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INDIVIDUAL INVESTORS

An analysis of investor's evolution in B3

August 2021



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INDIVIDUAL INVESTORS

Overview



Overview

Main Products

Diversification

New Investors
year of entry

Gender

Region

Age Group

1st. Sem.
2020 **VS** 1st. Sem.
2021

General View

Main Products

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Equities

3.8 MM

retail accounts in depository

**43%****3.2 MM**

individual investors

**42%****R\$545 BI**

value in custody

**55%****R\$ 14 BI**trading volume (ADTV¹)**26%**

Cash Market

2.8 MM

individual investors

**38%****R\$ 7 K**

median balance

**R\$ 436 BI**

value in custody

**58%****R\$ 13 BI**trading volume (ADTV¹)**24%**¹ ADTV means Average Daily Traded Value. Total Volume Negotiated in BRL (Buy + Sell) / Number of trading sessions in the period

1st. Sem. 2020 **VS** 1st. Sem. 2021

Real Estate Funds

1.4 MM
individual investors

56%

R\$ 6 K
median balanceR\$90 BI
value in custody

37%

R\$382 MM
ADTV¹

28%

ETF

439 K
individual investors

104%

R\$ 2 K
median balance

-18%

R\$ 9 BI
value in custody

49%

R\$ 425 M
ADTV¹

5%

Non Sponsored BDRs

259 K
individual investors

2,982%

R\$ 2 K
median balance

-52%

R\$ 4.7 BI
invested

829%

R\$ 166 M
ADTV¹

2,827%

¹ ADTV means Average Daily Traded Value. Total Volume Negotiated in BRL (Buy + Sell) / Number of trading sessions in the period

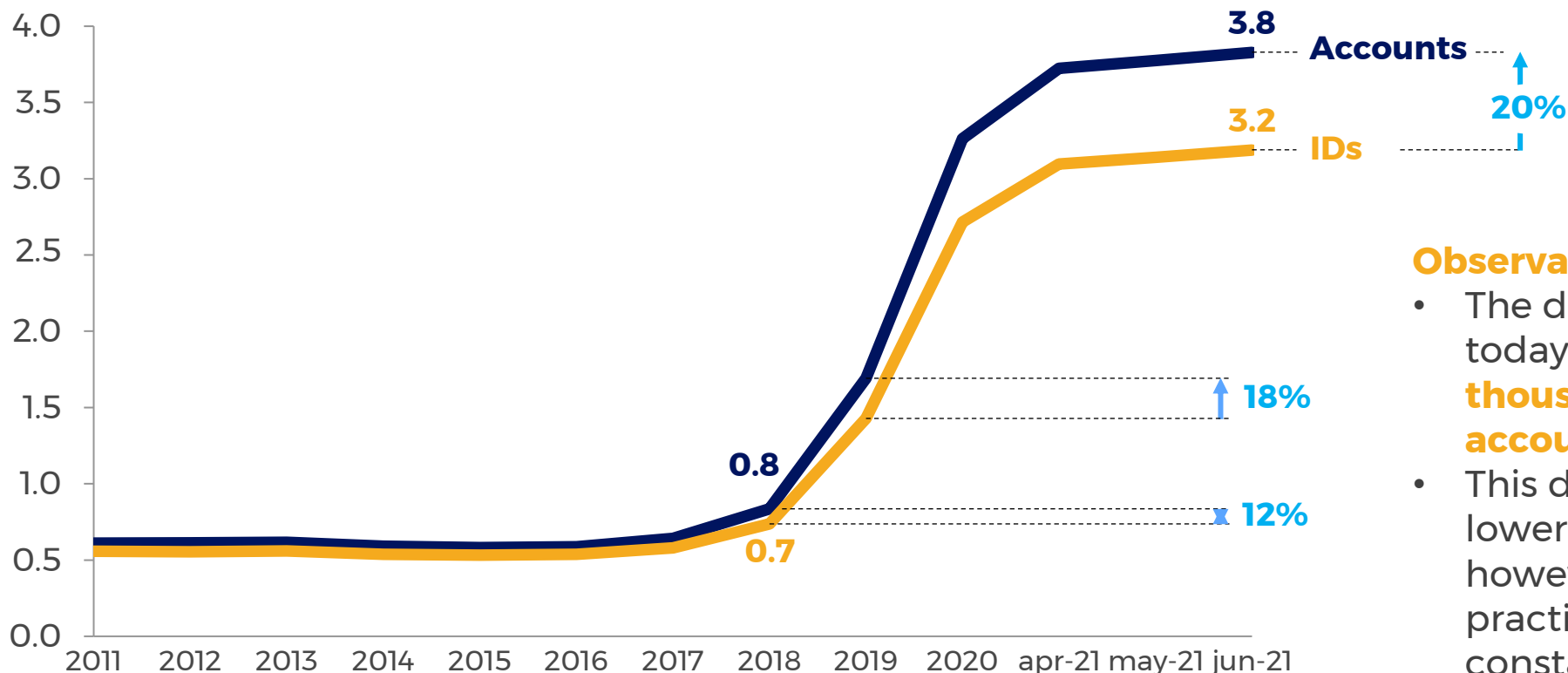


Number of Accounts and Number of Investors

The number of individual investors at B3 increased considerably in the last few years. Since 2020, the average investors who trades at least once a month is higher than 1 million. These investors also gained share in trading activity and today are responsible for more than 25% of B3's volumes.

Evolution of the Position of Individual Investors in B3

Concept of Account X Individual Investors with different IDs (CPFs) | in thousands



Observations:

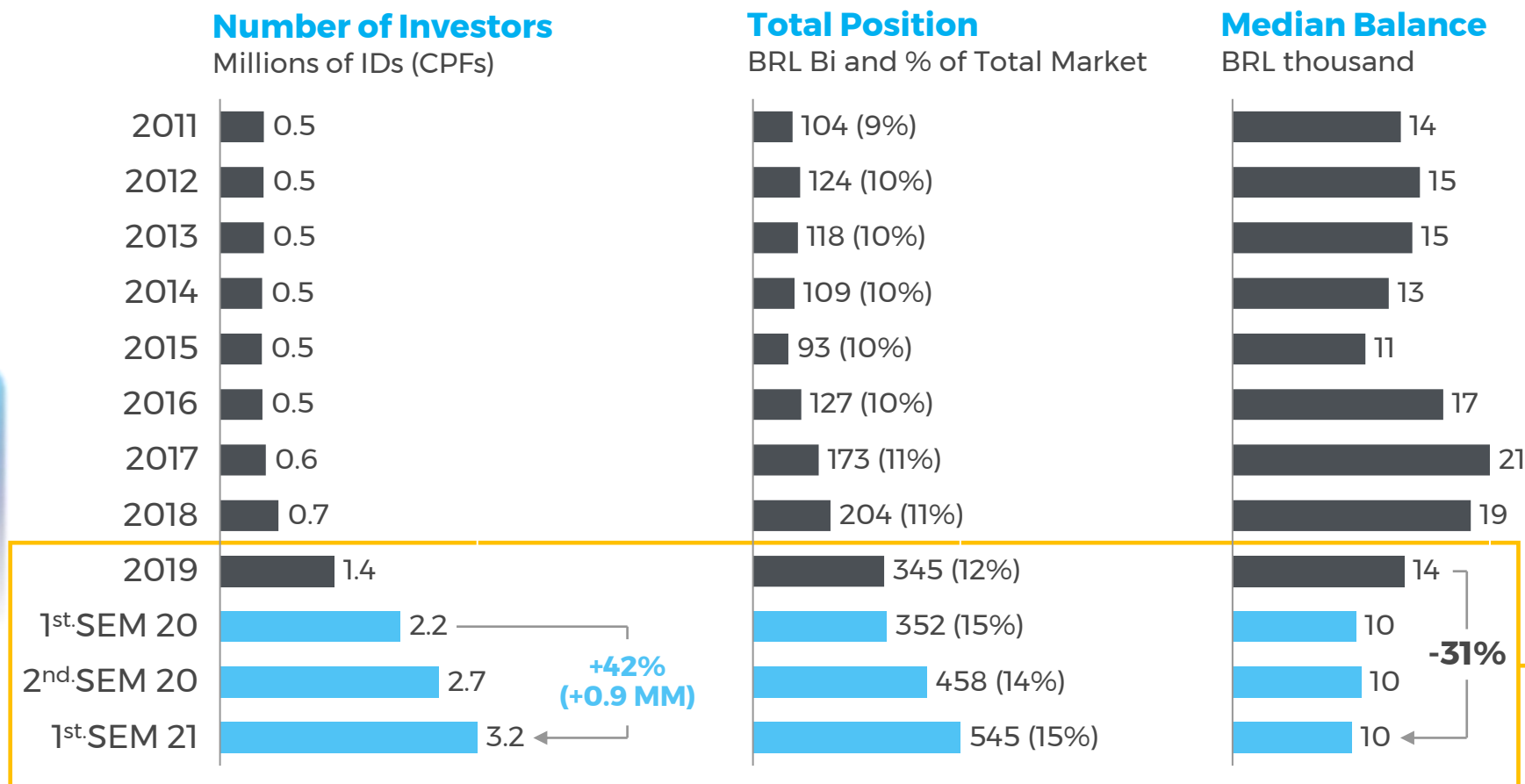
- The difference today is of **640 thousand accounts or 20%**
- This difference was lower until 2018, however, has been practically constant since 2019.

Disclaimer: CPF = one individual investor / Account = one investor at the broker

500 thousand new investors per semester

Between the end of 2020 and the first semester of 2021 there was an increase of 500 thousand individual investors in capital market. They already represent 15% of the total resources invested in equities¹ in B3.

Evolution of the Position of Retail Investors in B3



The 3.2 million individual investors in B3 invest a total of R\$545 billion in the Brazilian market

¹ considers Cash Market, REICs, ETF, BDR and Other equities' products

Investors more active: Retail Investors has 26% of the volume

Since 2020, the average number of investors who trades at least once a month is over 1 million, reaching peak in the first semester of 2021, with more than 1.5 million investors who traded at least once a month in the equities segment. These investors also gained share of the volume traded and today are responsible for 26% of B3's volume.

Evolution of the Position of Retail Investors at B3

Number of Investors

Average of individual investors, in millions, who traded at least once per month

2011 0.1
2012 0.1
2013 0.1
2014 0.1
2015 0.1
2016 0.1
2017 0.2
2018 0.2

2019 0.5
1st.SEM 20 1.1
2nd.SEM 20 1.4
1st.SEM 21 1.5

+185%
(+1.0 MM)

ADTV

Average daily volume (B + S) BRL billion and % of Total Market

2 (24%)
2 (20%)
2 (17%)
2 (15%)
2 (15%)
2 (20%)
3 (19%)
4 (20%)

6 (21%)
11 (26%)
14 (31%)
14 (26%)

+126%

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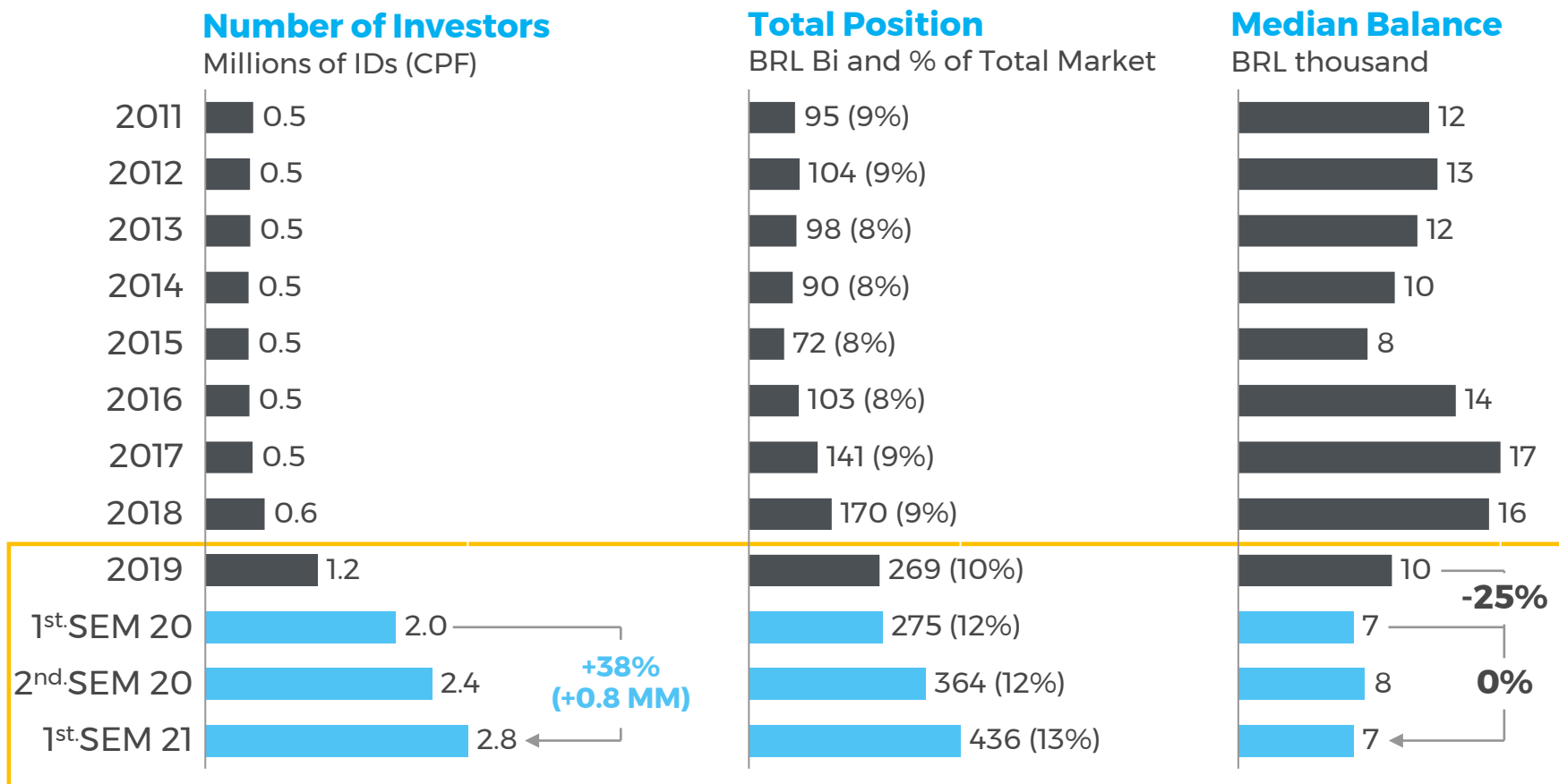
Region

Age Group

Cash Market – Volumes increased 58% comparing to 1st Semester/20

The increase in the number of individual investors in equities has been accompanied by the decrease in the median balance in B3's custody, which today is 7K BRL, showing the advance of the democratization in the capital markets in the last few years.

Evolution of the Position of Individuals Investors in B3



With the increase of the number of investors, there is a decrease in the median balance in custody from BRL 10K in the end of 2019 to BRL 7K in 2021.

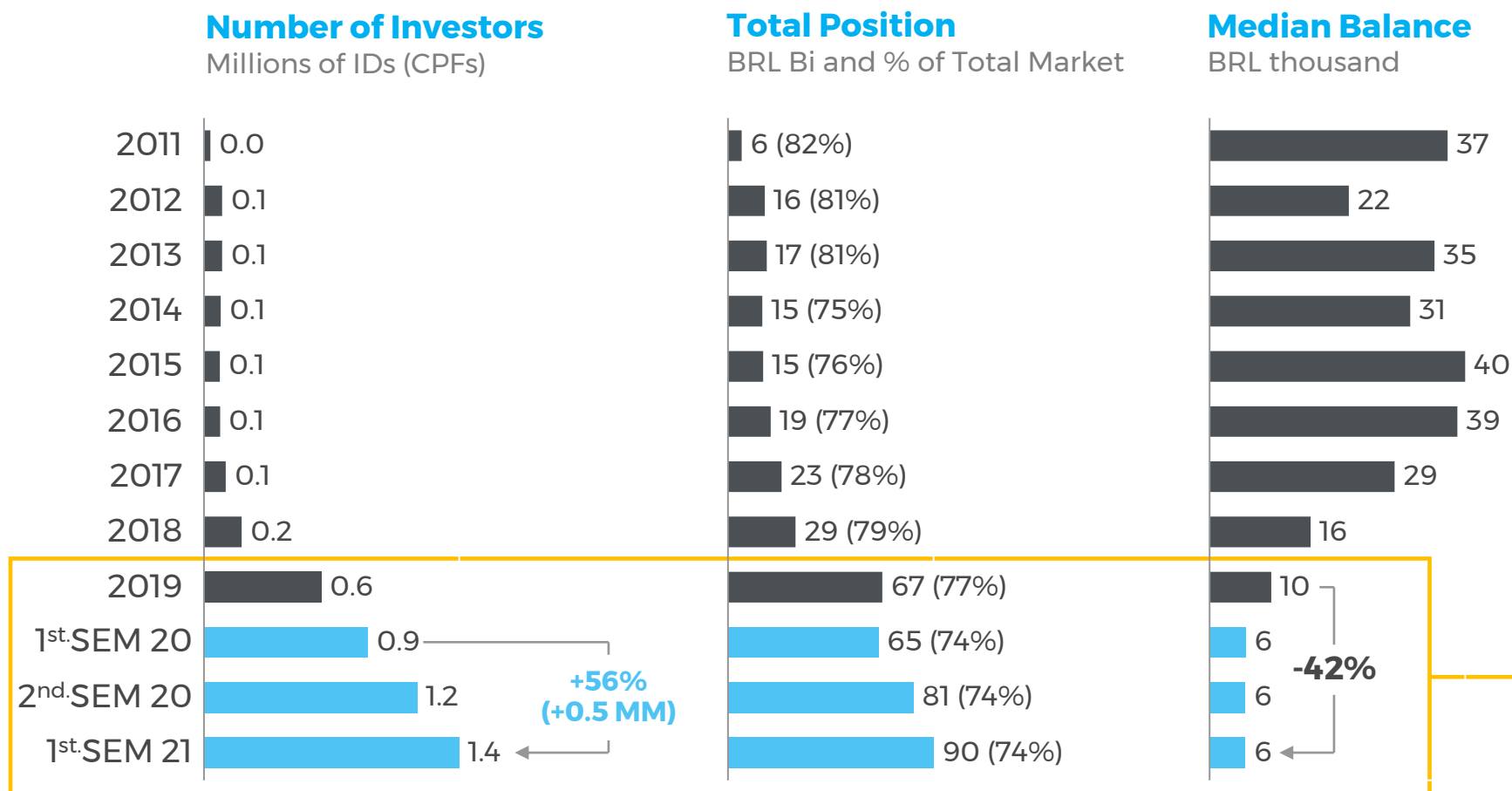
In Jun.21, the 10 Brazilian companies who have the most individual investors in their base are, in alphabetical order:

Company	Segment	Sector	Tickers
Banco do Brasil	Novo Mercado	Banks	BBAS11; BBAS12; BBAS3
Bradesco	Nível 1	Banks	BBDC3; BBDC4
Itaú	Nível 1	Banks	ITUB3; ITUB4
Itaúsa	Nível 1	Banks	ITSA3; ITSA4
Magazine Luiza	Novo Mercado	Home Appliances	MGLU3
Oi	Nível 1	Telecommunication	OIBR3; OIBR4
Petrobras	Nível 2	Exploration. Refining and Distribution	PETR3; PETR4
Sanepar	Nível 2	Water and Sanitation	SAPR11; SAPR3; SAPR4
Taesa	Nível 2	Electricity	TAE11; TAE3; TAE4
Via Varejo	Novo Mercado	Home Appliances	VVAR3

Real Estate Funds – Number of investors increases 56%

The investment in real estate funds is dominated by individual investors in B3, those investors have 74% of the balance on the product. In 2020, we surpassed the mark of 1 million investors and, today there are 1.4 million individual investors in the product.

Evolution of the Position of Individual Investors in B3

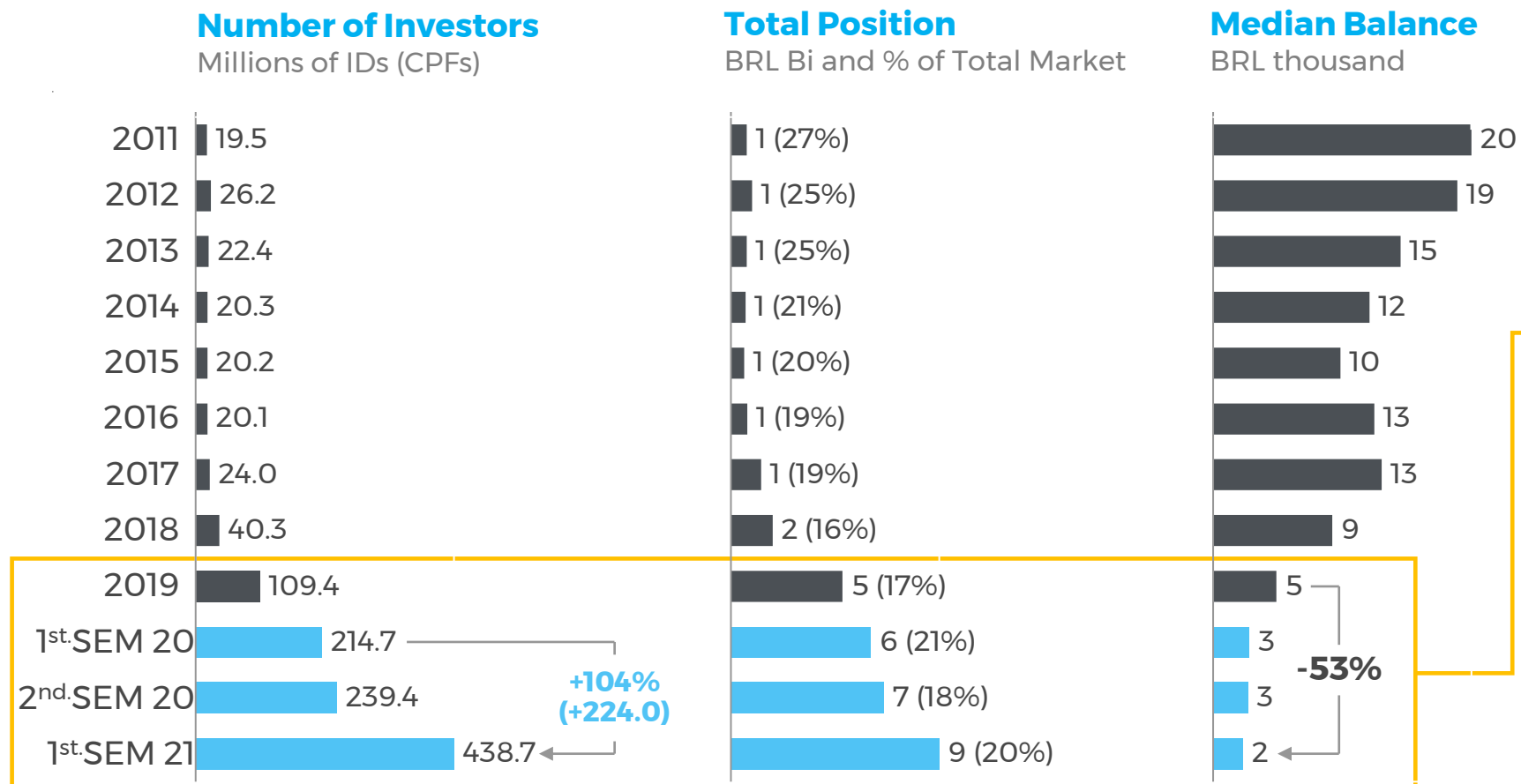


There has been a large increase in the number of real estate funds investors since 2018, and **today there are 1.4 million individual investors in the product.**

ETFs reached R\$9 BI

There was a large growth of individual investors in ETFs in 2021, with the increase of 104% in the number of investors in comparison to the same period of 2020.

Evolution of the Position of Individual Investors in B3

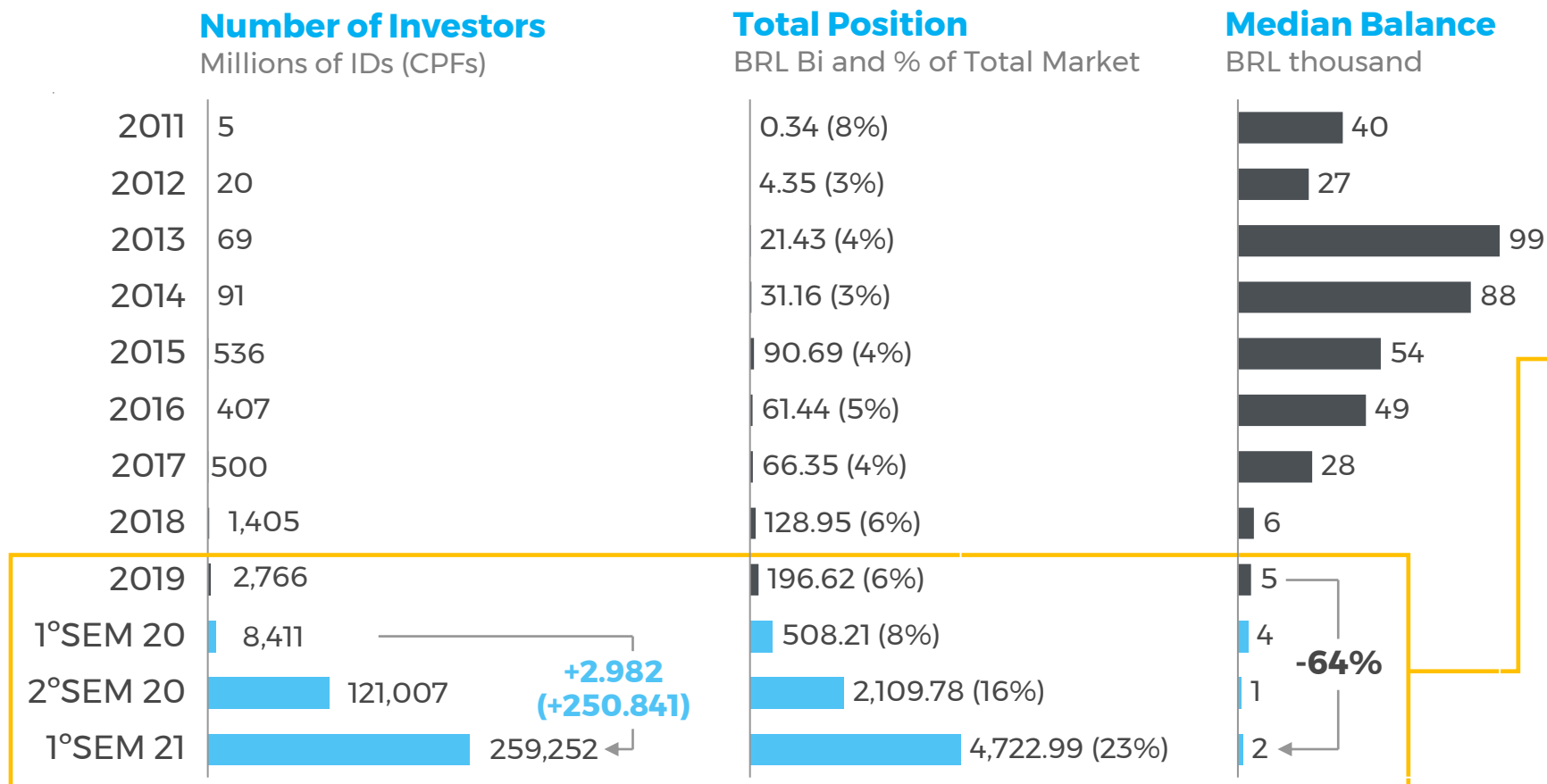


With the increase of the number of individual investors, there was a significant decrease in the median balance in custody.

BDR – Number of investors grows 3,000%

It is observed a strong increase in the number of investors after changes in BDR trading in October 2020. Individual Investors are growing and gaining ground in the product, and today there are more than 250,000 investors, representing 23% of the stock.

Evolution of the Position of Individual Investors in B3



In relative terms, this was the product that grew the most compared to 2020, **with an increase of 114% in the investor base**

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INDIVIDUAL INVESTORS

Diversification



Overview

Main Products

Diversification

New Investors
year of entry

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The number of investors with more than one asset grows

The march towards diversification continues with investors allocating more and more to Equities, REICs and ETFs. In 2016, we had a base concentrated in equities, while as of 2021 half of the base have a position in other products.

Evolution of Diversification of Individual Investors' Position in B3

By Product

# of investors	2016	2017	2018	2019	2020	2021 (1 st tri)	2021 (2 nd tri)
Stocks	78%	74%	67%	51%	53%	52%	50%
Real Estate Funds	7%	8%	11%	13%	9%	9	9%
ETF	1%	1%	1%	1%	1%	1%	1%
Others	2%	1%	0%	0%	0%	1%	1%
Stocks + Real Estate Funds	9%	12%	16%	27%	28%	28%	26%
Stocks + ETF	2%	2%	2%	2%	2%	2%	4%
Real Estate Funds + ETF	0%	0%	0%	1%	1%	1%	1%
Stocks + Real Estate Funds + ETF	1%	1%	2%	4%	6%	6%	8%
	0.5	0.6	0.7	1.4	2.7	3.0	3.2

In 2016, **the base was 78%** of individual investors who had only stocks vs. **50% in June 2021**

Diversification in Products in inventory

The march towards diversification continues with investors allocating more and more to Equities, REICs and ETFs. In 2016, we had a base concentrated in equities, while as of 2021 half of the base have a position in other products.

Evolution of Diversification of Individual Investors' Position in B3

By Product

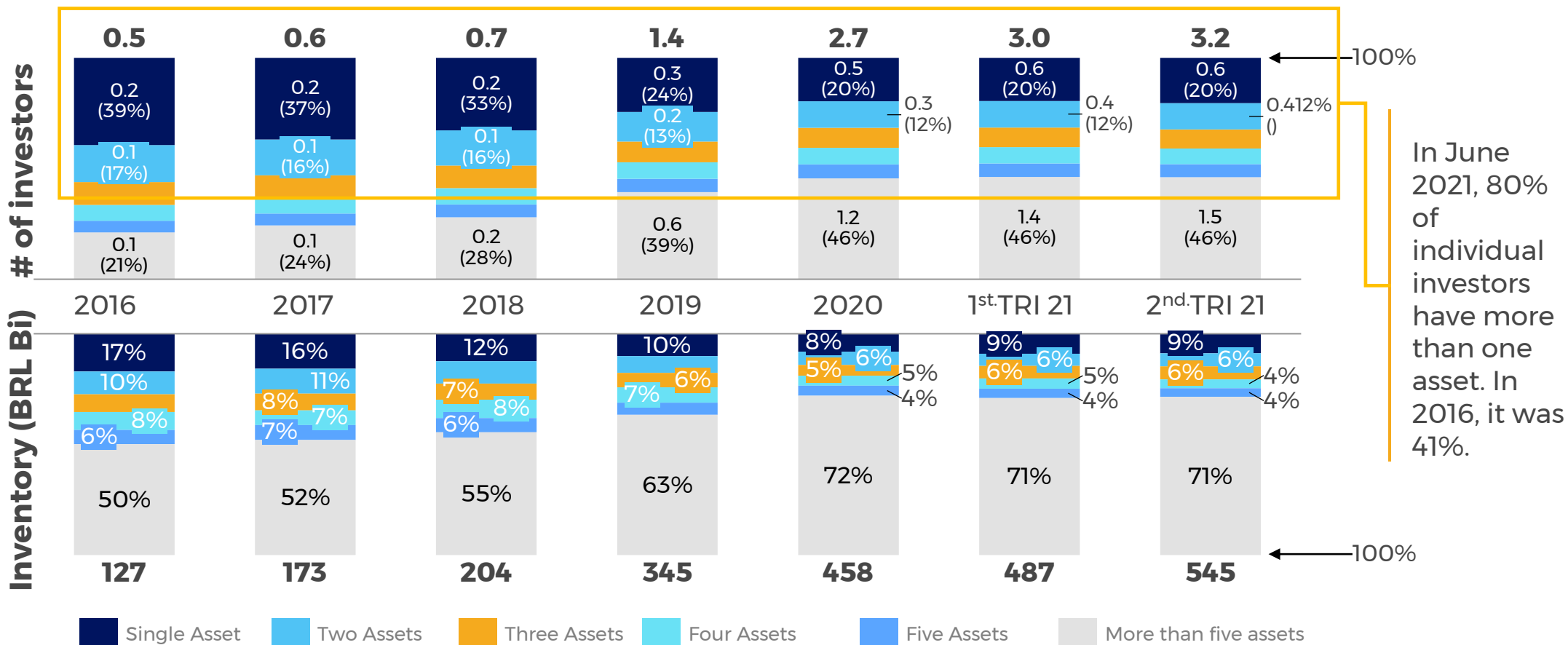
Inventory (BRL Bi)	2016	2017	2018	2019	2020	2021 (1Q)	2021 (2Q)
Stocks	61%	59%	56%	44%	43%	44%	43%
Real Estate Funds	7%	5%	7%	7%	5%	5%	5%
ETF	0%	0%	0%	0%	0%	0%	0%
Others	1%	1%	0%	0%	0%	0%	0%
Stocks + Real Estate Funds	26%	30%	31%	36%	38%	37%	34%
Stocks + ETF	2%	2%	2%	4%	4%	4%	5%
Real Estate Funds + ETF	0%	0%	0%	1%	1%	1%	1%
Stocks + Real Estate Funds + ETF	3%	3%	4%	8%	9%	10%	13%
	127	173	204	345	458	487	545

1 in every 2 investors have more than 5 tickers

It is also observed a diversification in the tickers traded. These investors are responsible for 71% of the total balance in custody held by individual investors.

Evolution of Diversification of Individual Investors' Position in B3

By # of stocks (tickers)

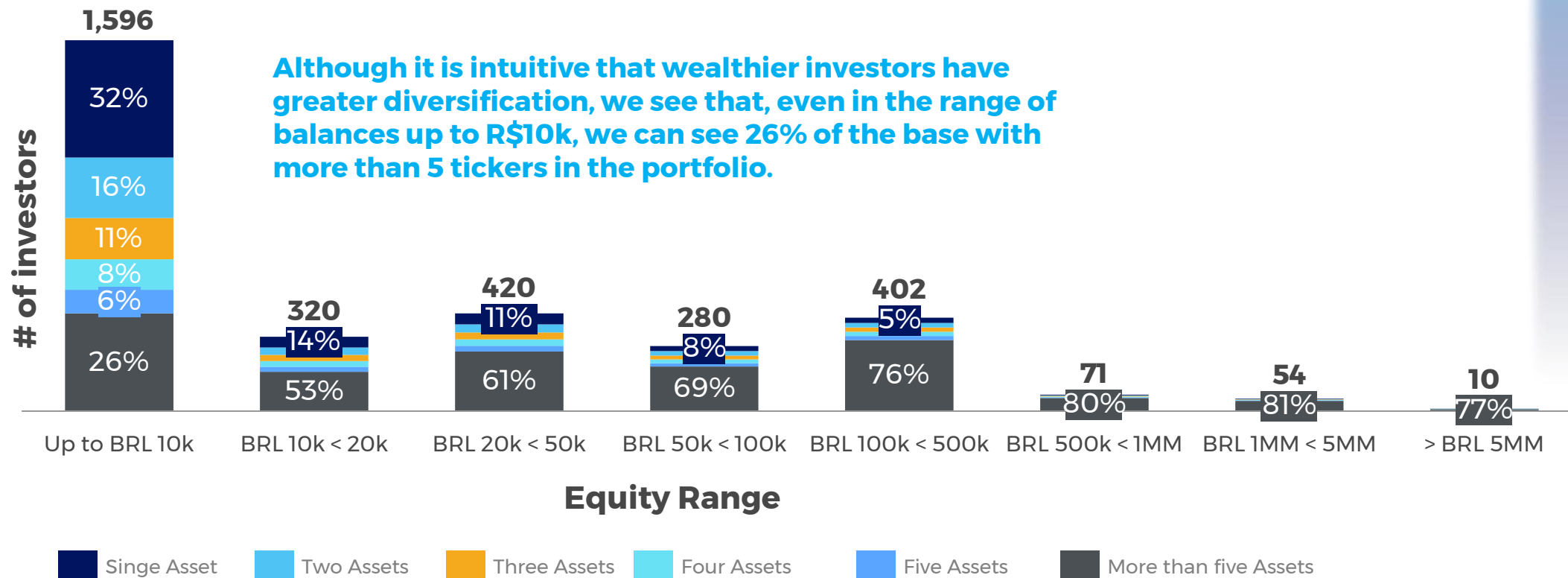


Diversification in assets

When analyzing the level of diversification by groups of balance in custody, we see that, in the balances of up to BRL 10k, almost half of the base (48%) holds at least 2 tickers in the portfolio.

Evolution of Diversification of Individual Investors' Position in B3 By # of assets and equity range

Position in custody in Jun/21 – thousands of investors



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INDIVIDUAL INVESTORS

New Investors



General View

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year of entry

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New Investors – year of entry

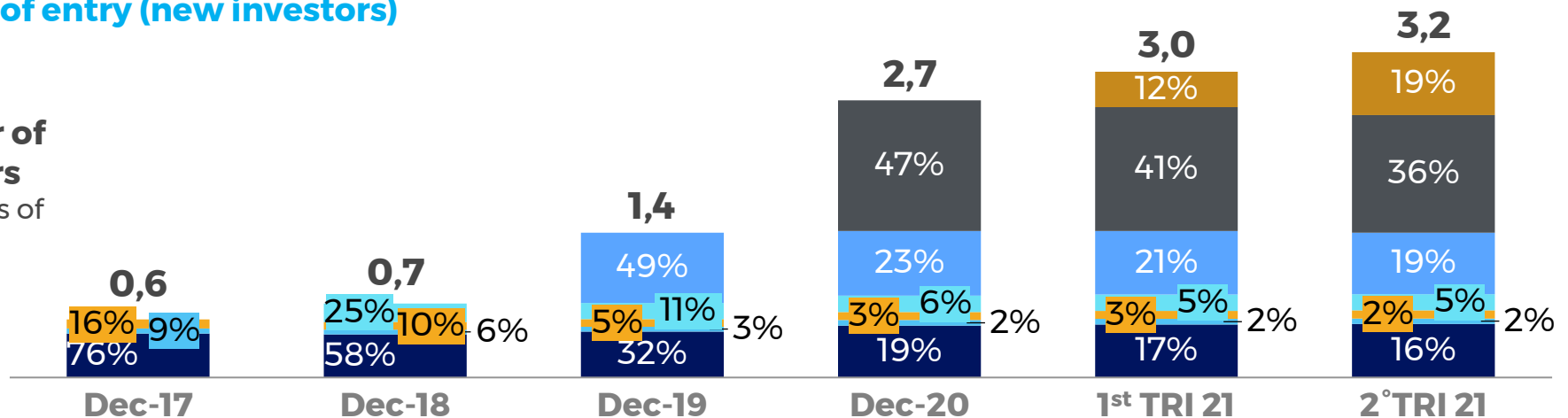
74% of current investors started investing in 2019. However, most of the stock (67%) is concentrated in older investors, who started before 2016.

Evolution of Individual Investors at B3

Per year of entry (new investors)

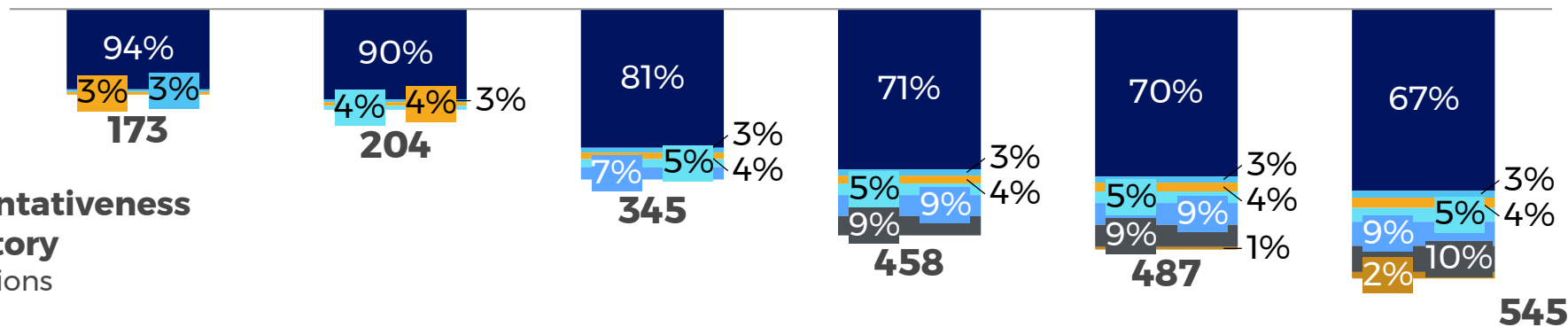
Number of investors

In millions of individual Investors (CPFs)



Representativeness in inventory

In BRL billions



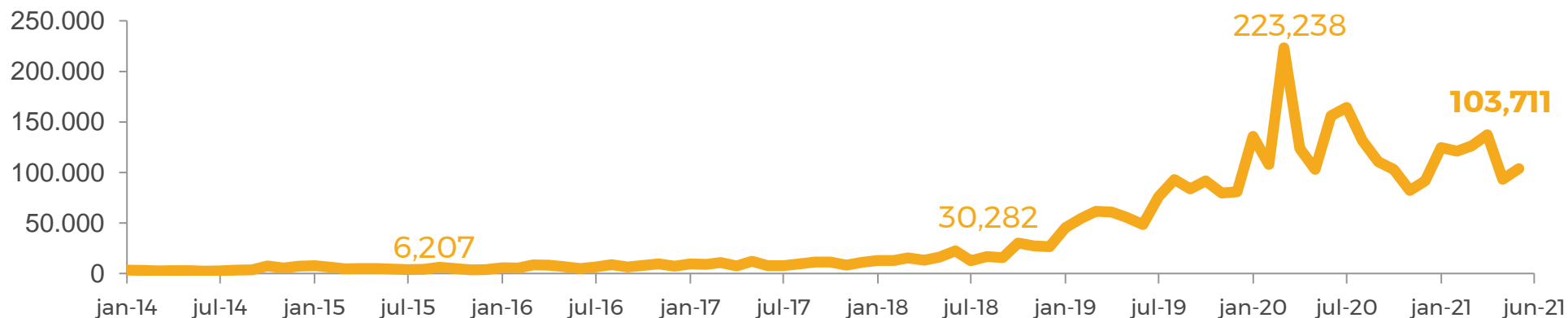
Before 2016 2016 2017 2018 2019 2020 2021

Investors are starting to invest with even lower amounts

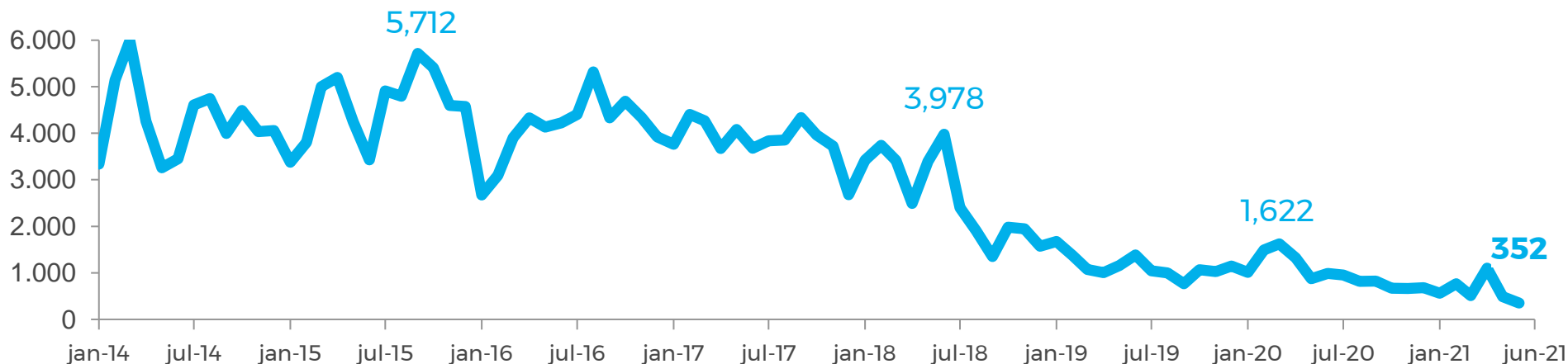
Since 2020, more than 100,000 investors arrive monthly at B3. In June 2021, the median of first investment was BRL 352.

Evolution of Individual Investor at B3

New Investors | Number of new investors (thousand of CPFs)



Monthly median value of the first investment in Equities

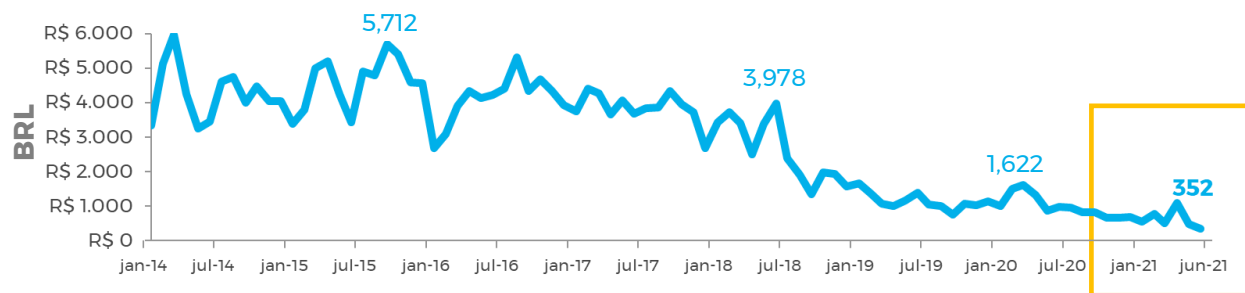


In June of 2021, 42% of the new investors invested up to BRL 200

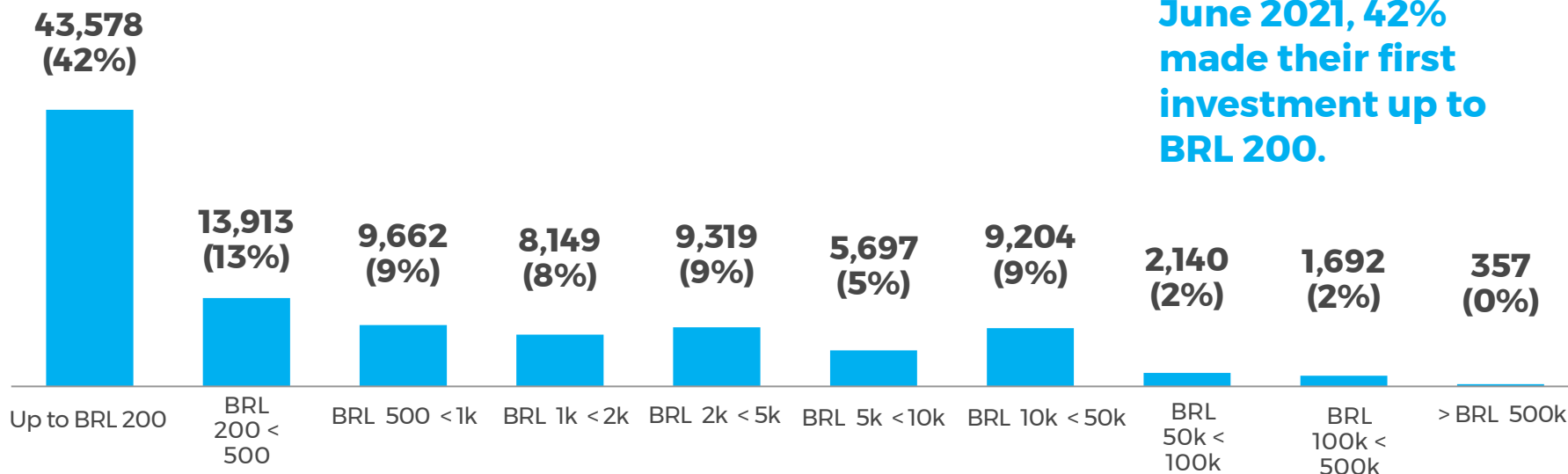
Taking an x-ray of the 104,000 investors who entered in June, with a median of BRL 352, it is possible to see that the majority has invested even smaller amounts, in the range up to BRL 200.

Evolution of Individual Investors at B3

First Monthly median of individual investors' first investment in Equities



Among the 104,000 investors who entered in June 2021, 42% made their first investment up to BRL 200.



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INDIVIDUAL INVESTORS

Gender



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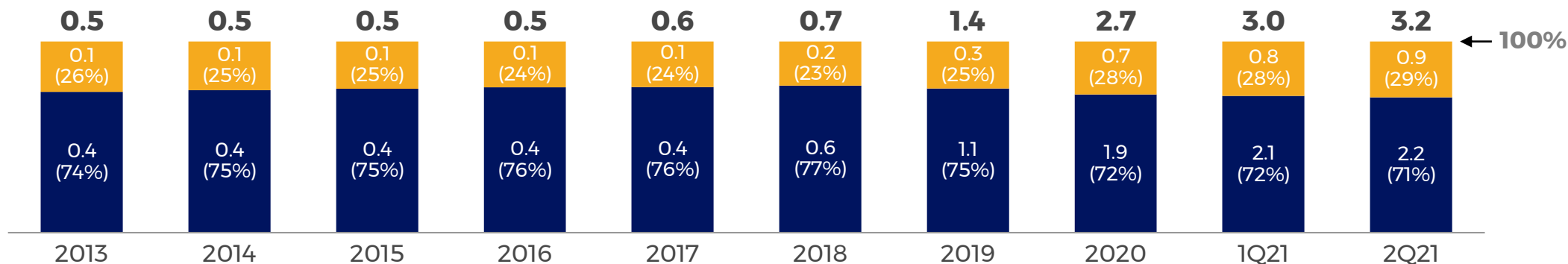
Age Group

Women's participation reached almost 30% in equities

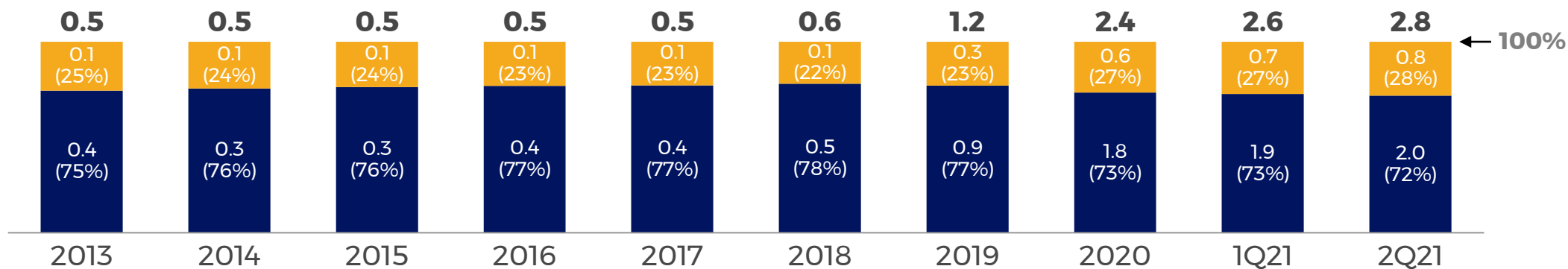
The gender profile of equities investors has changed little over the years, despite the recent entry of women. The ratio between men and women has remained practically stable over the years (increase of 3 p.p vs 2013).

Evolution of Individual Investors at B3

Total equities | By Gender (in millions of Individual Investors)



Cash equities | By Gender (in millions of Individual Investors)



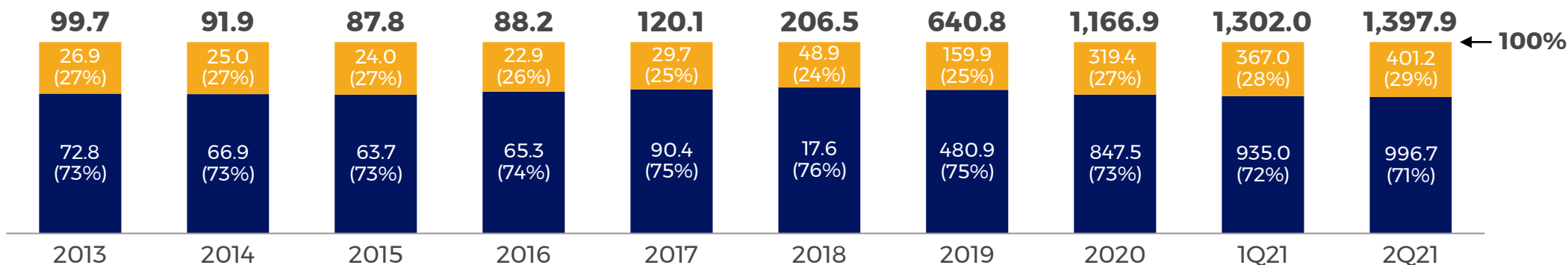
Men Women

Gender

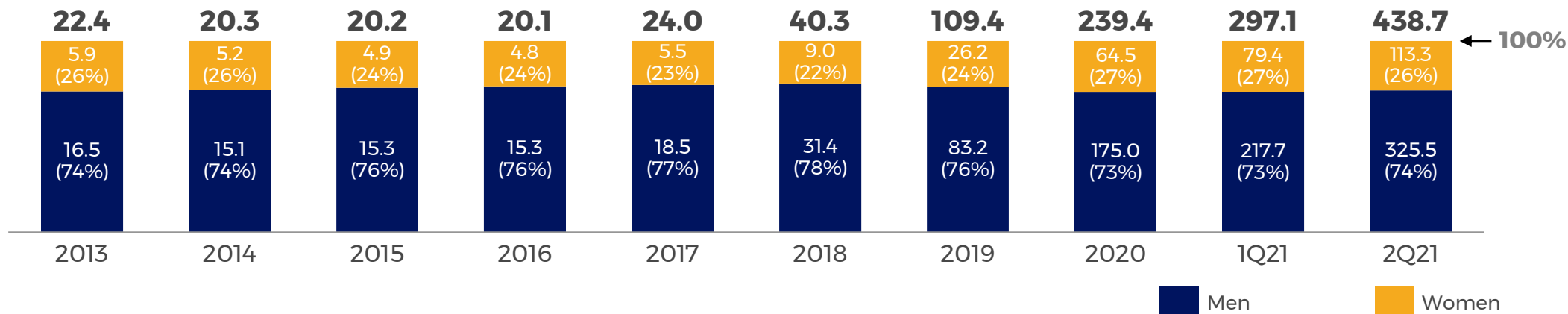
The gender profile of investors in both REIC (Real Estate Investment Funds) and ETF (Exchange Traded Funds) has changed little over the years

Evolution of Individual Investors at B3

REICs | By Gender (in thousands of Individual Investors)



ETF | By Gender (in thousands of Individual Investors)



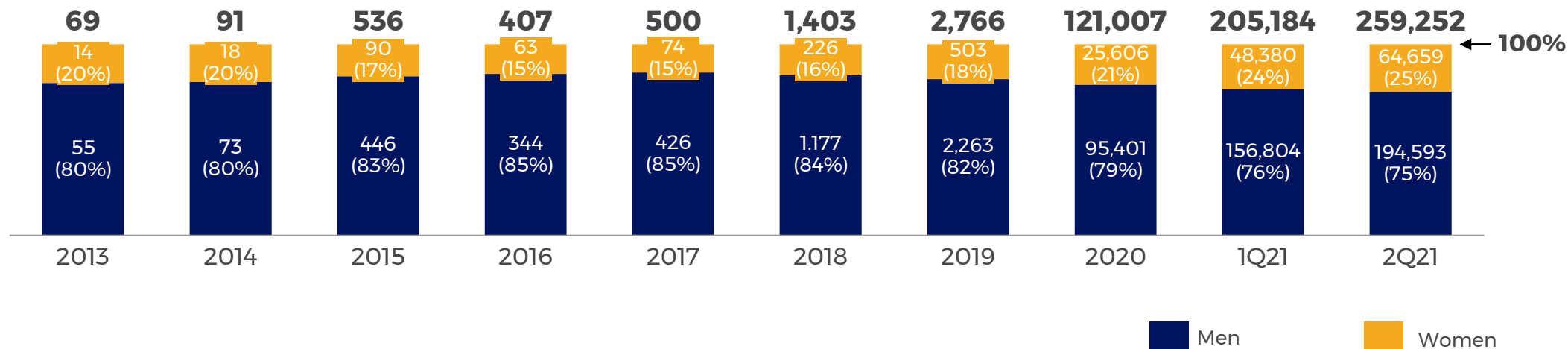
Men Women

Gender

In BDRs it is possible to see a relevant growth in the participation of women investors. In 2019 they were 18% of the total of investors and currently they are 25%, closer to the percentage observed in other equities products.

Evolution of Individual Investors at B3

Non-Sponsored BDR | By Gender (in thousands of Individual Investors)



Evolution of Diversification (Women)

Men and Women have been diversifying their portfolios. There is a considerable increase in the group that invests in Stocks + REICs, and currently those investors represent approximately ¼ of the base in both groups.

Evolution of Diversification by Gender

By Product

of Women Investors

	2016	2017	2018	2019	2020	2021 (1Q)	2021 (2Q)
Stocks	77%	73%	67%	50%	54%	52%	51%
FII (Real Estate Investment Funds)	10%	12%	15%	19%	12%	12%	12%
ETF	1%	1%	2%	1%	1%	1%	1%
Others	2%	2%	1%	0%	0%	1%	1%
Stocks + REICs	7%	10%	13%	23%	25%	25%	24%
Stocks + ETF	2%	2%	2%	2%	2%	2%	3%
REICs + ETF	0%	0%	0%	1%	1%	1%	1%
Stocks + REICs + ETF	1%	1%	1%	4%	5%	5%	7%
	0.1	0.1	0.2	0.3	0.7	0.8	0.9

Evolution of Diversification (Men)

Men and Women have been diversifying their portfolios. There is a considerable increase in the group that invests in Stocks + REICs, and currently those investors represent approximately ¼ of the base in both groups.

Evolution of Diversification by Gender

By Product

of Men Investors

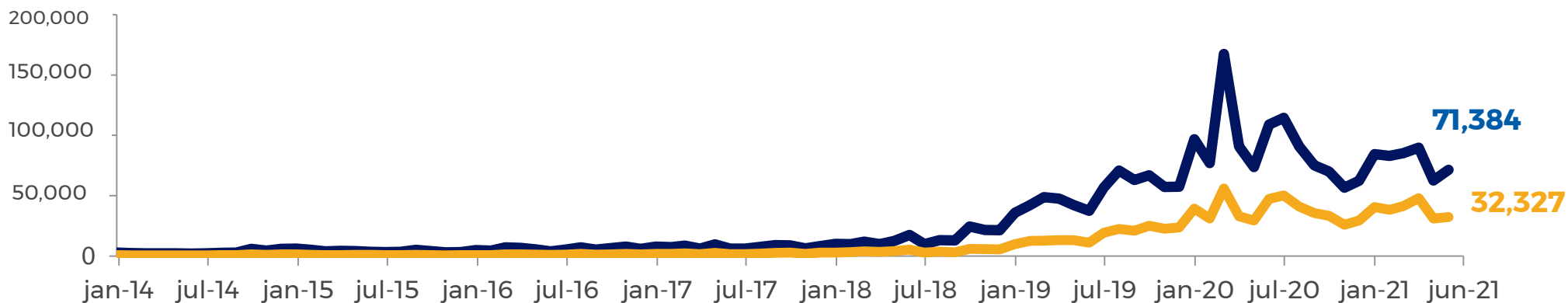
	2016	2017	2018	2019	2020	2021 (1Q)	2021 (2Q)
Stocks	79%	75%	68%	52%	53%	52%	50%
FII (Real Estate Investment Funds)	6%	7%	10%	12%	8%	8%	8%
ETF (Exchange Traded Funds)	1%	1%	1%	1%	1%	1%	1%
Others	2%	1%	0%	0%	0%	1%	1%
Stocks + REICs	9%	12%	17%	29%	30%	29%	27%
Stocks + ETF	2%	2%	2%	2%	2%	2%	4%
REICs + ETF	0%	0%	0%	1%	1%	1%	1%
Stocks + REICs + ETF	1%	1%	2%	5%	6%	7%	9%
	0.4	0.4	0.6	1.1	1.9	2.1	2.2

Women start to invest with higher values than men

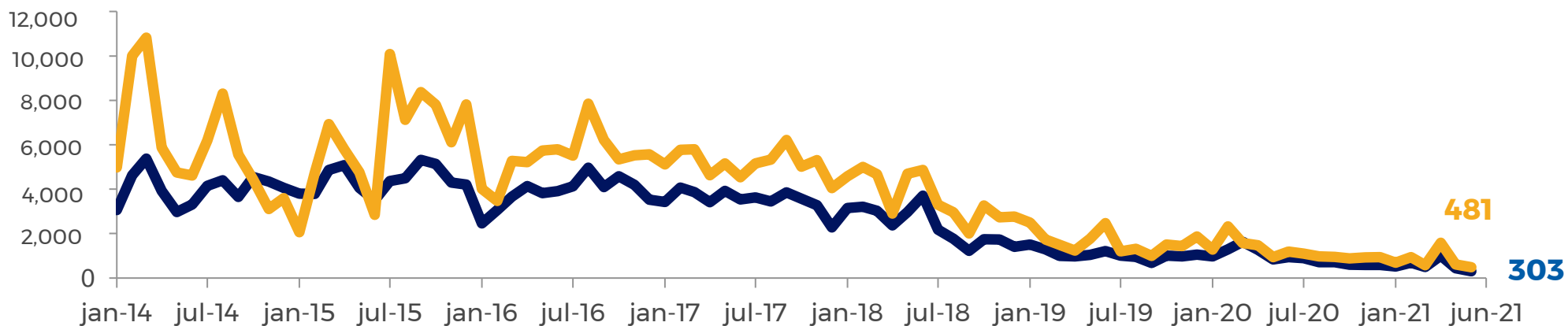
Historically, the number of men investors who start trading Equities is bigger than the number of women investors, and this distance has not decreased significantly yet. On the other hand, women have a higher median value of their first investment than men.

Evolution of Individual Investors at B3

The entry of New Investors by Gender | The number of New Investors (in thousands of Ids)



Monthly median value of the first investment in Equities by Gender

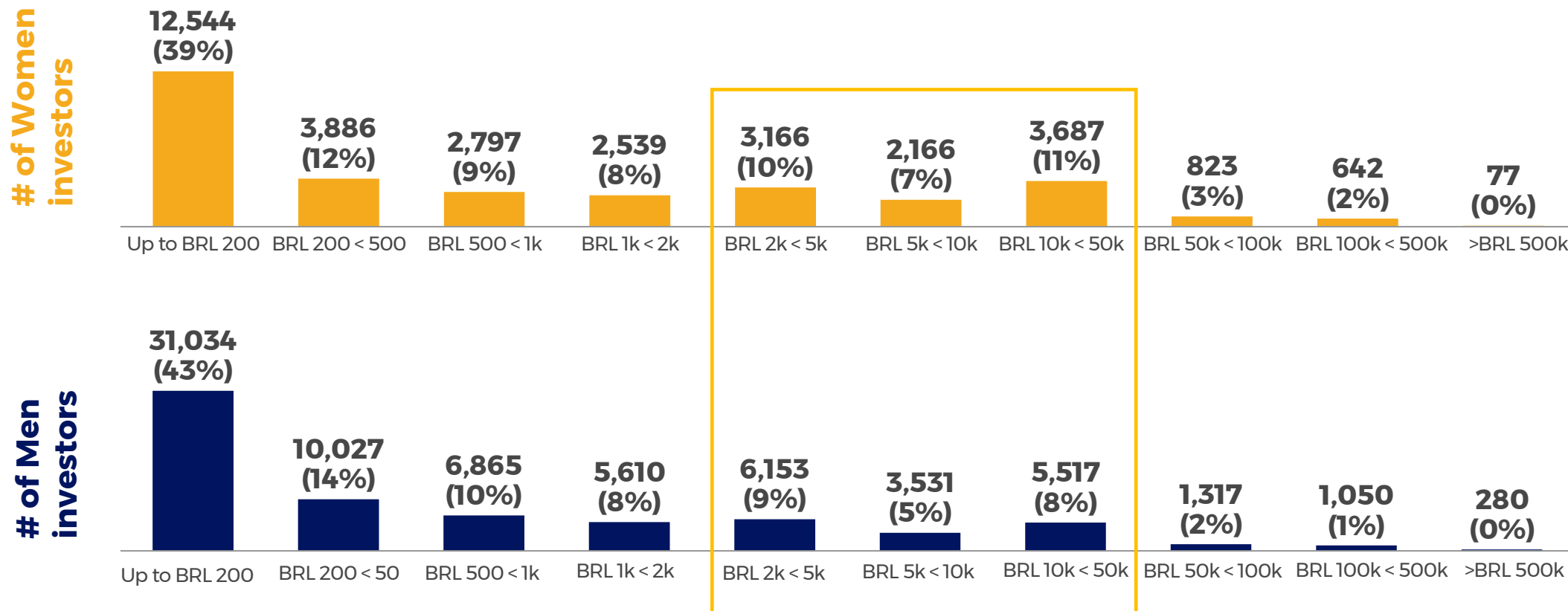


Gender

Among the investors who entered in June 2021, both men and women, most had their first investment of up to BRL200. However, it is noted that women have higher concentrations in investment ranges from BRL2 Thousand.

Evolution of Retail at B3

First Investment by Gender | Monthly median value of the first investment



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Region



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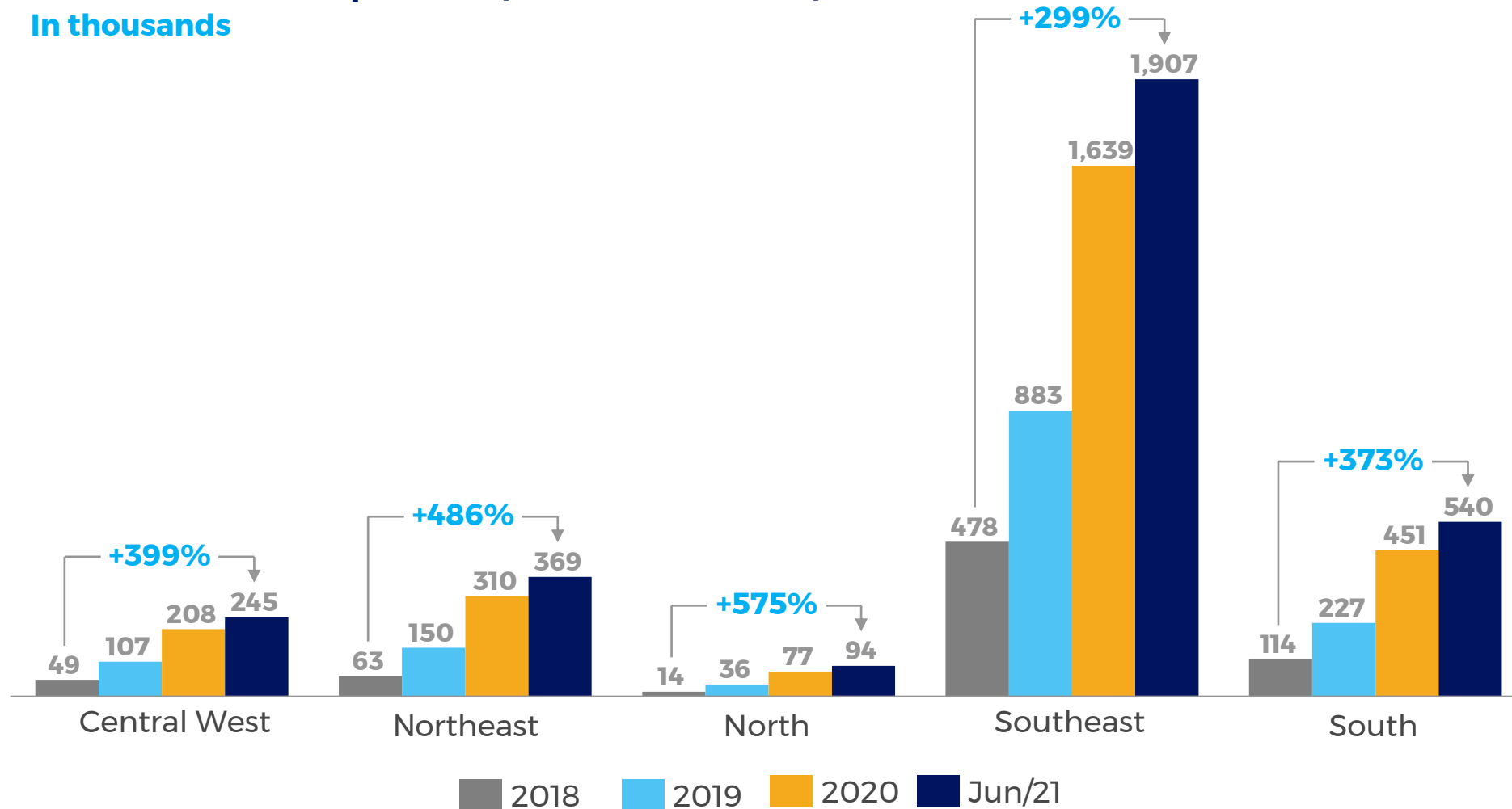
Age Group

Regions North and Northeast grew more than 400%

Despite of the Southeast region has the largest number of investors, other regions have higher relative growth when comparing 2018 with 2021. Highlight for the growth of the North and Northeast regions.

Number of investors per State (Individual Investors)

In thousands



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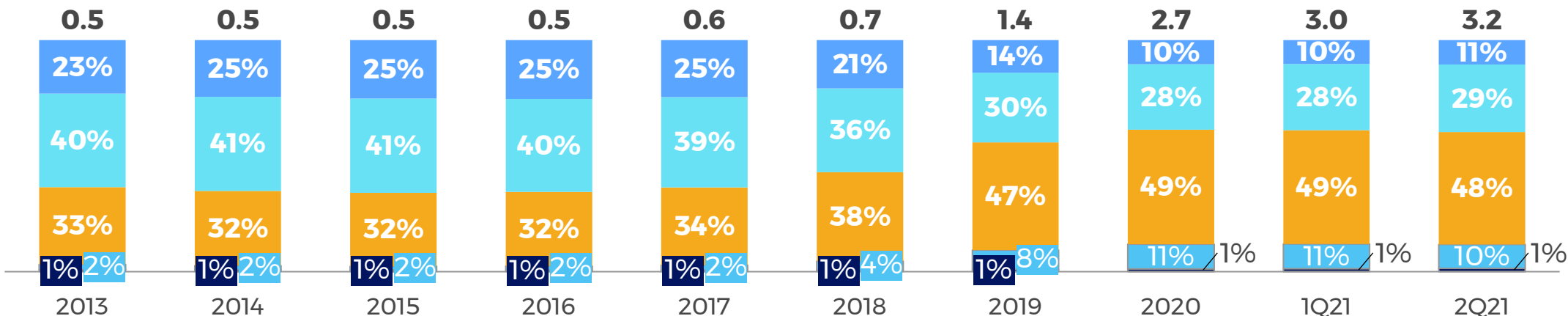
Region

Age Group

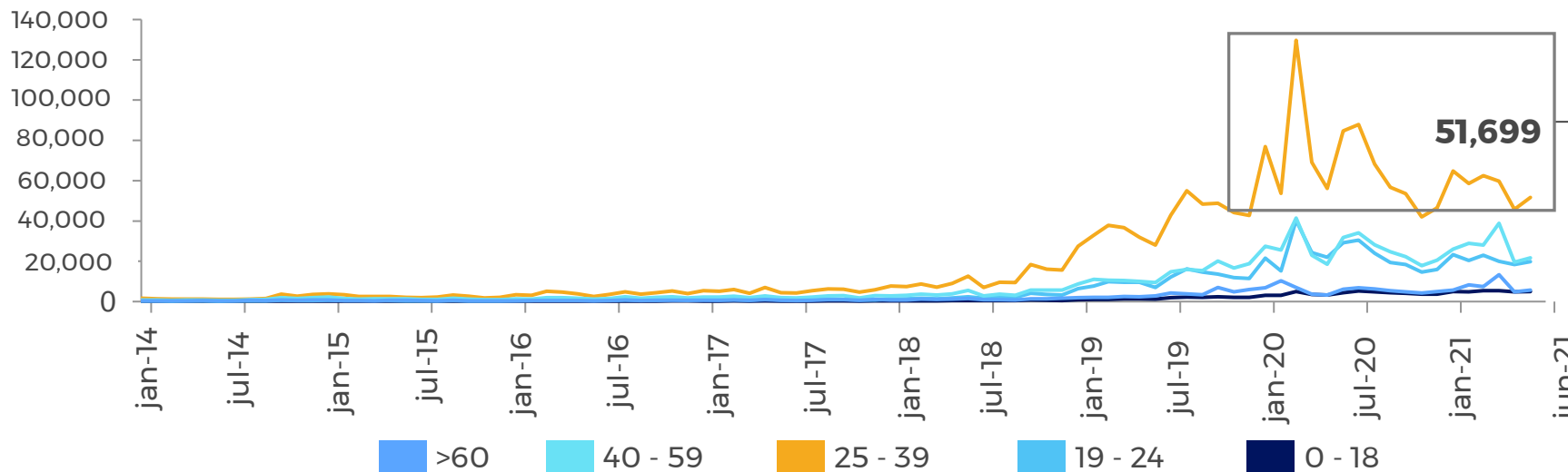
New Investors are between 25 to 39 years old

Evolution of Individual Investors at B3

By age group (in millions of investors)



New Investors' year of entry by age | Number of New Investors in thousands of CPFs



Most of investors (50%) entering in B3 are between 25 and 39 years old.

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