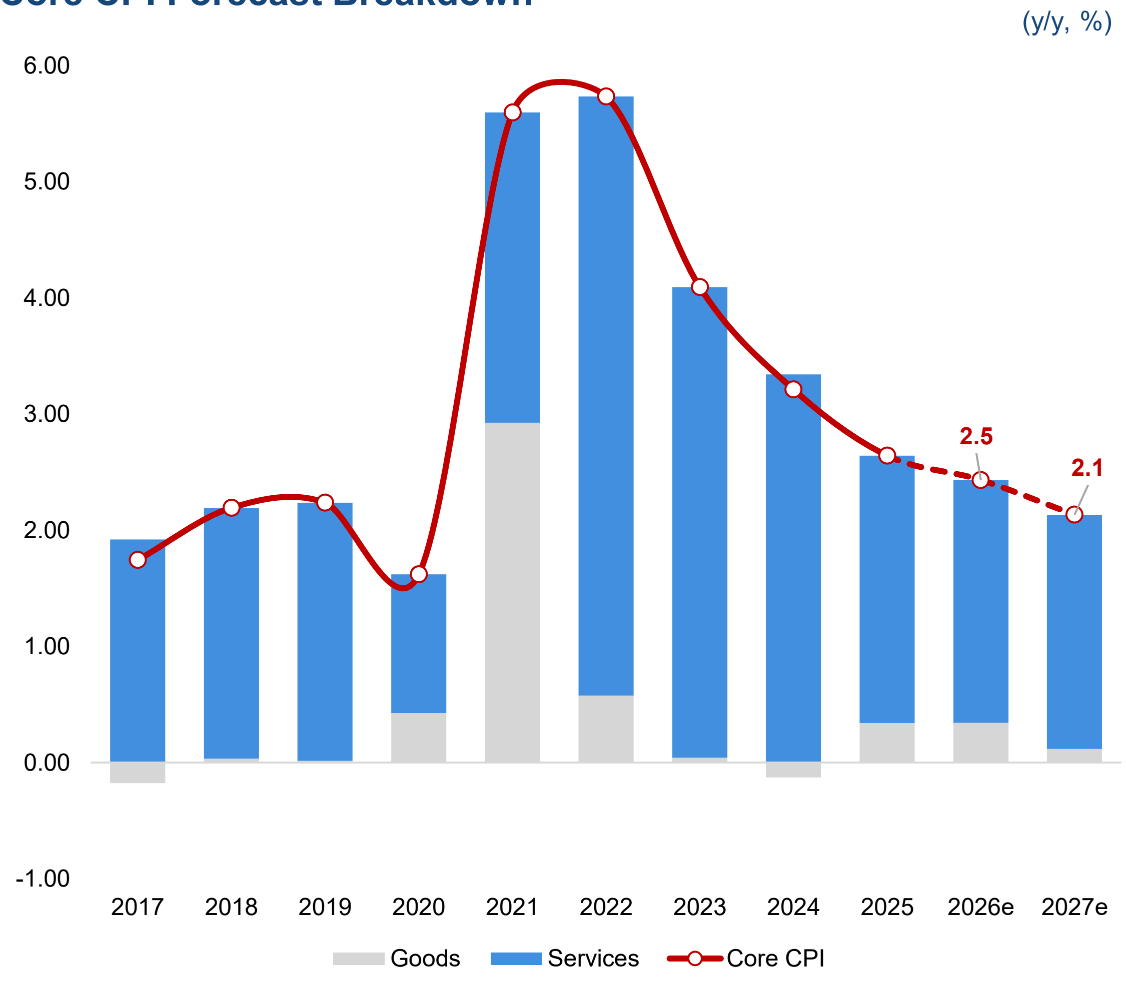
We expect a YE26 Core CPI of 2.5%

With tariff pressures fading, and services showing a mild slowdown despite lingering stickiness, inflation should gradually converge toward the target in the years ahead.

Headline CPI Forecast Breakdown



Core CPI Forecast Breakdown



Source: BLS and BTG Pactual.

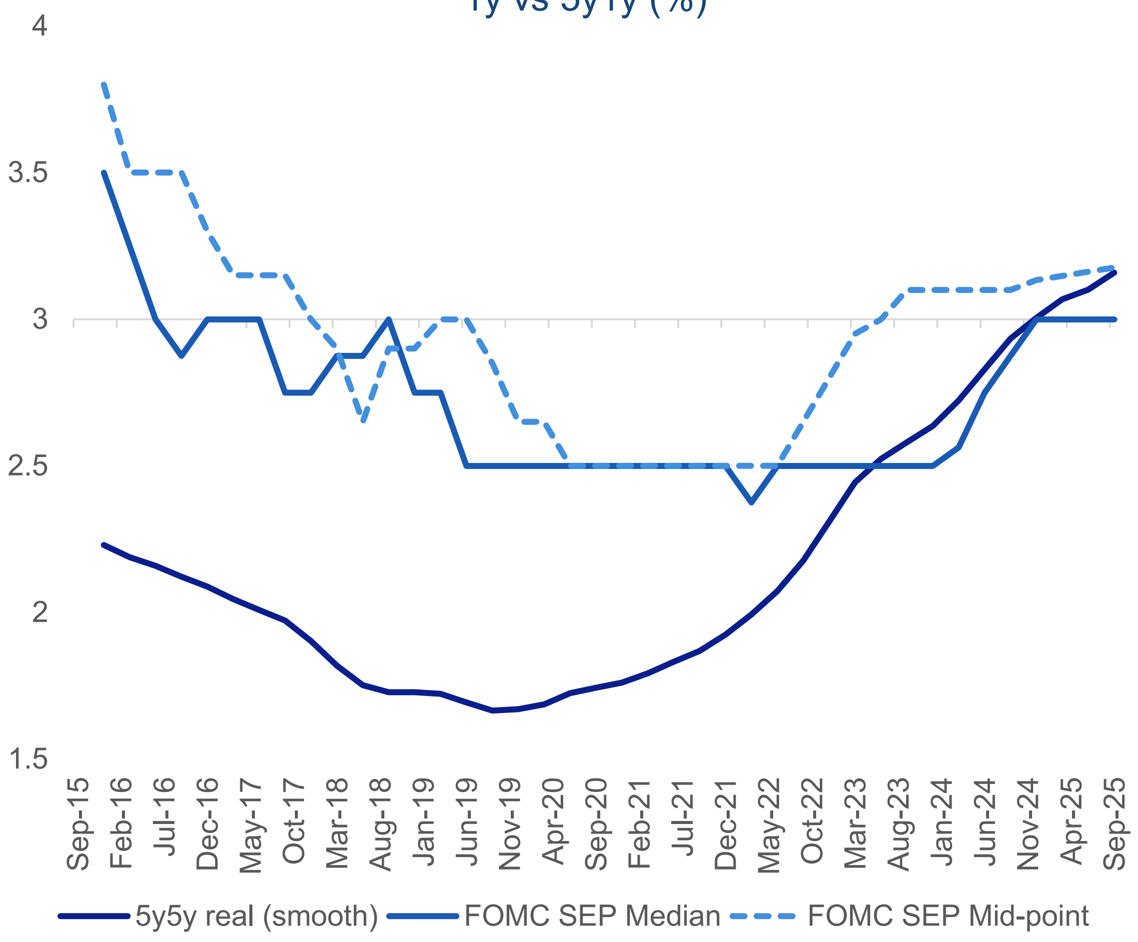
Monetary Policy

Approaching neutrality

The Fed is getting closer to neutral rate levels, and the committee shows clearer division. On the other hand, the market still believes there will be room for cuts in 2026, with a terminal rate close to 3-3.25%.

US neutral nominal rate

1y vs 5y1y (%)



Source: Bloomberg and BTG Pactual.

Powell – Press Conference (Dec 2025)

Labor Market

"Payroll jobs averaging 40,000 per month since April. We think there is an overstatement in these numbers by 60,000, **so that would be negative 20,000 per month**...“

"But I think a world where job creation is negative, I think we need to watch that situation very carefully.“

Neutral

"Having reduced our policy rate by 75 basis points since September, and 175 basis points since last September, **the Fed funds rate is now within a brood range of estimates of its neutral value**..."

"We have been sort of moving in the direction of neutral. **Now we are in the range of neutral**. We are in the high end of the range of neutral, I would say, and that is what we are doing now.“

January

"We are well positioned to wait to see how the economy evolves. We will have to see. We will get quite a bit of data."

"So, we are going to get data, but **we are going to have to look at it carefully and a somewhat skeptical eye by the January meeting**.“

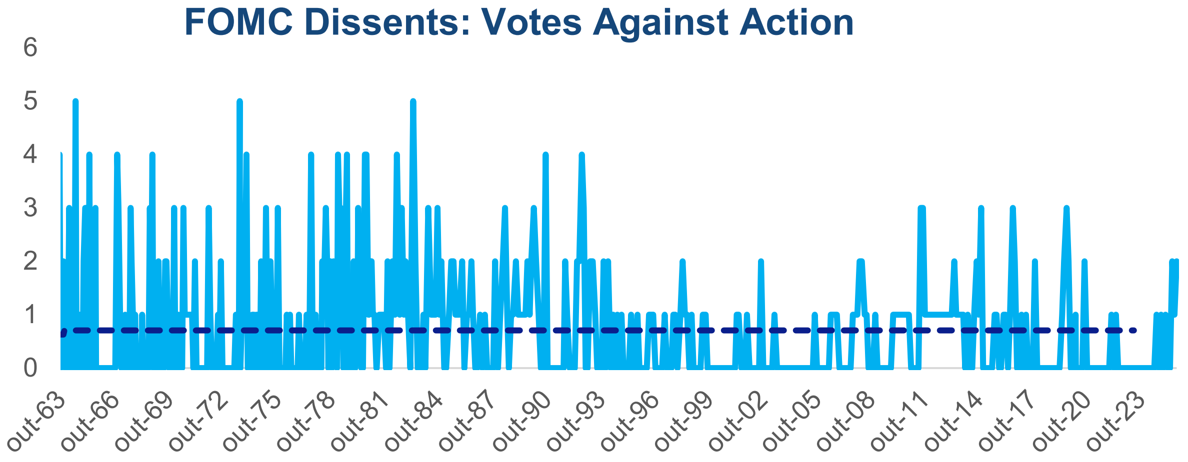
"**So, I don't think that a rate hike is anybody's base case at this point.** I am not hearing that.

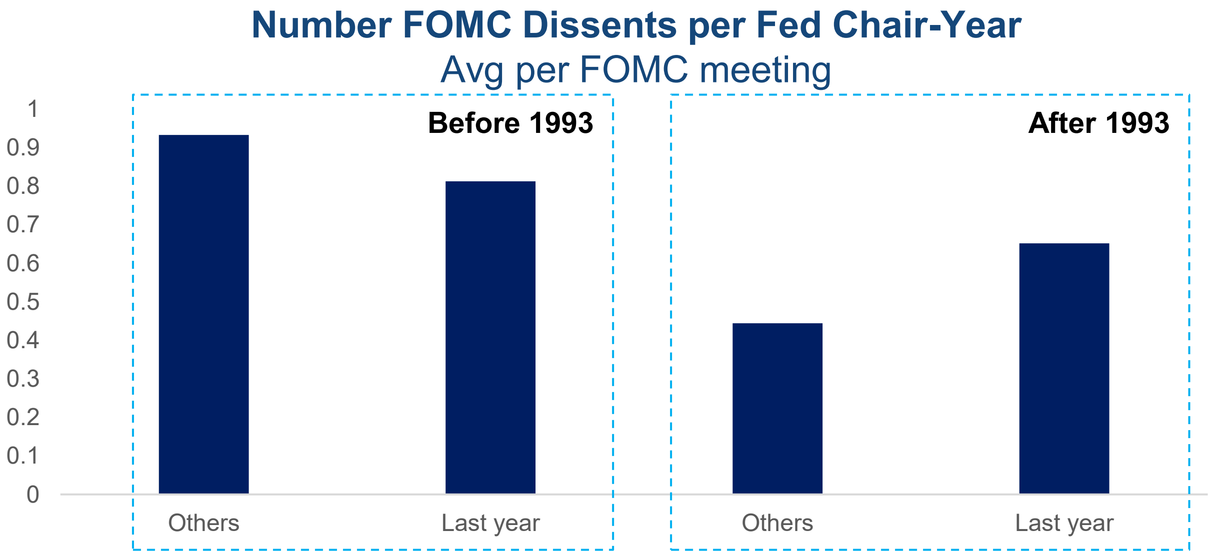
Inflation

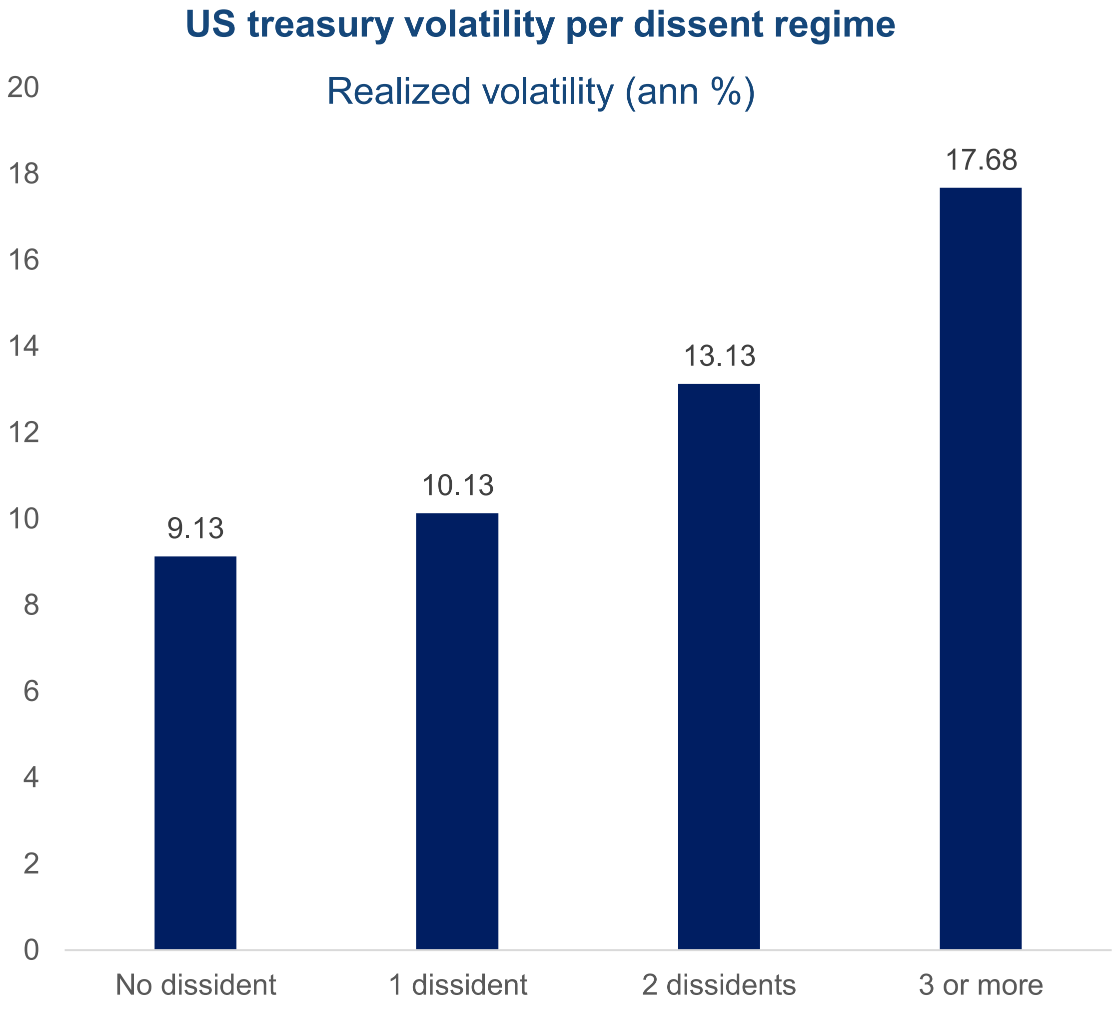
“If you get away from tariffs inflation is in the low 2s”

A split committee

The committee remains split on the next steps, with a growing group already concerned about the approaching neutral level. Historically, there has been more dissent in the last year of the chairman's term (since 1993), but also more volatility in the rate market.







Index: Bloomberg U.S. Treasury (5.97 OAD)

Source: Bloomberg and BTG Pactual.

Possible scenarios for policy rate

Considering an average across Taylor-rule scenarios, the Fed's terminal rate, in a context where inflation remains above target, should lie in the 3.1% to 3.5% range.

Average Taylor Rule

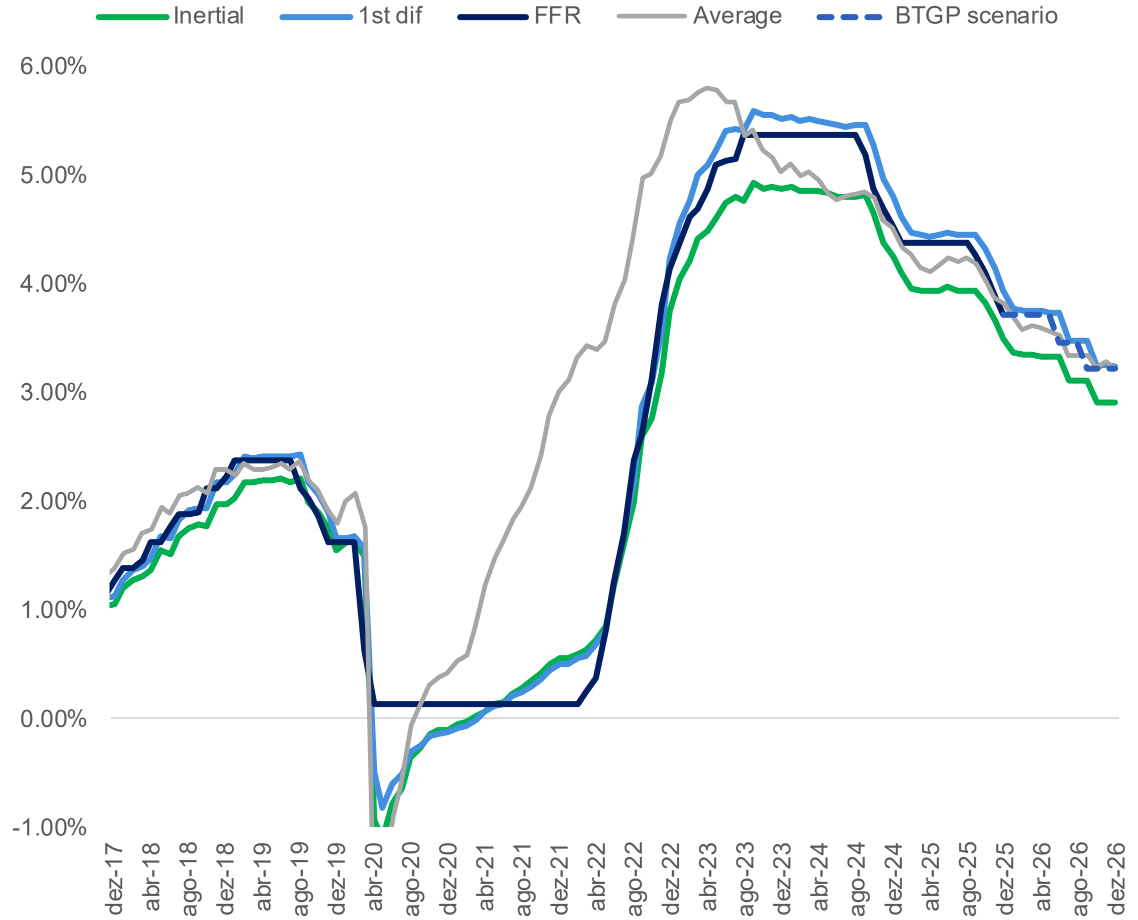
(Averaging the Taylor Rule, the balanced-approach rule, the inertial rule, and the first-difference rule)

(r*= 1%, UR*=4.2%)

Core PCE \ Unemployment Rate	4.00%	4.25%	4.50%	4.75%	5.00%	5.25%
2.00%	3.1%	3.0%	2.8%	2.6%	2.5%	2.3%
2.25%	3.4%	3.3%	3.1%	2.9%	2.7%	2.6%
2.50%	3.7%	3.5%	3.4%	3.2%	3.0%	2.9%
2.75%	4.0%	3.8%	3.7%	3.5%	3.3%	3.2%
3.00%	4.3%	4.1%	3.9%	3.8%	3.6%	3.4%
3.25%	4.6%	4.4%	4.2%	4.1%	3.9%	3.7%
3.50%	4.9%	4.7%	4.5%	4.4%	4.2%	4.0%
3.75%	5.1%	5.0%	4.8%	4.6%	4.5%	4.3%
4.00%	5.4%	5.3%	5.1%	4.9%	4.8%	4.6%

Taylor Rules trajectory

(effective and forecast)



Source: Bloomberg and BTG Pactual.

2026 Committee Composition

In 2026, the Fed's voting committee will undergo significant changes. In addition to the rotation of the four regional voting members, Miran's term expires at the end of January, while Powell's term as Chair ends in May, even though his mandate as a member of the Board runs through 2028. Lisa Cook's position is also at risk, as the Supreme Court is set to rule on President Trump's attempt to remove her.

FOMC 2026 members	Term expiration	Stance
Fed's Board of Governors		
Jerome H. Powell	**Jan 31, 2028 (Board term); Chair term ends May 15, 2026**	Dovish
John C. Williams	Feb 28, 2026 (NY Fed president 5y cycle)	Neutral
Michael S. Barr	Jan 31, 2032	Neutral
Lisa D. Cook	**Jan 31, 2038 (SCOTUS to decide in 1Q26)**	**Neutral/Dovish**
Michelle W. Bowman	Jan 31, 2034	Dovish
Christopher J. Waller	Jan 31, 2030	Dovish
Stephan Miran	**Jan 31, 2026**	**Dovish**
Philip N. Jefferson	Jan 31, 2036	Neutral
Regional Members		
Beth M. Hammack	Feb 28, 2026 (Cleveland Fed 5y cycle)	Hawkish
Anna Paulson	Feb 28, 2026 (Philadelphia Fed 5y cycle)	Neutral
Lorie Logan	Feb 28, 2026 (Dallas Fed 5y cycle)	Hawkish
Neel Kashkari	Feb 28, 2026 (Minneapolis Fed 5y cycle)	Neutral/Dovish

Source: BTG Pactual.

The Unitary Executive Thesis and the Fed

- Trump's letter dismissing Lisa Cook: "Pursuant to my authority under Article II of the Constitution of the United States and the Federal Reserve Act of 1913, you are hereby removed from your position…"
- Article II of US Constitution: "The Executive Power shall be vested in a President of the United States of America"
- Proponents of the Unitary Executive thesis interpret Article II as meaning the US president has absolute control of the Executive branch, including its independent agencies
- In the Trump vs Wilcox case (May 2025);
  - **Stay granted:** the Supreme Court allowed President Trump's removal of NLRB/MSPB members despite statutory for-cause protections, signaling openness to limit Humphrey's Executor.
  - **Fed carve-out:** the majority stressed the Fed's "unique structure", shielding it for now. Dissenters, however, cautioned that weakening Humphrey's could erode the foundations of Fed independence, and the decision may invite edge challenges (e.g., to regional Fed presidents or the FOMC structure).

Points of attention:

- Proposals on FOMC structure (Katz & Miran, 2024): range from cutting governors' mandates (16 → 8 years), to granting the President full removal power, to altering the nomination process for regional Fed presidents.
- End of the need for cause to fire: A Department of Justice attorney argued that U.S. District Judge Jia M. Cobb cannot extensively review President Donald Trump's decision to fire Fed Governor Lisa Cook over alleged irregularities in her pre-confirmation mortgage filings. He maintained that any judicial review of the president's decision must be highly deferential, limiting the court's ability to second-guess the stated justification.

Source: BTG Pactual.

Risks if Fed independence is undermined

Policy rate below neutral absent economic justification:

Fed Funds Rate cut to the mid-2s or lower despite no labor market breakdown, no recession, and no risk of undershooting the inflation target.

Credit allocation:

use of balance sheet for credit lines aiming at specific sectors, such as housing. The Fed would assume fiscal risks, usurping a Congress prerogative

Long-term yield control:

via Quantitative Easing or operations similar to 2011–2012's Operation Twist, involving sales of short-term Treasuries and purchases of long-term Treasuries.

Source: BTG Pactual.

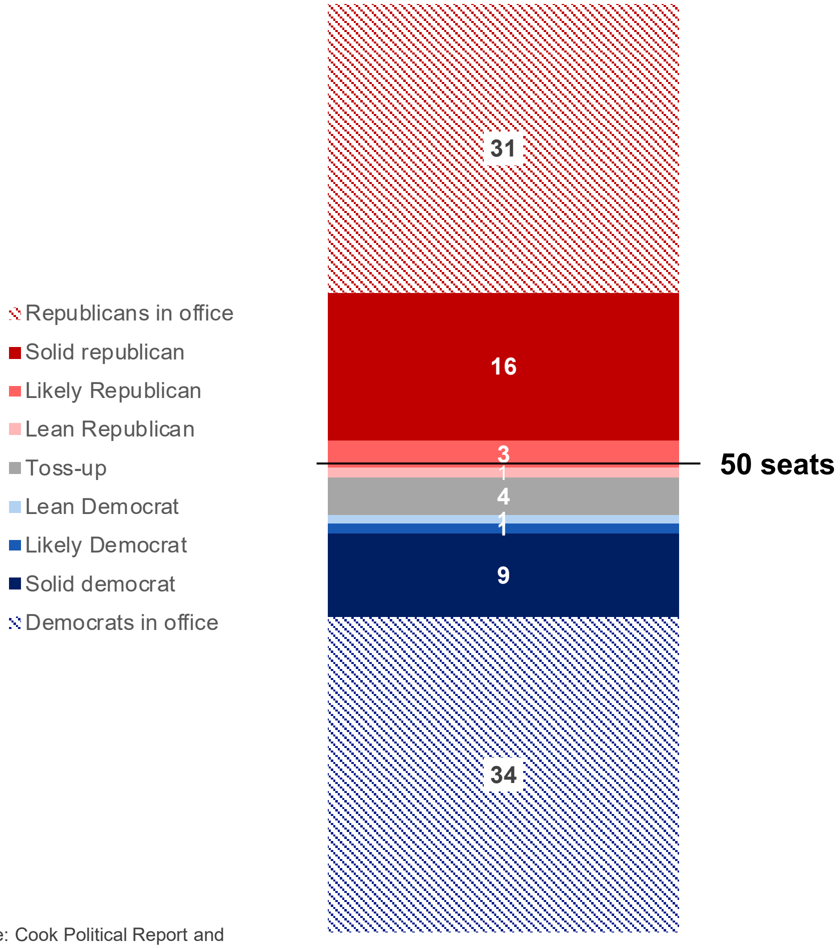
Politics

Mid-term elections | Senate

Of the 35 Senate seats up for election, Democrats are defending 13 while Republicans are defending 22. Overall, the map remains more favorable for Republicans to retain control of the Senate. Polymarket odds currently place a 66% probability on Republicans keeping the Senate majority.

Senate race

+50 to majority



Source: Cook Political Report and BTG Pactual.

Democrats | 13 seats up for grabs

Solid D	Likely D	Lean D	Toss Up	Lean R	Likely R	Solid R
CO-Hickenlooper	MN-OPEN	NH-OPEN	GA-Ossoff			
DE-Coons			MI-OPEN			
IL-OPEN						
MA-Markey						
NJ-Booker						
NM-Luján						
OR-Merkley						
RI-Reed						
VA-Warner						

Republicans | 22 seats up for grabs

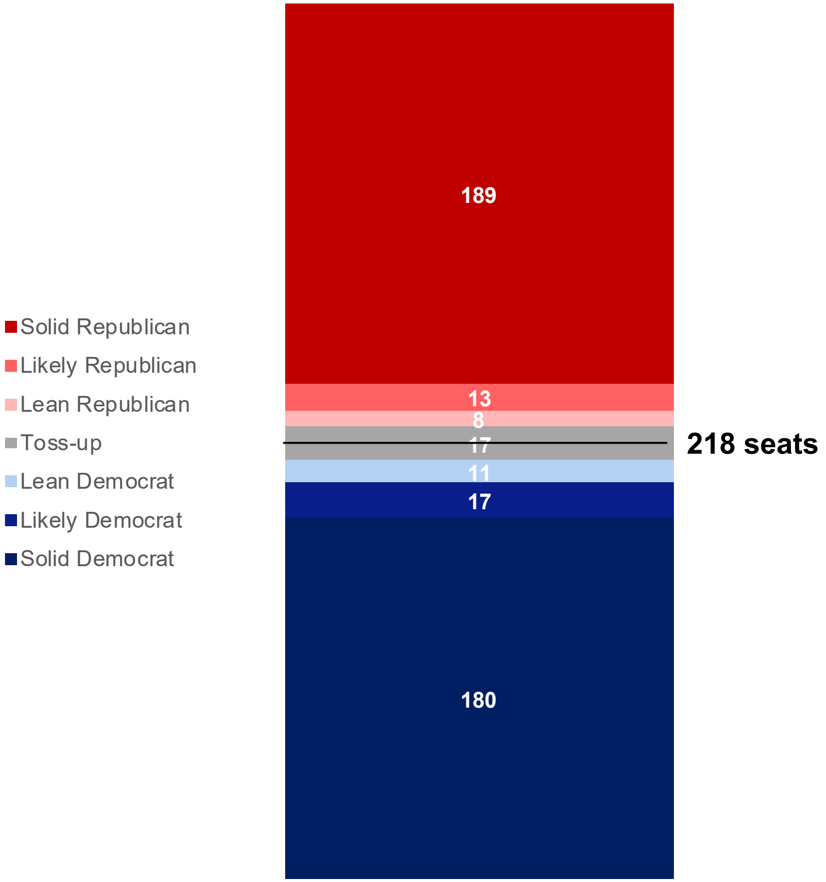
Solid D	Likely D	Lean D	Toss Up	Lean R	Likely R	Solid R
			ME-Collins	OH-Husted	IA-OPEN	AK-Sullivan
			NC-OPEN		TX-Cornyn	AL-OPEN
						AR-Cotton
						FL-Moody
						ID-Risch
						KS-Marshall
						KY-OPEN
						LA-Cassidy
						MS-Hyde-Smith
						MT-Daines
						NE-Ricketts
						OK-Mullin
						SC-Graham
						SD-Rounds
						TN-Hagerty
						WV-Capito

Mid-term elections | House of Representatives

For the House race, all seats are up for election, which makes forecasting more challenging. Historically, midterm elections tend to favor the opposition party in the House, tilting the odds toward Democrats. Polymarket currently assigns a 78% probability to Democrats winning the House majority.

House race

+218 to majority



Source: Cook Political Report and BTG Pactual.

Competitive Races

Likely Democrat	Lean Democrat	Democrat Toss Up	Republican Toss Up	Lean Republican	Likely Republican
CA-21 Costa	CA-45 Tran	CA-13 Gray	AZ-01 OPEN (Schweikert)	IA-03 Nunn	AK-AL Begich III
CA-25 Ruiz	FL-23 Moskowitz	NM-02 Vasquez	AZ-06 Ciscomani	MI-10 OPEN (James)	AZ-02 Crane
CA-47 Min	MI-08 McDonald Rivet	NY-04 Gillen	CA-22 Valadao	NC-01 Davis	CO-03 Hurd
CT-05 Hayes	NE-02 OPEN (Bacon)	OH-01 Landsman	CA-48 Issa	NY-17 Lawler	FL-13 Luna
IL-17 Sorensen	NJ-09 Pou	WA-03 Perez	CO-08 Evans	OH-09 Kaptur	IA-02 OPEN (Hinson)
IN-01 Mrvan	NV-03 Lee		IA-01 Miller-Meeks	PA-08 Bresnahan	ME-02 OPEN (Golden)
MI-03 Scholten	NY-03 Suozzi		MI-07 Barrett	TX-34 Gonzalez	MI-04 Huizenga
MN-02 OPEN (Craig)	NY-19 Riley		NJ-07 Kean Jr.	VA-01 Wittman	MT-01 Zinke
NH-01 OPEN (Pappas)	OH-13 Sykes		PA-07 Mackenzie		NC-11 Edwards
NH-02 Goodlander	TX-28 Cuellar		PA-10 Perry		PA-01 Fitzpatrick
NV-01 Titus	VA-07 Vindman		VA-02 Kiggans		TX-15 De La Cruz
NV-04 Horsford			WI-03 Van Orden		TX-35 OPEN (Casar)
NY-18 Ryan					WI-01 Steil
NY-22 Mannion					
OR-05 Bynum					
PA-17 Deluzio					
WA-08 Schrier					

Mid-term elections | Challenges for Trump and Republicans

- Base rate is ugly for incumbents: since the 1860s, the president's party lost the midterms in 38 of 41 cycles.
- Typical second-term outcome: second-term presidents lose 36 House seats on average.
- Approval makes it worse: when approval is below 50%, presidents lose 37 House seats on average (Trump ~36%).
- Even "good approval" still loses: even with approval above 50%, presidents still lose 14 House seats on average.
- Asymmetry vs. opposition: since 1974, the opposition party loses just 3 House seats on average in midterms.
- Best-case is still a loss: the fewest seats ever lost by a second-term president is 5 (Reagan).

Source: BTG Pactual.

Economic Performance Across Divided Governments

btg pactual

Macroeconomic dynamics in a US midterm election year

Election Type	President	Election Date	WH	Senate	House	GDP (%)	Services Spending (%)	Goods Spending (%)	Payroll (mn)	Unemployment	CPI (%)	Fed Funds (bps)	DXY (%)
Midterm	Carter	1978	D	D	D	5.5	4.6	4.1	4.2	6.1	7.6	431.0	-10.3
Midterm	Reagan	1982	R	R	D	-1.8	2.1	0.7	-1.6	9.7	6.2	-193.0	12.1
Midterm	Reagan	1986	R	D	D	3.5	3.1	5.6	2.0	7.0	1.9	89.0	-16.1
Midterm	Bush	1990	R	D	D	1.9	2.9	0.6	1.5	5.6	5.4	-244.0	-10.8
Midterm	Clinton	1994	D	R	R	4.0	3.1	5.3	3.5	6.1	2.6	209.0	-8.4
Midterm	Clinton	1998	D	R	R	4.5	4.5	6.7	3.2	4.5	1.6	-177.0	-5.5
Midterm	Bush	2002	R	R	R	1.7	1.8	3.9	-1.4	5.8	1.6	-36.0	-12.8
Midterm	Bush	2006	R	D	D	2.8	2.5	3.7	2.4	4.6	3.2	108.0	-8.2
Midterm	Obama	2010	D	R	D	2.7	1.5	2.8	-1.0	9.6	1.6	8.0	1.5
Midterm	Obama	2014	D	R	R	2.5	2.1	4.4	2.6	6.2	1.6	-1.0	12.8
Midterm	Trump	2018	R	D	D	3.0	2.2	4.0	2.3	3.9	2.4	107.0	4.4
Midterm	Biden	2022	D	D	R	2.5	4.9	-0.6	6.3	3.6	8.0	426.0	8.2

Source: Bloomberg and BTG Pactual.

BTG Pactual Macro Strategy US Forecasts

		2022	2023	2024	2025E	2026E
US	*GDP Year*	**2.50**	***2.90***	***2.80***	*2.19*	*2.56*
	CPI Headline	**6.46**	***3.35***	***2.90***	***2.68***	*2.43*
	CPI Core	**5.69**	***3.93***	***3.20***	***2.64***	*2.48*
	PCE Headline	**5.40**	***2.60***	***2.56***	*2.68*	*2.46*
	PCE Core	**4.86**	**2.93**	***2.79***	*2.78*	*2.32*
	Fed funds rate	**4.38**	***5.38***	***4.38***	***3.63***	*3.13*
Eurozone	*GDP*	**3.50**	***0.40***	***0.68***	*1.37*	*1.20*
	CPI Headline	**9.21**	***2.95***	***2.40***	*2.06*	*1.95*
	CPI Core	**5.19**	***3.37***	***2.90***	*2.16*	*2.05*
	ECB Deposit rate	**2.50**	***4.00***	***3.00***	*2.00*	*2.00*
China	*GDP*	**3.10**	***5.40***	***5.00***	***5.00***	*4.80*

Source: BTG Pactual.

Required Disclosure

This material is a summary document being provided on a confidential basis, for information purposes only, by BTG Pactual US Capital, LLC "BTG Pactual", a SEC registered / FINRA and SIPC member broker-dealer and is not and may not be relied on in any manner as legal, tax or accounting advice. This is not a security research report and the information contained herein does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. Any such offer or solicitation may only be made by means of delivery of an approved offering memorandum, prospectus, term sheet or other approved offering document and only in those jurisdictions where permitted by law. This material is a non-binding summary of certain terms and does not purport to be exhaustive. Prospective investors should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant to the subscription, purchase, holding, exchange, redemption, or disposal of any investments. Although the information herein is believed to be reliable and has been obtained from sources believed to be reliable, neither BTG Pactual nor any of its affiliates makes any representation or warranty, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the information and opinions. All and any information, opinions and amount indicated are subject to change, without prior warning. BTG Pactual has no obligation to update, modify or amend this communication or to otherwise notify a recipient in the event that any matter stated herein, or any opinion, projection, forecast, or estimate set forth herein, changes or subsequently becomes inaccurate.

If links from external sources have been used, there is no guarantee of any support, approval, investigation, verification or monitoring by BTG Pactual. If you decide to access any website links from an external source, you agree to do so at your own risk, being subject to the Terms and Conditions and Privacy Policies applied by this website, which BTG Pactual does not have any control. BTG Pactual is not responsible for any information or content on these websites.

This material was provided to you by BTG Pactual and its affiliates and is for personal use only. The information provided must be treated confidentially and must not be, in whole or in part, reproduced or copies circulated without prior authorization from BTG Pactual.

This material should not be the only source of information in any investor's decision-making process. Investors are advised to carefully analyze all information and its risks vis-à-vis their personal objectives and its risk profile "Suitability". Nothing in this document constitutes a representation that any investment strategy contained herein is suitable or appropriate to a recipient's individual circumstances. The information contained herein does not take into account the particular investment objectives or financial circumstances of any specific person who may receive it. Before making an investment, prospective investors are advised to thoroughly and carefully review the offering memorandum with their financial, legal and tax advisers to determine whether an investment such as this is suitable for them. By accepting this document and/or attachments, you agree that you or the entity that you represent meet all investor qualifications in the jurisdictions where you are subject to the statutory regulations related to the investment in the type of fund described in this document.

Past performance is not necessarily indicative of future results. BTG Pactual does not undertake that investors will obtain profits, nor will it share with investors any investment profits nor accept any liability for any investment's losses. There is no guarantee that the investment objectives will be achieved. Due to various risks and uncertainties, actual events or results or the actual performance of the investments described herein may differ materially from those reflected or contemplated in such forward-looking statements. The document reflects the economic conditions at the time it was created and there is no guarantee that any future transaction will be under the same economics levels specified here. Investments involve risks and investors should exercise prudence in making their investment decisions. Performance information and/or results, unless otherwise indicated, are un-audited and their appearance in this document reflects the estimated returns net of all expenses, including the management and performance fees.

BTG Pactual, its subsidiaries and/or employees may hold long or short positions, trade on their own behalf, coordinate or manage transactions or offerings involving issuers discussed herein or make any other relevant investment. Business areas within BTG Pactual and its affiliates operate independently of each other and may restrict the access of particular individuals responsible for handing client affairs to certain areas of information. This is necessary in order to manage conflicts of material interests.

BTG Pactual primarily buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, BTG Pactual may charge a commission, referral fee, and/or subscription fee. In addition, there are distribution fees and fees assessed to clear and settle transactions. BTG Pactual may be incentivized to recommend an affiliates' products over that of a third-party, since BTG Pactual will earn fees from the customer's transaction and again on any profits from the investment.

Please visit and read carefully the important information contained at www.btgpactual.us/disclosures, FORM CRS and other important information at FINRA Brokercheck. This document is approved and issued by BTG Pactual, reproduction or transcription of this document by any means, in whole or in part is strictly prohibited, without BTG Pactual's prior written authorization. If you are not the intended recipient of this document, you are hereby notified that disclosing, copying, distributing or taking any action in reliance on the contents of this document is strictly prohibited.

NOT INSURED BY THE FDIC. NOT INSURED BY THE FEDERAL GOVERNMENT OR ANY OTHER FEDERAL GOVERNMENT AGENCY. SUBJECT TO INVESTMENT RISK, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL INVESTED.

btg pactual