

Transforming the Latin American Markets Through Access to Innovation

XP Inc., a leading technology-driven platform and trusted provider of low-fee financial products and services in Brazil, has sought to transform the Latin American market for local investors by providing greater access and transparency to innovative investment vehicles with a global reach.

"XP has a mission to democratize traditional investments, bringing financial education to the everyday Brazilian investor and the sophisticated institutional investor alike," said Jennie Li, equity strategist at XP. "We want to give the opportunity for investors to have the most complete and most diversified portfolio possible."

"Brazilian investors have traditionally been focused on local securities and funds, and we wanted to change that a little bit," noted Camila Pacheco, funds product analyst at XP. "So, we looked for global indices that could provide access to worldwide brands... and Nasdaq is a big part of that. We wanted to bring [forth a] U.S. index with a touch of innovation, and we thought that [w](#) was a very good representation of that."

In May 2021, XP (NASDAQ: XP) launched the Trend ETF Nasdaq 100 Index Investment Fund (NASD11), allowing investors in Brazil to access some of the world's most innovative companies that comprise the Nasdaq-100 Index®.

"Our collaboration with Nasdaq underlines our shared commitment to transforming the financial services industry through innovation and making investment available to all," Fabiano Cintra, XP's international funds specialist, said at the time of the fund's launch.

The [Nasdaq-100 Index®](#) tracks the 100 largest non-financial companies listed on the Nasdaq, including Apple, Microsoft and Alphabet, and other category-defining companies on the forefront of innovation such as Moderna and Zoom. Since its inception over 35 years ago, the Nasdaq-100 Index has become one of the world's preeminent large-cap growth indexes, outperforming the S&P 500 Index in 11 of the last 14 years.

"Investors were so excited with that launch [NASD11], and they're still very excited with it," said Pacheco. "Institutional and retail investors are always interested in Nasdaq because there are always comparisons between Nasdaq-100 and the S&P 500."

XP strives to keep its customers at the forefront of all of its strategic decisions, listening to investors to determine what products might be missing from the Latin American markets and subsequently working to bring those to market. Issuing the Trend ETF Nasdaq 100 Index Investment Fund fulfilled an immediate need, as investors didn't "have access to growth stories that are very strong outside of Brazil," Li noted.

XP's strategic endeavors are driven by four core pillars: open-mindedness, entrepreneurial spirit and dreaming big, all of which are tied to the fourth pillar, providing the best services for their clients.

As part of this mission, XP has expanded its product suite to include some of the most transformative investment vehicles, including funds focused on biotech, crypto, semiconductors, water and more. For instance, XP's Trend Biotechnology is a thematic fund of the XP Trend family focused on international investments, with exposure to the Invesco Nasdaq Biotechnology ETF (IBBQ), which tracks the NASDAQ Biotechnology Index®. Through this fund, investors have the opportunity to allocate capital to technologies and innovations in the areas of Genetics, Pharmaceuticals, Diagnostics, Prosthetics and Health. Similarly, the Trend SemiConductors FIM is a fund that provides exposure to the performance of the Invesco PHLX Semiconductor ETF (SOXQ), comprised of the 30 largest U.S.-listed semiconductor stocks included in another index offered by Nasdaq (the PHLX Semiconductor Sector Index™).

XP has also ventured into newer areas within the capital markets through Trend Next Generation FIM and The Hashdex 40 Nasdaq Crypto Index FIC FIM. The latter is a passive fund that provides investors with 40% exposure to the Nasdaq Crypto Index™. Meanwhile, the Trend Next Generation FIM tracks the Invesco Nasdaq Next Gen 100 ETF (QQQJ), comprised of the 101st through the 200th non-financial security with the highest capitalization listed on Nasdaq (the Nasdaq Next Generation 100 Index™).

One of XP's most unique offerings is the Trend Água Tech fund. As an ESG-themed fund, Trend Água Tech provides exposure to the Invesco Water Resources ETF (PHO), which tracks the NASDAQ OMX US Water Index™ that is composed of 36 companies related to water conservation, treatment and pricing. With this thematic investment, Brazilian investors can construct a portfolio to protect against the risks of climate change related to the scarcity of water resources.

"Brazil has a long history of the financial industry being dominated by a few big players," Li acknowledged. "We want to be a technology-focused company bringing innovation to clients."

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