

The week ended with a dramatic turnaround for U.S. equity markets, transforming what had been a week of subdued and mixed trading into a significant rally fueled by Federal Reserve Chairman Jerome Powell's dovish comments at the Jackson Hole Economic Symposium. The S&P 500 closed the week unchanged, with a return of **+0.27 %**, higher than the Nasdaq, which fell **-0.58 %**, but lower than the Dow Jones and the Russell 2000, which rose **+1.53 %** and **+3.30 %**, respectively.

The most notable performance of the week came on Friday, when the Dow Jones rose 1.9 % to close at a new all-time high of 45,631.74, its first record close of 2025. The S&P 500 was up 1.5 % to 6,466.91 points, while the Nasdaq rose 1.9 % to 21,496.53 points. Most notably, the Russell 2000 soared 3.9 %, demonstrating widespread strength across all market capitalizations. Prior to Friday's rally, markets had been broadly flat to slightly negative all week, with the S&P 500 having posted five consecutive days of declines through Thursday, primarily due to weakness in the technology sector. The main catalyst for the close of the week was Powell's signal that conditions "may warrant" interest rate cuts, leading markets to discount the increased likelihood of rate cuts beginning in September. "could warrant" interest rate cuts, leading markets to discount a higher likelihood of cuts beginning in September. The CME FedWatch tool showed

an 83% probability of a September cut earlier in the week, and markets remained highly confident throughout the week. Mid-week sell-offs in major tech stocks, including chipmakers and AI-related companies such as Palantir and AMD, weighed on the Nasdaq and S&P 500, reflecting concerns about elevated valuations and profit-taking after summer gains.

On the economic front, mixed indicators provided a nuanced picture. While the manufacturing PMI rose to 53.3 (vs. 49.8 previously), initial jobless claims rose to 235,000, suggesting some weakening in the labor market. Inflation data showed core CPI at 3.1% y-o-y, the highest since February. The Jackson Hole symposium was instrumental in reshaping market expectations. Powell's dovish tone reversed earlier concerns about inflation persistence and the impact of tariffs, and all eleven S&P sectors closed Friday in positive territory. Treasury yields declined significantly, supporting equity valuations. The week highlighted the market's sensitivity to the Fed's communications, with a broad-based rally on Friday erasing previous weekly losses and

put markets near record levels heading into the final weeks of August. Investors now await data on the Fed's preferred inflation gauge, to be released on August 29, for further guidance on monetary policy.

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MACROECONOMIC DATA AND FLUCTUATIONS

IMPORTANT DATES OF THE LAST WEEK

August 18th
NAHB Real Estate Market Index NAHB
 Actual 32 vs. survey 34

Aug. 19th
Housing starts
 Actual 1 428 000 vs. survey 1 300 000

August 21th
U.S. manufacturing PMI from S&P Global
 Actual 53.3 vs. survey 49.80

Existing Home Sales
 Actual 4.01 million vs. survey 3.92 million

GLOBAL EQUITY INDICES

	Last	5 Days	1 Month	YTD
MSCI WORLD	4,192.80	0.44% → 1.58%	13.08%	
MSCI EM	1,266.55	-0.46% → 0.70%	17.77%	
MSCI EM LATIN AMERICA	2,374.26	1.35% → 4.78%	28.16%	
MSCI AC ASIA x JAPAN	827.64	-0.56% → 0.35%	17.55%	
USA				
S&P 500 INDEX	6,466.91	0.27% → 1.23%	9.95%	
NASDAQ COMPOSITE	21,496.54	-0.58% → 1.84%	11.32%	
DOW JONES INDUS. AVG	45,631.74	1.53% → 1.63%	7.26%	
RUSSELL 2000 INDEX	2,361.95	3.30% → 4.46%	5.91%	
EUROPE				
STXE 600 (EUR) Pr	561.30	1.40% → 2.06%	10.57%	
Euro Stoxx 50 Pr	5,488.23	0.73% → 2.54%	12.10%	
DAX INDEX	24,363.09	0.02% → 0.60%	22.37%	
CAC 40 INDEX	7,969.69	0.58% → 1.72%	7.98%	
FTSE MIB INDEX	43,310.28	1.54% → 6.34%	26.69%	
IBEX 35 INDEX	15,396.80	0.78% → 8.14%	32.79%	
SWISS MARKET INDEX	12,264.85	1.58% → 2.59%	5.72%	
FTSE 100 INDEX	9,321.40	2.00% → 2.20%	14.05%	
ASIA				
NIKKEI 225	42,633.29	-1.72% → 2.84%	6.86%	
HANG SENG INDEX	25,339.14	0.27% → -0.19%	26.32%	
CSI 300 INDEX	4,378.00	4.18% → 6.08%	11.26%	
SENSEX	81,306.85	0.88% → -0.19%	4.05%	
LATAM				
S&P/BMV IPC	59,225.48	1.55% → 3.32%	19.62%	
BRAZIL IBOVESPA INDEX	137,968.15	1.19% → 3.33%	14.70%	
MSCI COLCAP INDEX	1,858.45	0.69% → 8.73%	34.71%	
S&P/CLX IPSA (CLP) TR	8,854.26	1.31% → 7.69%	31.96%	

EQUITIES SECTORS

	Last	5 Days	1 Month	YTD
PHILA GOLD & SILVER INDX	239.23	3.37% →	11.90%	74.39%
MSCI WORLD/ENERGY	260.72	2.43% →	1.75%	7.11%
MSCI WORLD BANK INDEX	167.00	1.63% →	3.57%	30.81%
MSCI WORLD/HLTH CARE	362.01	1.60% →	1.32%	2.60%
MSCI WORLD/FINANCEVAL	171.96	1.53% →	2.53%	22.70%
MSCI WORLD/CONS DIS	490.15	1.45% →	2.86%	4.71%
MSCI WORLD/MATERIAL	368.70	1.42% →	1.82%	14.74%
MSCI WORLD/CON STPL	306.02	1.08% →	1.93%	9.57%
MSCI WORLD/INDUSTRAL	487.11	0.96% →	-0.52%	20.29%
MSCI WORLD/UTILITY	193.97	0.54% →	1.61%	18.44%
MSCI WRLD/COMM SVC	151.49	-0.91% →	4.53%	19.02%
MSCI WORLD/INF TECH	894.67	-1.40% →	0.79%	12.98%

US RATES

	Last	5 Days Close	12M Close
2Y	3.70	3.75	-0.05 4.00 -0.31
5Y	3.76	3.84	-0.08 3.72 0.04
10Y	4.25	4.32	-0.06 3.85 0.40

BONDS CREDIT SPREAD

	Last	5 Days Close	12M Close
EM Bonds Spread	266.62	259.6	7.1 348.04 -81.4
HY Bonds Spread	262.00	263.0	-1.0 355.00 -93.0
BBB 10yr Spread	179.63	168.4	11.2 164.12 15.5
CoCos Spread			

FIXED INCOME

	Last	5 Days	1 Month	YTD
US High Yield	2,840.81	0.27% →	0.77%	5.88%
EM Bonds USD	1,338.79	0.14% →	1.69%	7.26%
EM Local Currency	148.57	-0.10% →	0.84%	13.22%
CoCos USD	147.90	0.04% →	0.97%	11.35%
IG BBB 3-5yr USD	385.08	0.38% →	1.36%	4.74%
IG AA Corp USD	281.48	0.38% →	1.21%	5.70%

COMMODITIES

	Last	5 Days	1 Months	YTD
CRB INDEX	300.00	1.51% →	-1.25%	1.11%
WTI	63.66	1.37% →	-3.85%	-11.24%
Brent	68.27	0.66% →	-2.23%	-7.87%
US Natural Gas	2.70	-7.48% →	-17.04%	-25.74%
S&P GSCI Precious Metal	4,430.31	1.21% →	0.96%	29.92%
Gold	3,371.86	1.07% →	-1.74%	28.48%
Silver	38.89	2.34% →	-1.03%	34.55%
Platinum	1,360.79	1.43% →	-5.81%	49.94%
Palladium	1,128.98	1.20% →	-11.67%	23.71%
S&P GSCI Ind Metal Index	464.17	0.44% →	-0.29%	5.98%
Aluminum	2,624.50	0.67% →	-1.28%	2.86%
Copper	9,718.12	0.40% →	-1.35%	12.31%
Nickel	14,924.17	-0.19% →	-2.59%	-1.24%
S&P GSCI Agriculture	361.10	1.74% →	3.50%	-5.69%
CHF vs. USD	0.8015	0.66% →	-1.15%	13.21%
JPY vs. USD	146.9400	0.17% →	-0.21%	6.98%
CAD vs. USD	1.3826	-0.05% →	-1.60%	4.04%
EUR vs. USD	1.1718	0.13% →	-0.31%	13.17%
GBP vs. USD	1.3525	-0.21% →	-0.06%	8.06%
AUD vs. USD	0.6490	-0.26% →	-1.01%	4.88%
BRL vs. USD	5.4260	-0.46% →	2.57%	13.85%
MXN vs. USD	18.5840	0.95% →	0.34%	12.07%
COP vs. USD	4,010.80	0.10% →	1.62%	9.85%
CNY vs. USD	7.1675	0.24% →	0.02%	1.84%
EUR vs. CHF	0.9394	0.47% →	-0.86%	0.07%
DOLLAR INDEX	97.7160	-0.14% →	0.33%	-9.93%
BITCOIN	114,927.37	-1.33% →	-2.57%	22.64%

CURRENCIES

KEY DATES OF THE NEXT WEEK

25 of August
New home sales
 Survey: 630,000

26 Augustth
Durable goods orders
 Survey -3.90%

Conference Board Consumer Confidence
Conference Board
 Survey 96.50

28 Augustth
2Q Annualized GDP
 August(th) survey 3.10

29 Augustth
Annualized PCE price index
 Survey 2.60

University of Michigan Confidence Index
 Survey 58.60

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Asset Class	U	N	O
Renta Fija			
Renta Variable			
Alternativos			
Regions (Equity)			
North America			
Europe			
Emerging Markets			
Japan			

Equity Sectors	U	N	O
Consumer Staples			
Health Care			
Telcom Services			
Utilities			
Consumer Disc.			
Energy			
Financials			
Industrials			
Technology			
Real Estate			
Materials			

The market continues to show resilience, but is largely dependent on what the Federal Reserve does in September. Despite last weekend's rally, the market weekend, the market looks quite overbought and in need of a breather.

While we believe that the current market resistance confirms that the trend will remain positive on a 6-12 month horizon, we think a short-term correction should now occur. After a rise of more than 32% in four months, the market is trading at perfect levels, with some key cyclical sectors, such as semiconductors, overbought.

We recommend taking a more defensive stance at these levels. For more conservative investors, one solution could be to take profits and reduce exposure. For those who wish to hold their investments, it would make sense to rotate from growth sectors to cheap value sectors.

THE THEME OF THE WEEK

What to do with gold miners?

We first mentioned gold and gold miners as investment opportunities in our June 2019 report. **Since then, gold and gold miners have earned a total return of 155% and 174% (196% total return), which would be a compound annual return of 16.3% and 19.0%, respectively** (Figure 1). Without a professional risk-adjusted calculation and period analysis, and taking basic figures, these two investments have clearly outperformed the 129 % of the MSCI World over the same period. **In dynamic terms, it was not until early 2024 that gold really started to outperform the equity market, soaring from \$2,000/oz to current levels of \$3,350/oz** (chart 2).

Investors have been slow to realize this new bull market in gold and have somewhat disbelieved in it, focusing solely on growth. exponential growth of the technology before us. Only when financial investors began to realize that the price of gold would remain high or rise due to geopolitical changes did they begin to jump on the bandwagon by investing in what was lagging behind: gold miners! **Gold miners have accelerated strongly in 2025, soaring 75.8% since the beginning of the year and completing an aggressive phase of outperforming the stock market, gold** (chart 2) **and the entire stock market sector** (chart 3). After this incredible performance in 2025, investors are wondering if they should sell their positions or if there is still upside potential.... This is what we try to answer in this report.

Graph 1: Performance since June 2019: gold (+155 %); gold miners (+174 %)

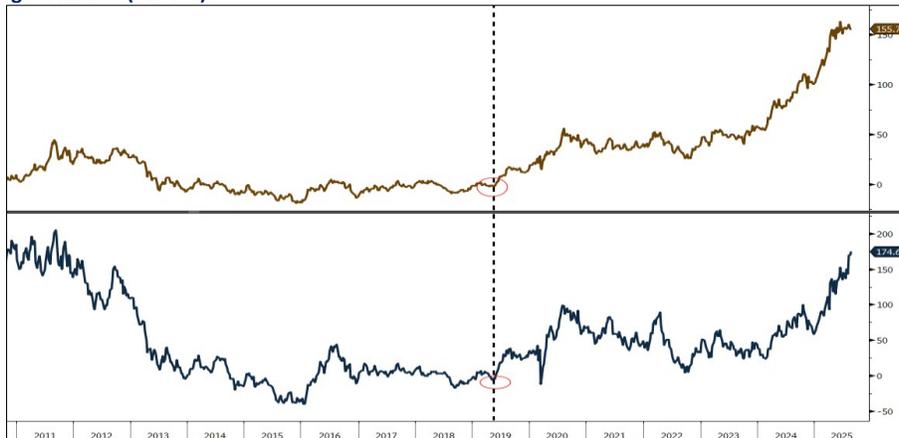
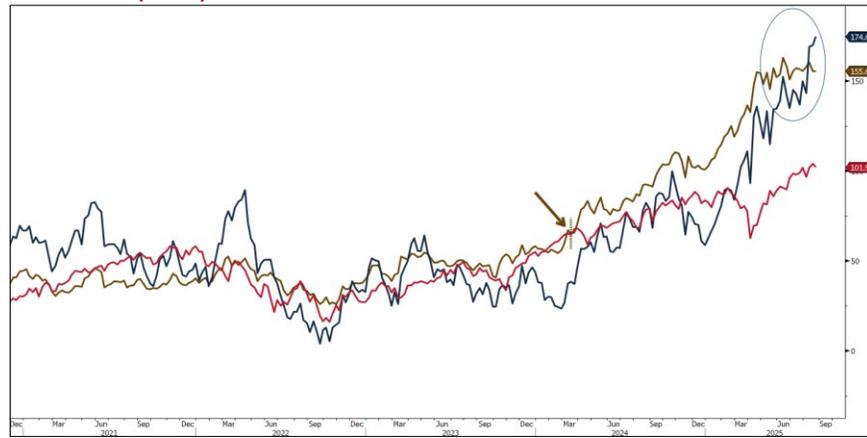


Chart 2: Performance since June 2019: gold (+155 %); gold miners (+174 %); MSCI World (101 %)



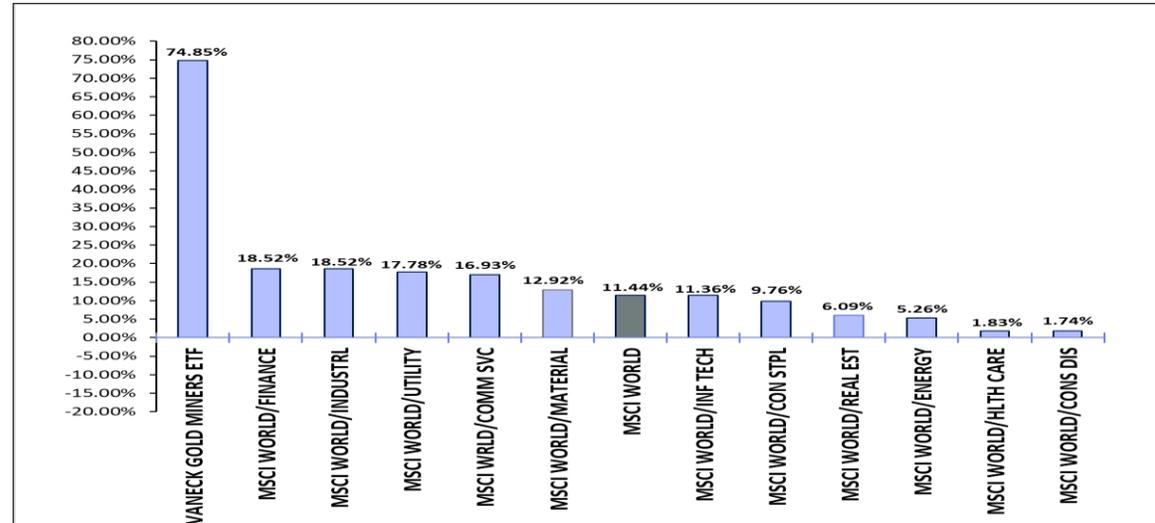
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THE THEME OF THE WEEK

Chart 3: Year-to-date performance of equity sectors.



What to expect from gold?

In terms of supply, the situation has not improved so far this year, and has even worsened. The period from 2023 to 2024 was characterized by the absence of significant gold discoveries, with no deposits identified that reached the threshold of 2 million ounces or more. **Figure 4 highlights that, between 2020 and 2024, only 137 million ounces were discovered from 213 initial resource announcements, demonstrating the sector's difficulty in identifying large-scale deposits despite relatively significant exploration investments** (Figure 4). This reinforces the idea of scarcity and demonstrates that increased spending has not translated proportionally into large discoveries, especially in recent years. **This resource constraint is accentuated by the decline in global exploration spending, which contracted by 15% in 2023 and by a further 7% in 2024** (chart 4), which is paradoxical in a period when gold prices appreciated by 45% in two years. After bottoming out in 2016, global exploration investment continued on an upward trajectory until 2022, reaching a peak that was maintained

approximately 30 % below the 2012 nominal benchmark. However, after two consecutive years of declines, current spending levels are now approximately 40 % below the 2012 benchmark as high interest rates have created conditions that restrict access to capital, which has particularly affected small exploration companies. The inverse relationship between current exploration spending levels and discovery success rates highlights the challenges facing the gold mining sector in replacing depleted reserves.

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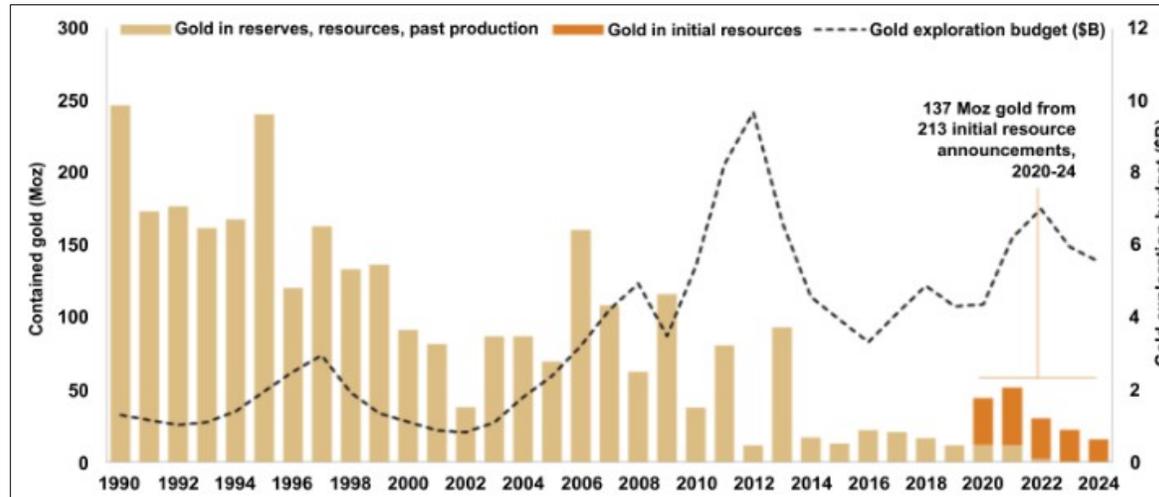
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THE THEME OF THE WEEK

Figure 4: Gold reserves and discoveries vs. exploration spending



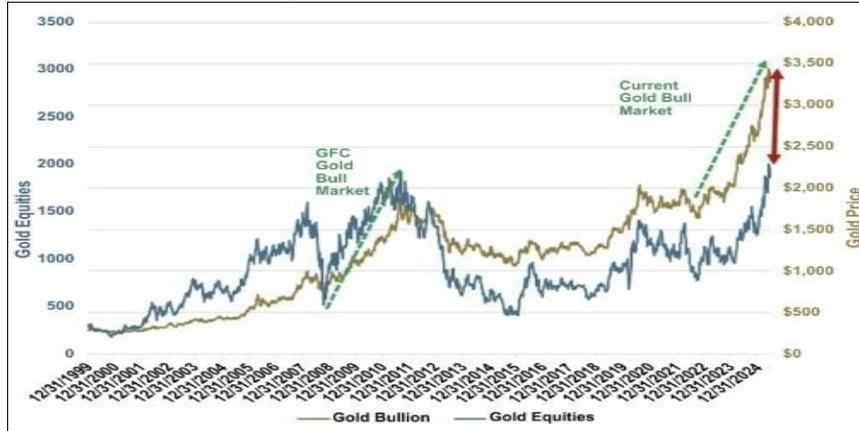
Gold miners have yet to catch up with the gold price

Over the past 12 months, we have strongly highlighted the disconnect between the gold price and gold miners. **Typically, gold miners tend to act as leverage on the gold price, clearly outperforming gold during uptrends and underperforming during downtrends** (chart 5). However, in March 2024, gold far outperformed the 2020 highs at \$2,000/oz to reach \$3,500/oz a year later in April 2025. **Over the same period, the gold miners have been underperforming the gold price by a wide margin. Over the period July 2020 to April 2025, gold returned 66% compared to 21% for gold miners** (Figure 6), a 45% gap that has since started to narrow (Figure 7). The reason for this lag in outperformance is believed to be due to the fact that, initially, investors did not clearly understand the strength of gold and did not perceive it as economically valuable. Under normal circumstances, gold tends to react strongly to stagflation or recession, bear markets (risk aversion), falling real interest rates or dollar depreciation. So far, only one of the five factors described above has been present, which is the weakness of the dollar. This new rise in gold is due to geopolitical reasons, as central banks need to diversify their currency reserves and move away from the dollar. More specifically, central banks are buying almost 30% of annual mine production, with the capacity to buy much more, regardless of price. Now that investors realize that this trend is not going away anytime soon and may even be amplified by one of the other four factors, they have suddenly begun to believe in the long-term growth of gold miners' margins. **In fact, the outperformance of gold miners relative to gold is just beginning** (Figure 8).

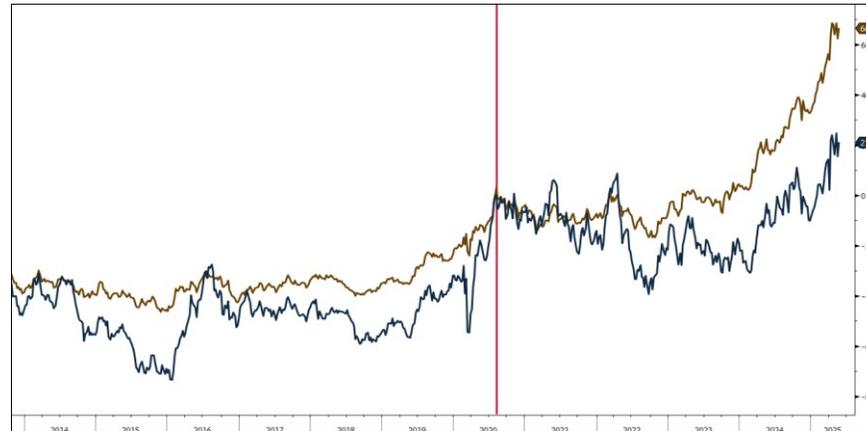
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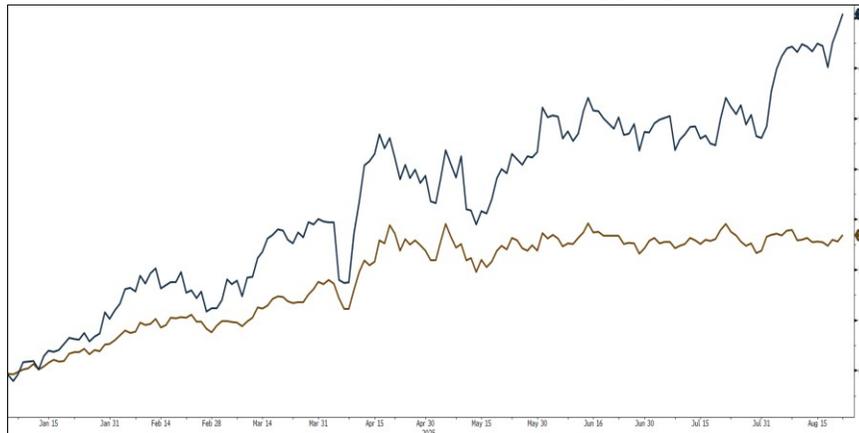
Graph 5: Gold and gold mining evolution



Graph 6: Performance from August 2020 to April 2025: Gold (+66 %) and gold miners (21 %)



Graph 7: Year-to-date performance: Gold (+26 %) and gold mining (71 %)



(Graph) (8): Ratio (between) (the) (gold) (mining) (and) (the) (price) (of) (gold)



THE THEME OF THE

WEEK

Profit margins have never been so high for gold companies

Investors are often wary of gold miners, in most cases claiming that production costs are much higher than in the past. **This argument is valid, but somehow neglects to take into account the bigger picture and acknowledge the fact that profit margins have never been higher** (Figure 9). Comparative analysis of gold mining profitability in different price environments reveals the remarkable transformation of the sector and the increase in its operating leverage over the past two years. During the period when the gold price was between \$1700 and \$2,000 (approximately between 2020 and 2022),

the average total sustained costs of the top 50 mining companies by market capitalization on the Canadian and U.S. exchanges remained relatively stable at around \$1200-1300 per ounce, generating modest production margins. However, the dramatic appreciation of the gold price to above \$3300 per ounce by 2025 has fundamentally altered the profitability outlook.

The quarterly performance from Q1 2024 to Q2 2025E demonstrates this transformation, with AISC levels rising from

remain stable between \$1424 and \$1550 per ounce, while total realized values have expanded to \$3289 per ounce (Figure 10). This

contrasts sharply with the historical gold price environment, which ranged from \$1700 to \$2000, where production margins were limited to between \$400 and \$700 per ounce. The current profit margin of \$1739 per ounce in the second quarter of 2025E represents an improvement of nearly 300 % compared to the margins achieved during the lower price regime, illustrating the significant operating leverage that characterizes gold mining operations and the industry's ability to convert commodity price appreciation directly into increased cash flow generation without commensurate cost inflation.

Figure 9: Gold prices vs. mining costs

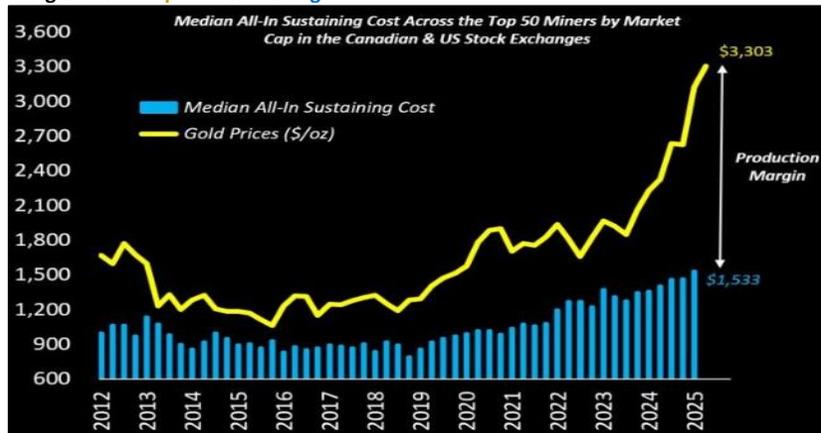
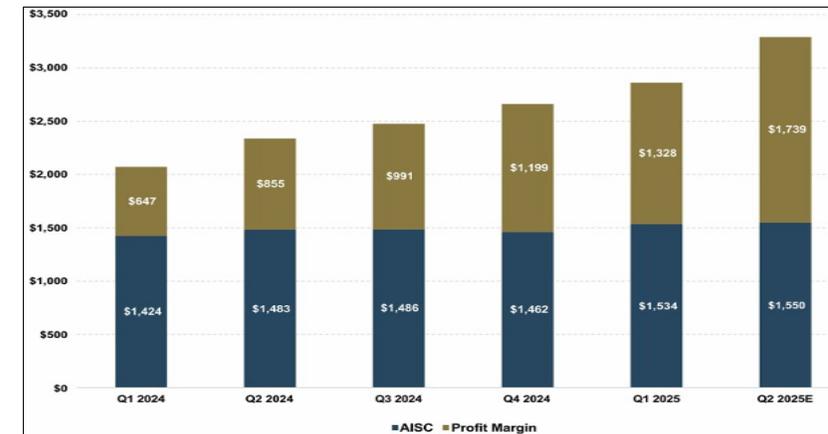


Figure 10: Profit margin and total sustaining costs of gold mining companies



THE THEME OF THE

WEEK

Technically in a bullish and fundamentally attractive market

Technical analysis of the gold mining sector presents an attractive investment picture combining strong momentum with interesting valuation indicators. **The monthly chart of the NYSE Arca Gold BUGS index shows a decisive breakout above the multi-year resistance level around 350, with the sector establishing new highs after a prolonged consolidation phase that lasted from 2020 to 2023** (chart 10). This technical breakout recorded in April this year represents a significant change from the prolonged sideways trading pattern that characterized the sector over the previous three years. Despite a

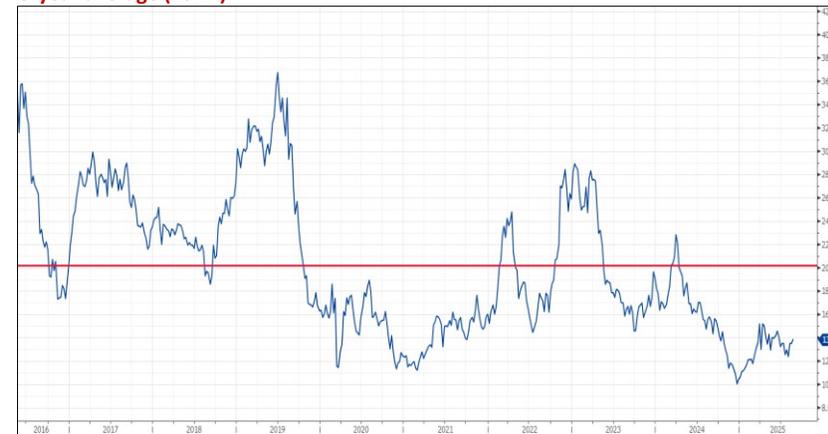
In a short-term overbought situation, the price evolution shows a sustained upward trajectory, supported by improving momentum indicators.

Complementing this positive technical backdrop, valuation indicators for the sector present an equally attractive proposition. **Analysis of the forward price/earnings ratio reveals that the gold mining sector currently trades at historically low multiples of 13.9x, or 30% below the five-year average of 20.2x represented by the horizontal reference line** (chart 11). This valuation compression has occurred in spite of the improvement in the operating performance of the sector and rising profitability driven by higher gold prices, creating a unique opportunity where strong fundamentals coincide with depressed valuations. The combination of technical momentum, which has surpassed multi-year resistance levels, and P/E multiples trading at substantial discounts to historical norms, suggests that the sector is in the early stages of a sustainable bull cycle, offering investors both momentum-driven appreciation potential and a margin of safety based on valuation.

Chart 10: NYSE Arca Gold BUGS Index (489.62) / Monthly Chart



Chart 11: NYSE Arca Gold BUGS Index fwd P/E (13.9x); 5-year average (20.2x)



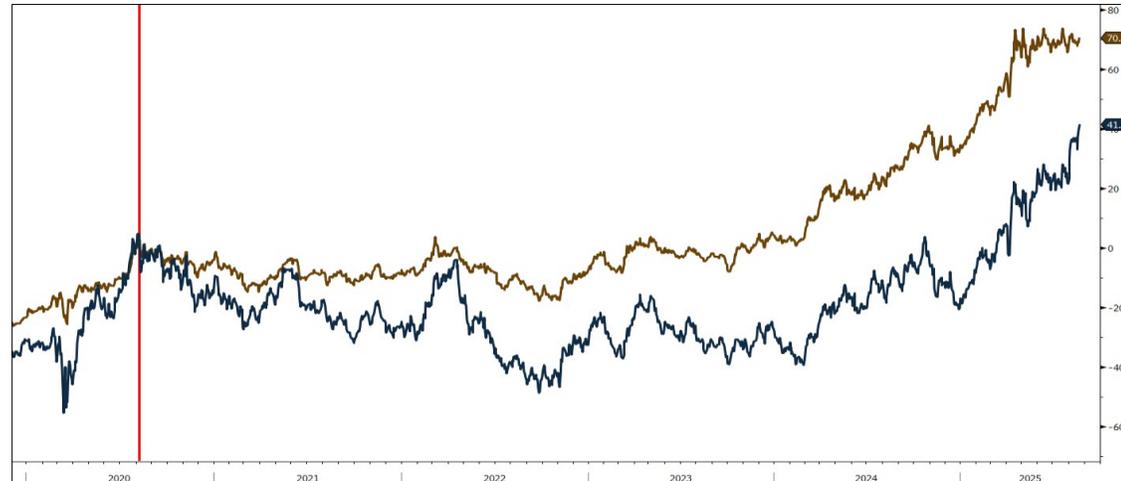
THE THEME OF THE

WEEK CONCLUSION

Gold miners are in a new fundamental paradigm and have just entered a new long-term bull market this year after breaking key resistance levels. After a 75%+ return this year, a correction could occur at any time, so we recommend taking some profits at current levels.

That said, any correction should be considered an opportunity to enter, as the sector will continue to be supported by strong gold demand and cheap valuation. As we mentioned in the report, gold miners tend to outperform the gold price in gold bull markets. **So far, taking the 2020 peak as a benchmark, gold miners are still 30% underperforming the gold price** (chart 12)...we continue to see high potential in gold miners.

Chart 12: Performance from August 2020 to now: gold (+70.5%) and gold miners (41.5%)



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