

# XP Equity Strategy

## Monthly Chartbook

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# Summary



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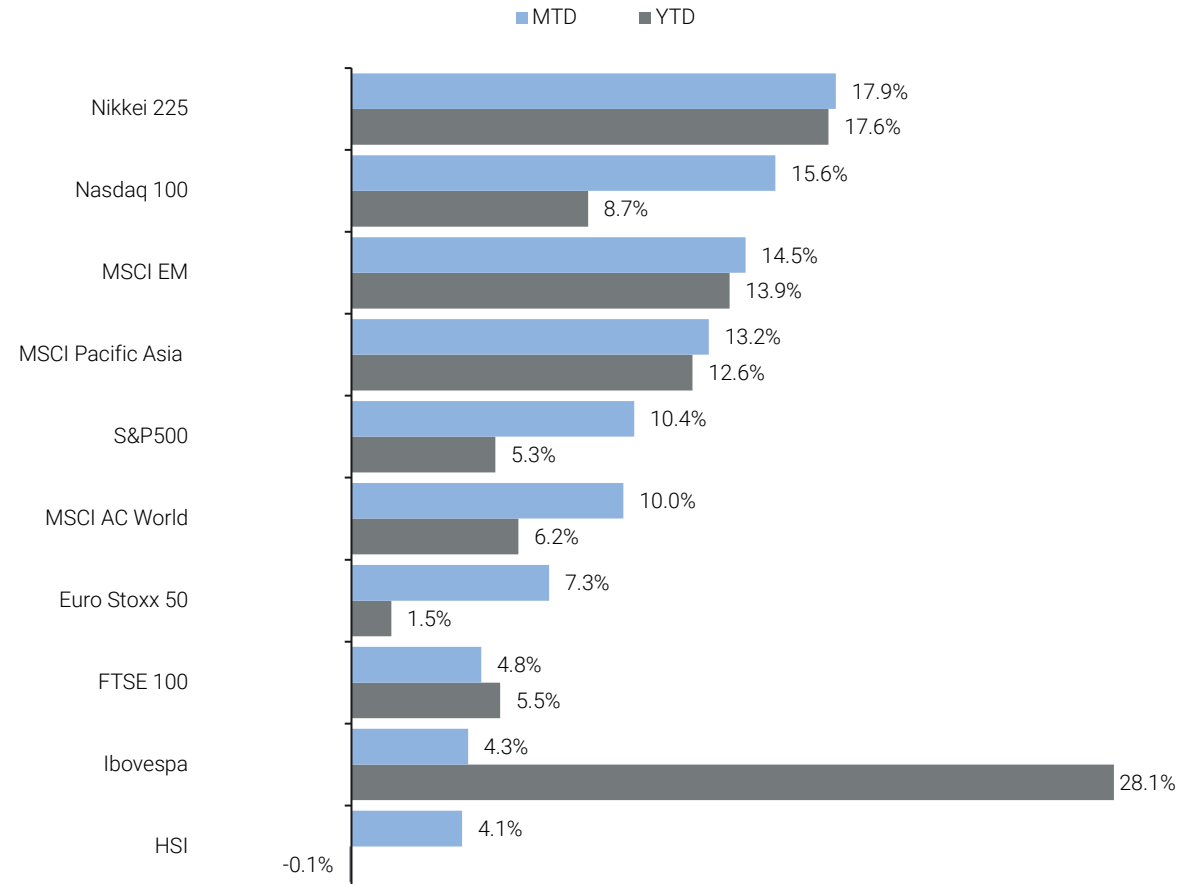
Equity Strategy

April market commentary

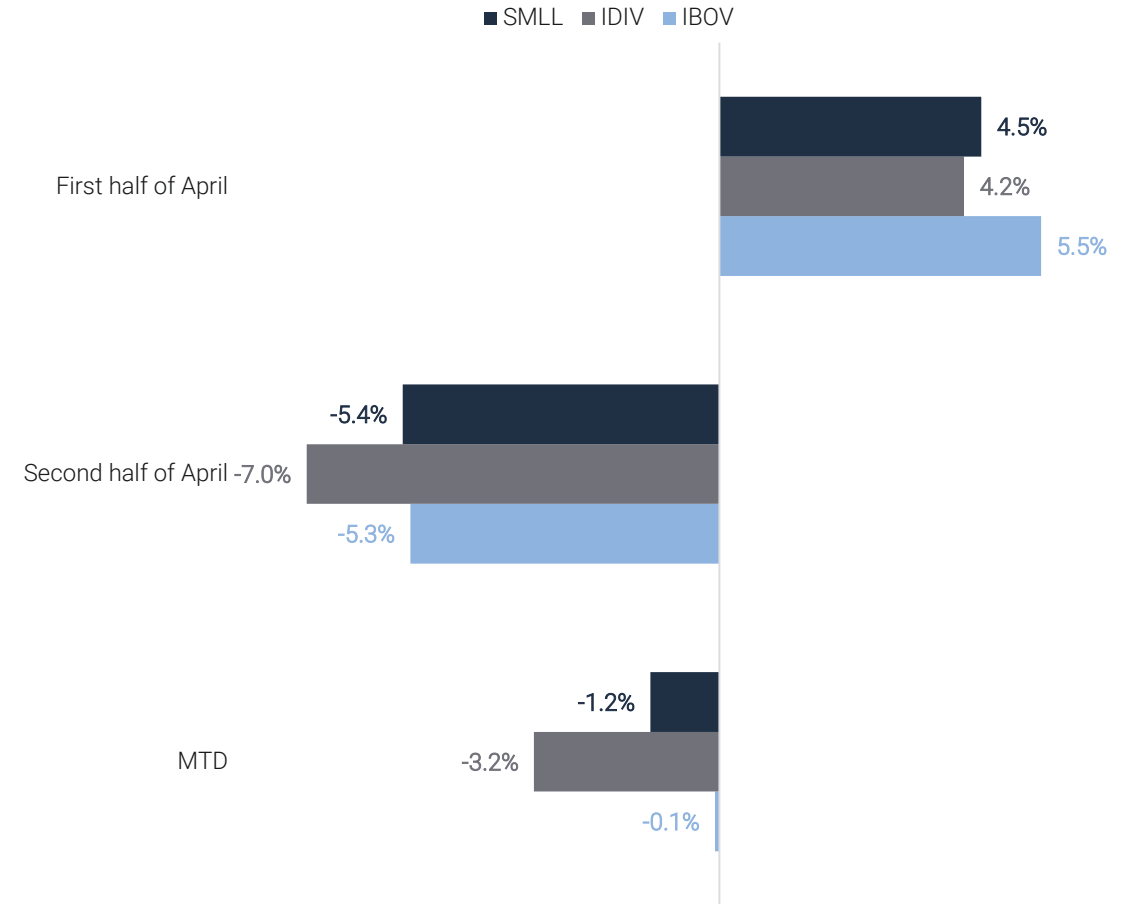
# April market commentary

Ibovespa underperforms as the AI trade regains momentum

## Performance of global equities (USD)



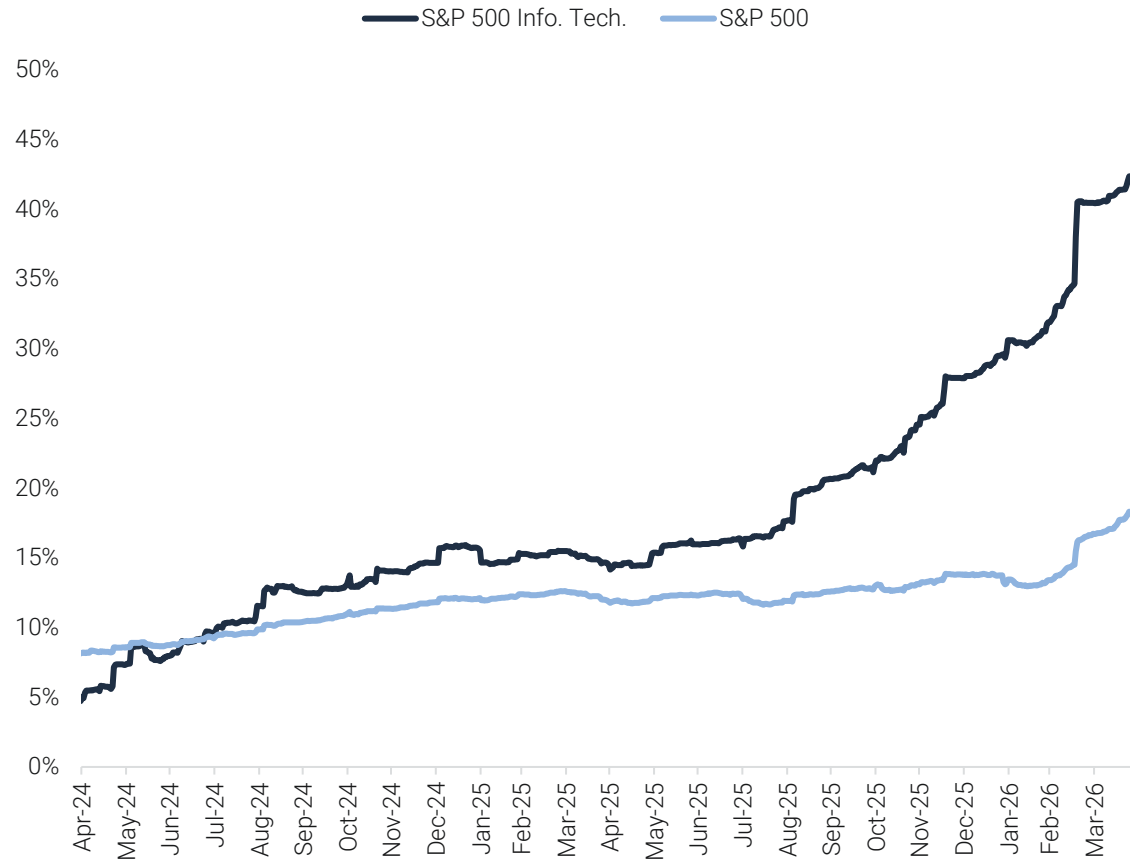
## A tale of two halves for Brazilian equities in April



## Six key charts

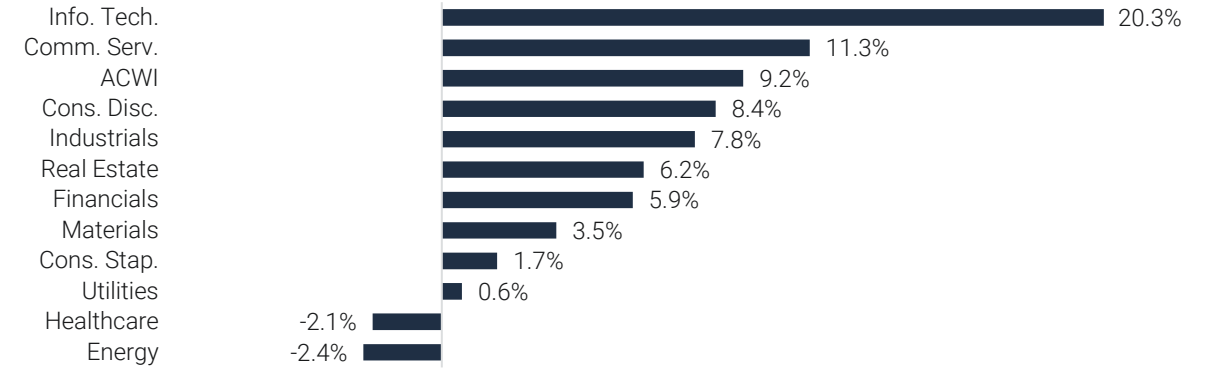
### The AI trade regains momentum...

2026 EPS growth estimates



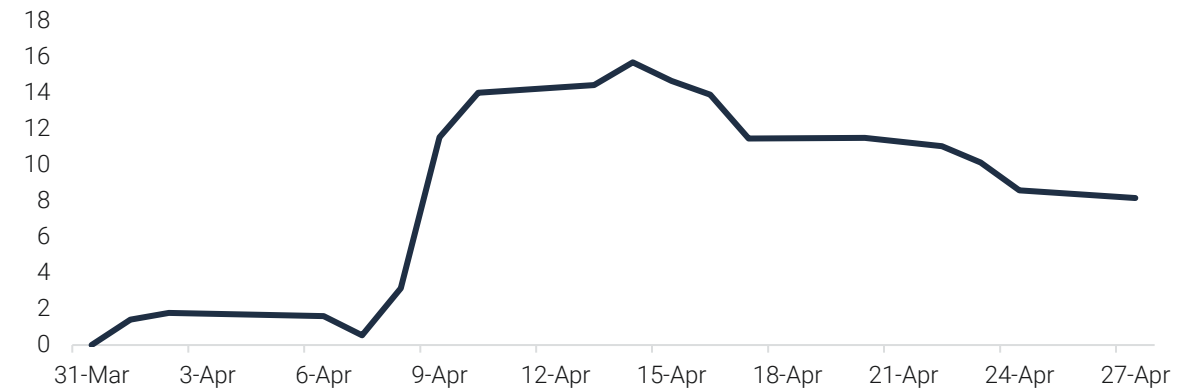
### ...leading commodity plays to underperform...

MSCI ACWI MTD sector performance



### ...and foreign inflows into Brazil to weaken

Cumulative daily foreign inflows in April (R\$ bn)



# April market commentary

May 12, 2026  
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Six key charts

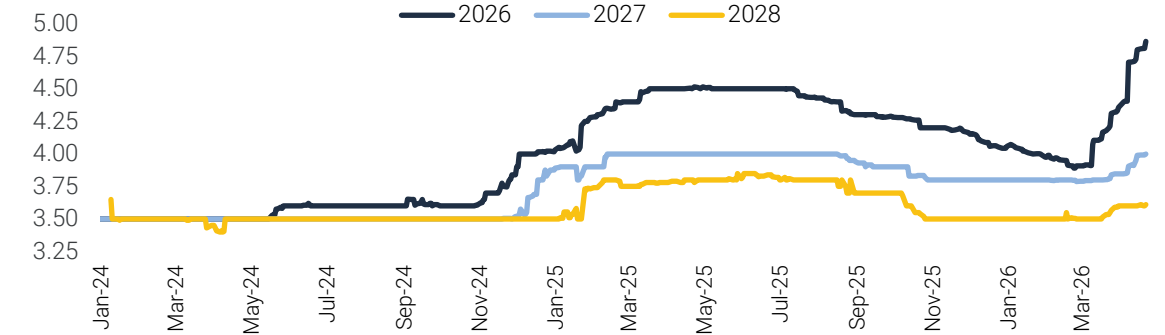
## Meanwhile, oil prices remain at high levels...

Brent prices (US\$/bbl)



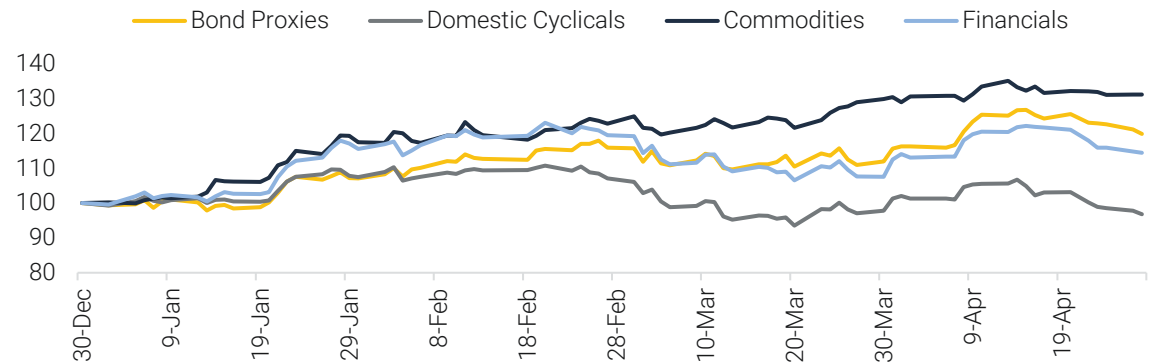
## ...pressuring inflation expectations...

Focus report IPCA expectations (%)



## ...and challenging the easing cycle trade

YTD performance of Ibovespa's main segments



# April market commentary

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Sector performance remains broadly negative

## Ibovespa sectors performance

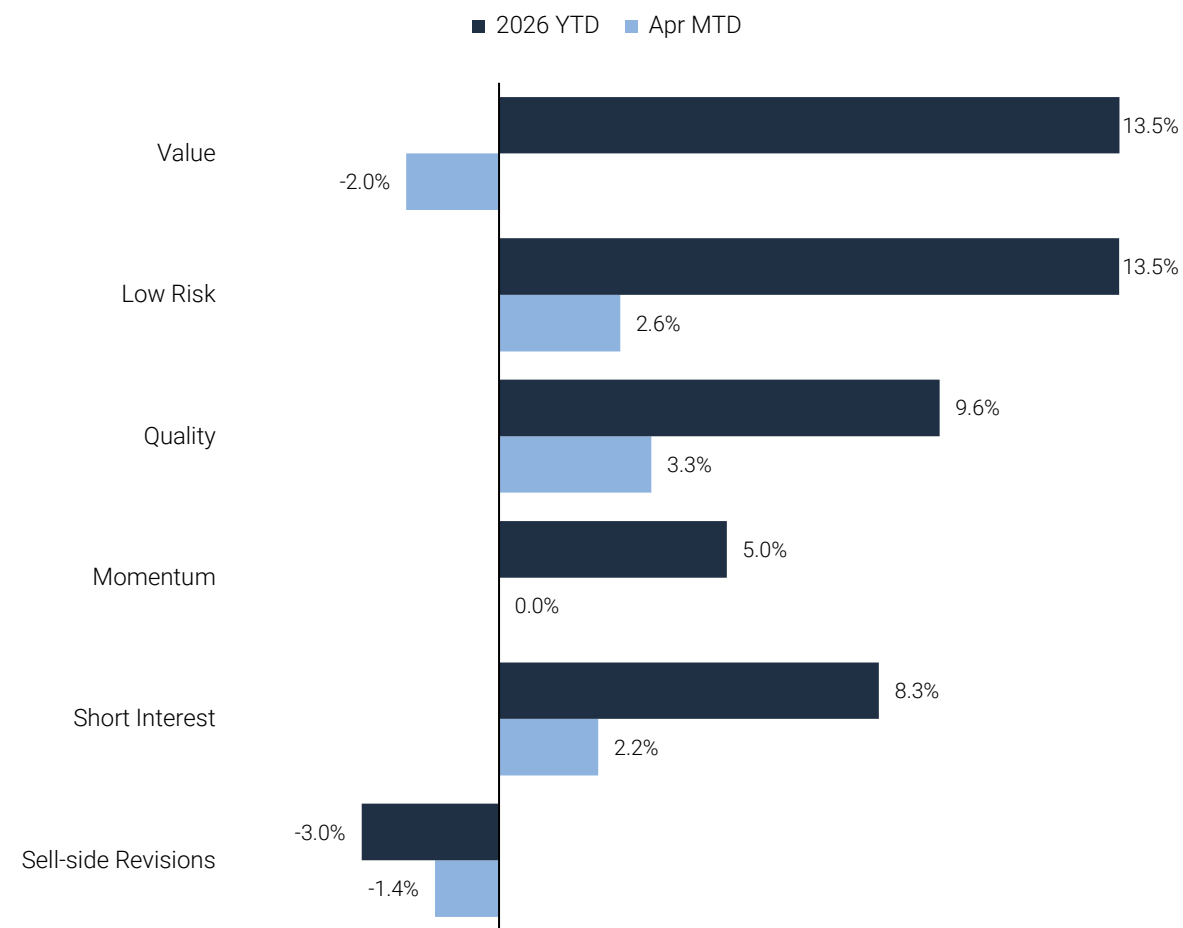
	10Y	5Y	3Y	1Y	2026	Mar	Apr
Agribusiness	-6.0%	-11.6%	-14.6%	-23.3%	3.5%	7.0%	-9.2%
Banks	13.8%	13.7%	26.0%	31.0%	7.8%	-8.5%	-0.5%
Capital Goods	19.7%	16.4%	20.6%	3.9%	-10.7%	-6.6%	-7.8%
Education	-7.9%	-9.7%	15.6%	-0.3%	-15.4%	-9.4%	-15.4%
Financials Non-Banks	10.3%	10.2%	22.2%	33.0%	20.0%	0.6%	-2.4%
Food & Beverages	4.5%	6.9%	21.3%	-2.7%	-1.1%	-4.7%	-8.8%
Health Care	-2.4%	-14.9%	6.0%	9.9%	-5.4%	-2.7%	-1.6%
Homebuilders	8.0%	-2.9%	16.8%	21.2%	-8.5%	-14.1%	-13.1%
Income Properties	6.2%	11.2%	18.6%	42.1%	12.2%	-6.8%	-0.4%
Metals & Mining	22.7%	2.0%	11.6%	54.2%	9.2%	-7.3%	-1.6%
Oil, Gas & Petrochemicals	24.1%	34.9%	37.5%	73.0%	55.5%	20.5%	1.5%
Pulp & Paper	11.5%	-4.6%	7.2%	-5.1%	-10.8%	-8.8%	-12.4%
Retail	-4.0%	-24.7%	-9.8%	-4.1%	-4.5%	-3.0%	-8.8%
Sanitation	23.9%	35.4%	59.9%	56.9%	24.6%	3.8%	3.2%
TMT	10.0%	9.1%	21.9%	21.4%	1.4%	-4.1%	-9.0%
Transportation	6.8%	-4.8%	-3.0%	6.2%	5.1%	-4.5%	-3.3%
Utilities & Energy	17.1%	16.9%	28.2%	59.2%	17.1%	-0.4%	3.0%
Ibovespa	13.1%	9.0%	20.9%	36.8%	14.7%	-0.7%	-0.1%
SMLL	9.4%	-4.6%	7.9%	11.9%	0.9%	-5.8%	-1.2%

# April market commentary

May 12, 2026  
Equity Strategy

## Factor and baskets return

### Performance of global equities YTD (USD)



### XP proprietary baskets performance

Basket	April	YTD Performance
2026 Outlook	0.7%	16.7%
Foreign flows	-0.9%	-0.1%
Alternative Policy	-1.1%	23.1%
Downside Sell-Side Revisions	-1.3%	6.7%
Upside Sell-Side Revisions	-1.9%	4.4%
High Quality	-2.1%	3.2%
Low Short Interest	-3.2%	1.8%
Low Risk	-3.5%	6.7%
Large Caps	-3.7%	7.5%
High Valuation	-3.9%	-5.6%
High Momentum	-4.3%	3.5%
Low Momentum	-4.4%	-1.9%
Low Quality	-5.3%	-6.2%
High Short Interest	-5.3%	-6.2%
Low Valuation	-5.9%	7.2%
High Risk	-6.2%	-8.0%
High USD Exposure	-6.4%	6.1%
Small Caps	-6.5%	-6.4%
Low USD Exposure	-6.5%	4.4%
Fiscal deterioration	-6.8%	18.5%

Equity Strategy

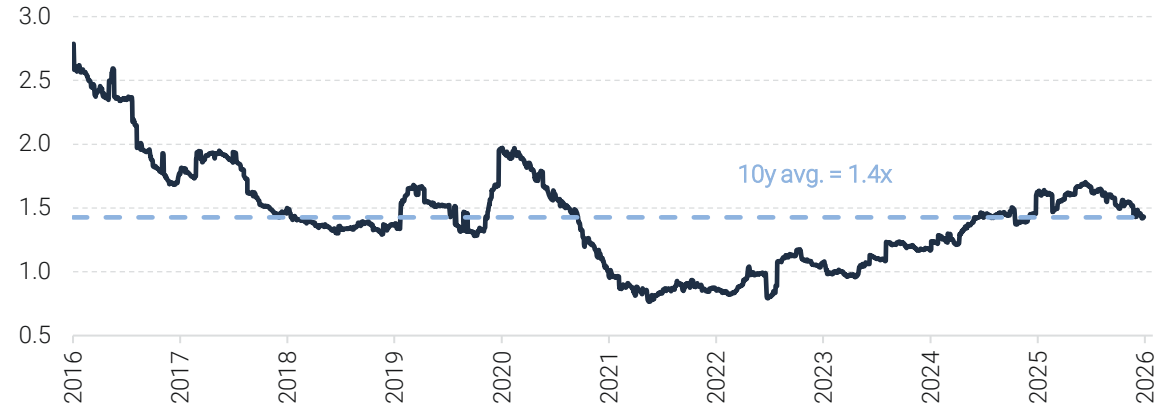
# Assessing Leverage Conditions Across Brazilian Companies

# Assessing Leverage Conditions for Brazilian Companies

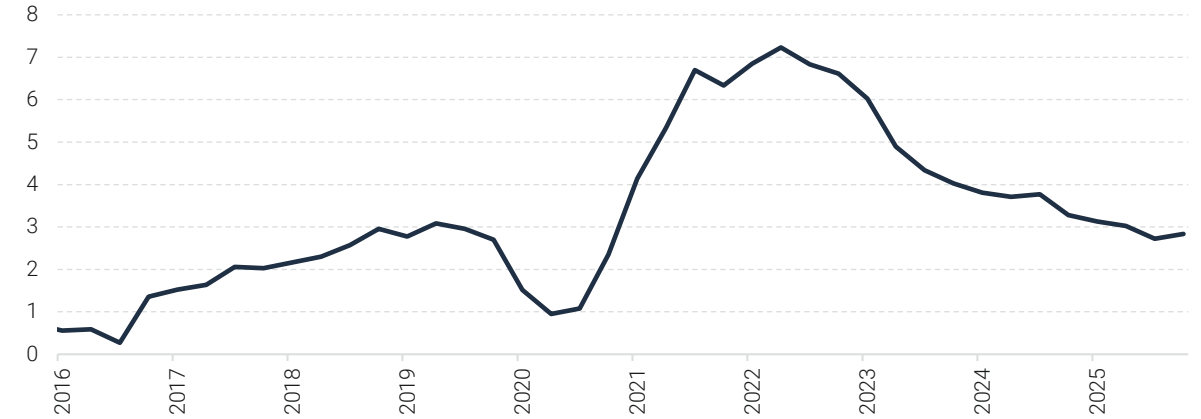
May 12, 2026  
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Key leverage and liquidity indicators remain healthy in Brazil...

Ibovespa 12M fwd. Net Debt/EBITDA (x)



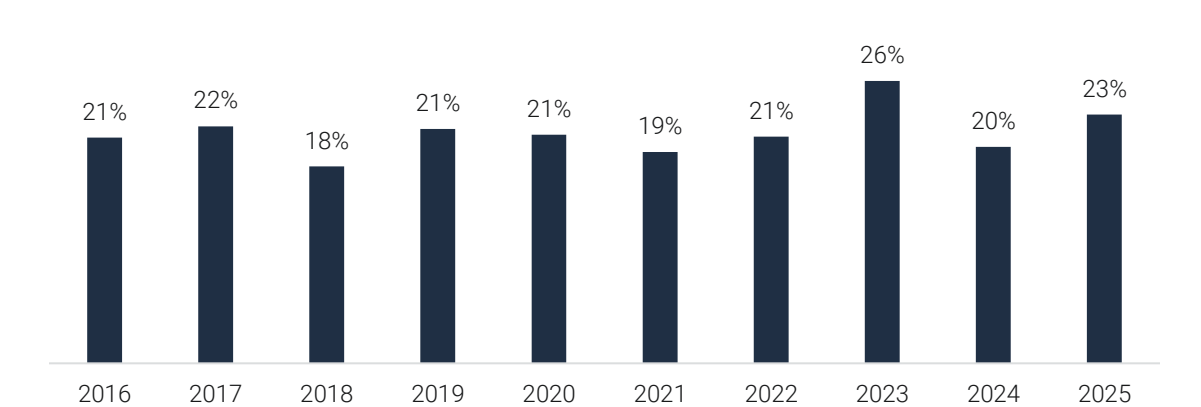
Interest coverage<sup>1</sup>



Brazil's corporate NPL



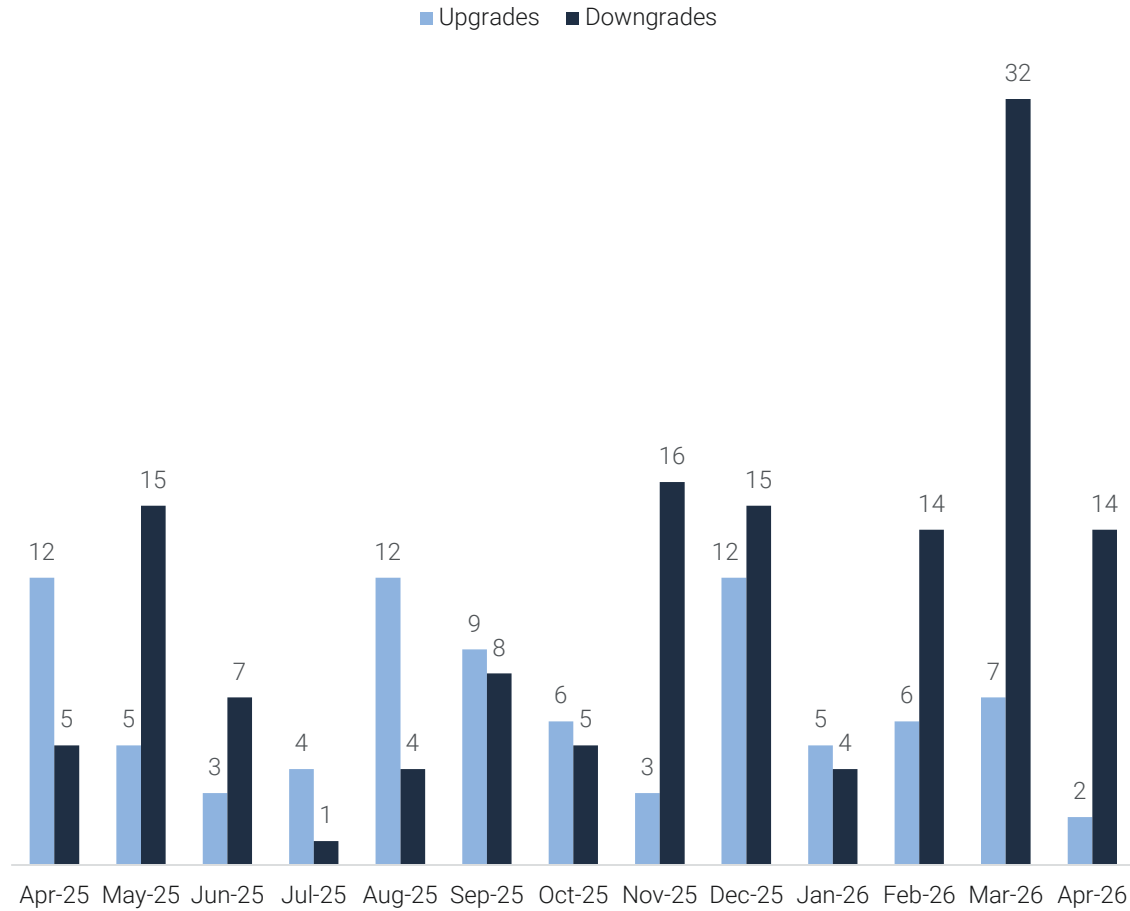
Historical Short-Term Debt/Total Debt



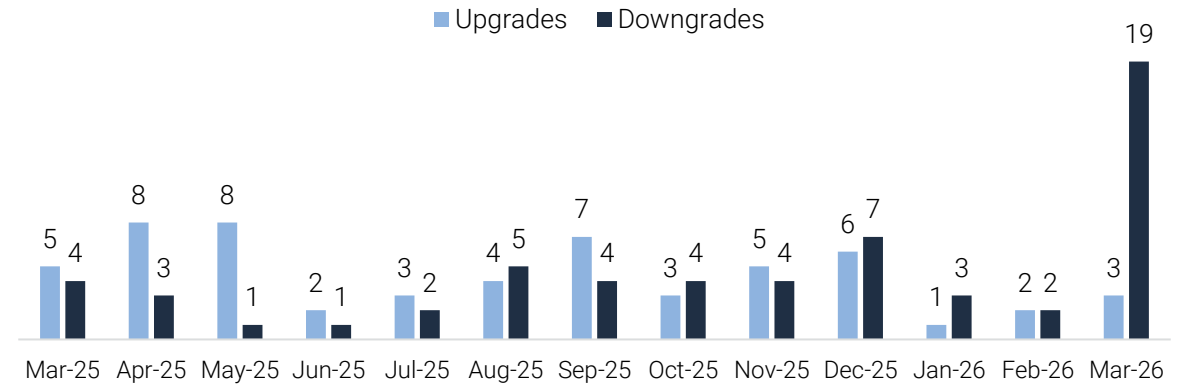
# Assessing Leverage Conditions for Brazilian Companies

...but risks remain on the horizon

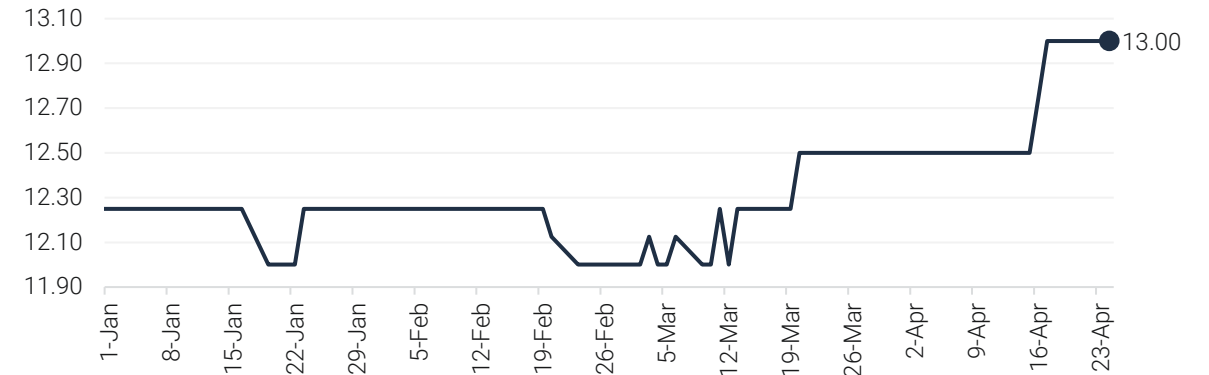
## Monthly credit rating upgrades and downgrades



## Changes in credit rating outlooks



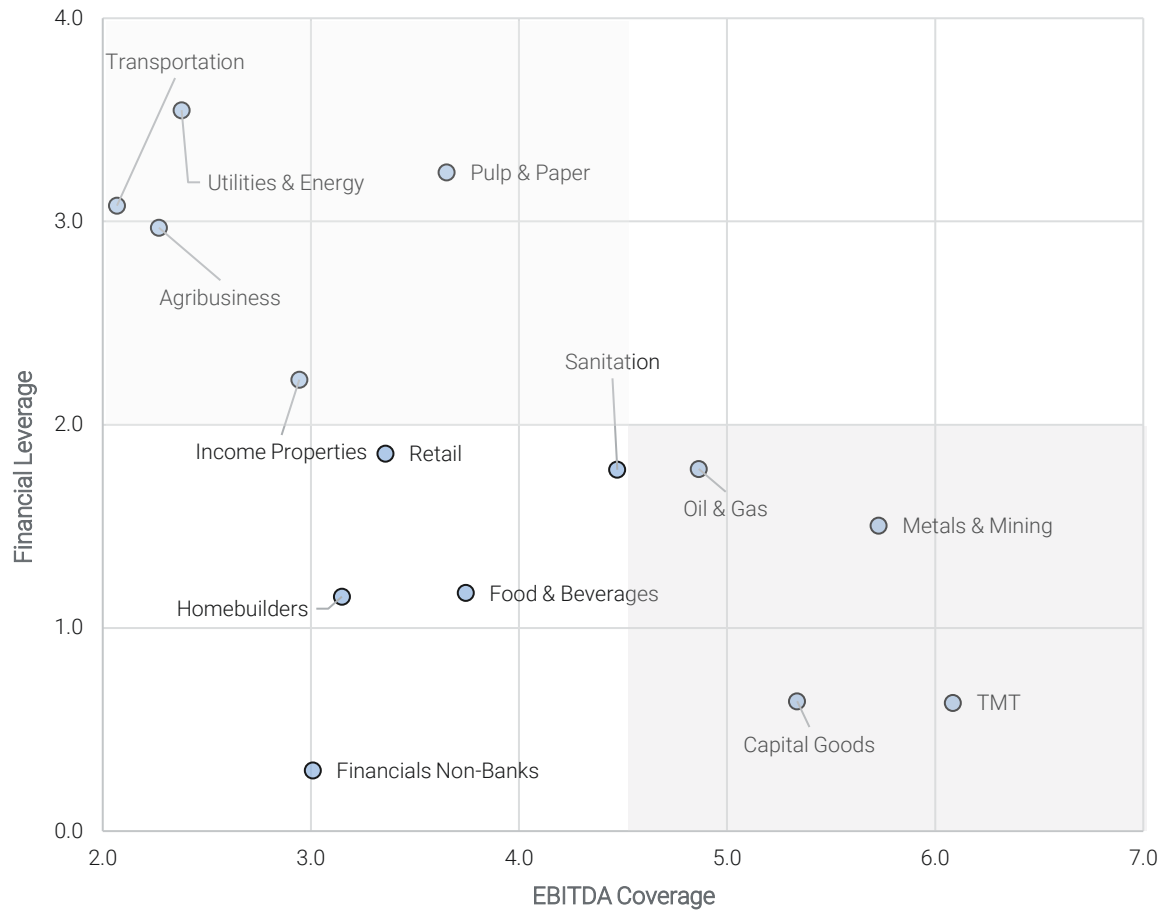
## Focus report YE2026 Selic rate projections (%)



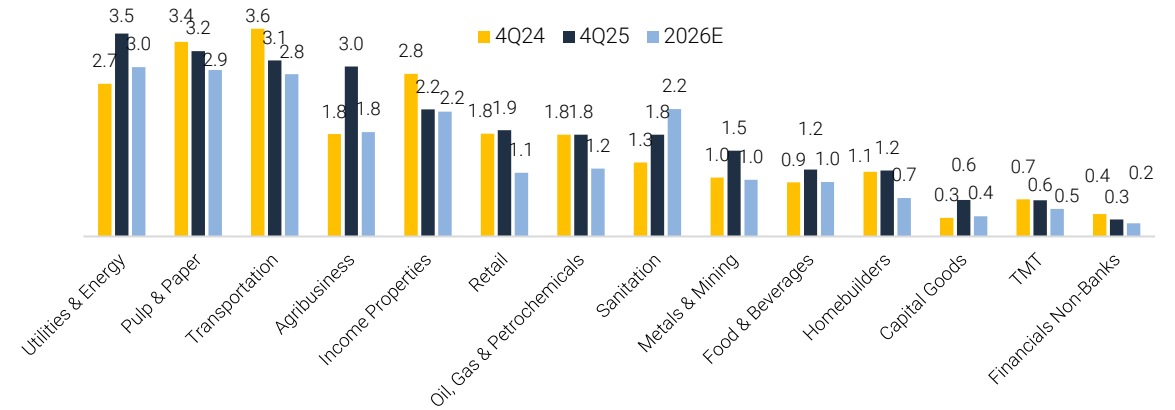
# Assessing Leverage Conditions for Brazilian Companies

Only a few sectors show poor financial metrics...

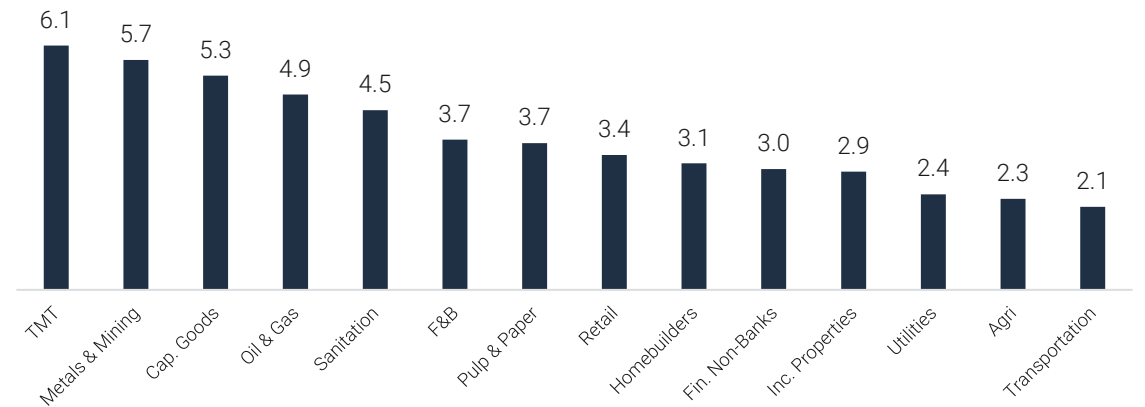
4Q25 EBITDA coverage ratio vs. 4Q25 financial leverage by sector



Financial leverage (Net Debt/EBITDA) by sector (x)



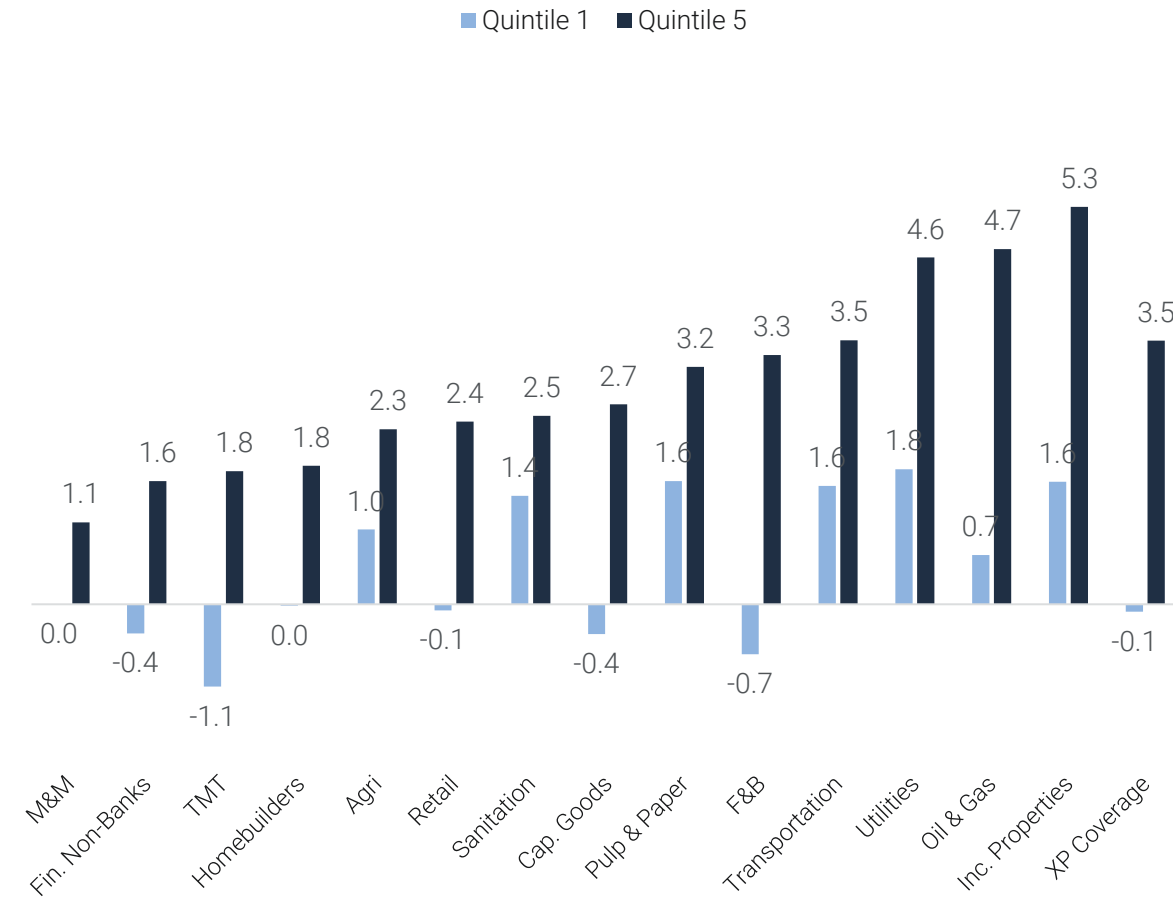
4Q25 EBITDA coverage ratio (EBITDA/Interest Expenses) by sector



# Assessing Leverage Conditions for Brazilian Companies

...but we see significant dispersion across leverage tiers

Net Debt/EBITDA across sectors: Bottom vs. Top Quintiles



High-Yield and Investment-Grade spreads



# Assessing Leverage Conditions for Brazilian Companies

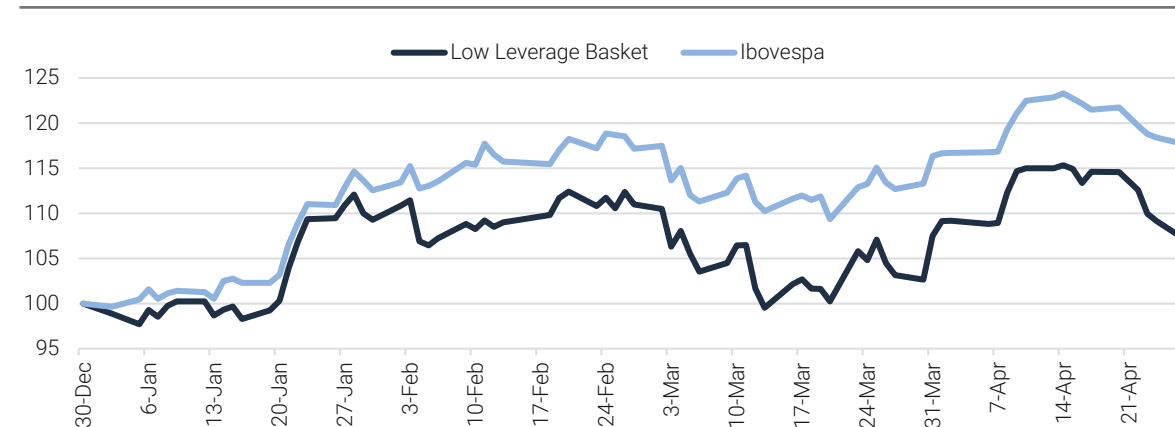
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How to position? A basket of under-leveraged names with a Buy

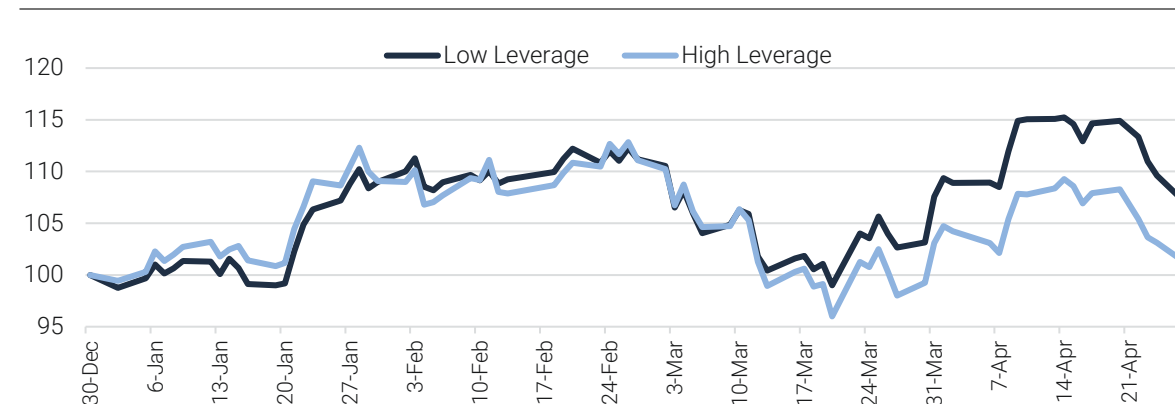
## A basket of low leverage and positive earnings revisions

Ticker	Company	Sector	Rating	Target Price (R\$)	Leverage Score	Performance YTD
BMOB3	Bemobi	TMT	Buy	31.00	98.1	16.0%
CEAB3	C&A Modas	Retail	Buy	17.00	83.7	-12.2%
EMBJ3	Embraer	Capital Goods	Buy	92.00	86.9	-11.6%
INTB3	Intelbras	TMT	Buy	17.00	88.3	26.0%
JHSF3	JHSF	Inc. Properties	Buy	6.50	80.8	68.6%
LREN3	Lojas Renner	Retail	Buy	22.00	91.9	5.4%
RANI3	Irani	Pulp & Paper	Buy	12.00	75.9	-3.2%
RIAA3	Riachuelo	Retail	Buy	14.00	78.7	13.4%
SAPR11	Sanepar	Sanitation	Buy	45.88	85.7	4.9%
TOTS3	TOTVS	TMT	Buy	50.50	77.4	-25.2%

## Basket performance



## Leverage factor performance (Dec/25=100)



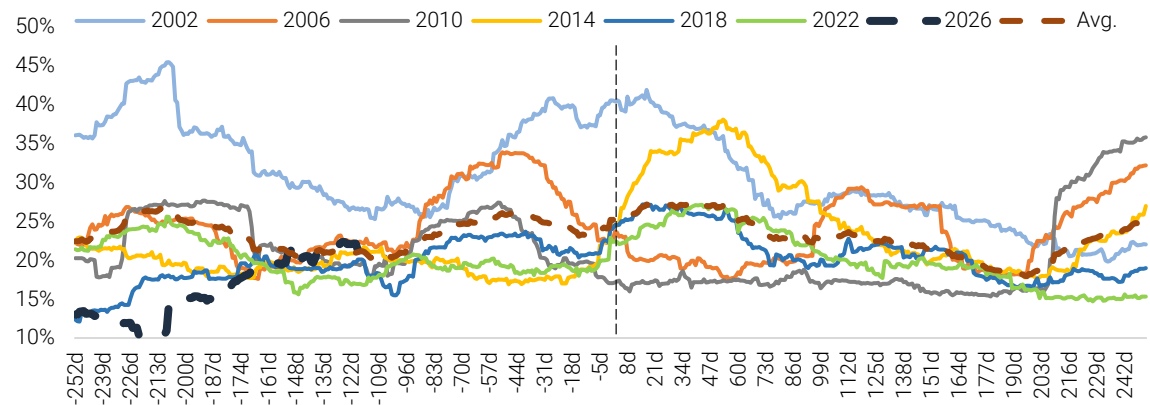
Equity Strategy

# Navigating Elections Volatility

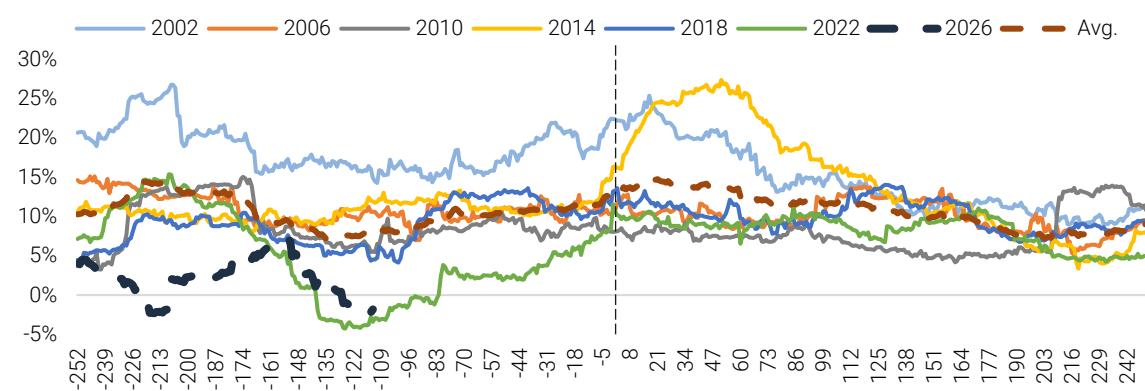
# Navigating Elections Volatility

Volatility in Brazil tends to rise during election periods

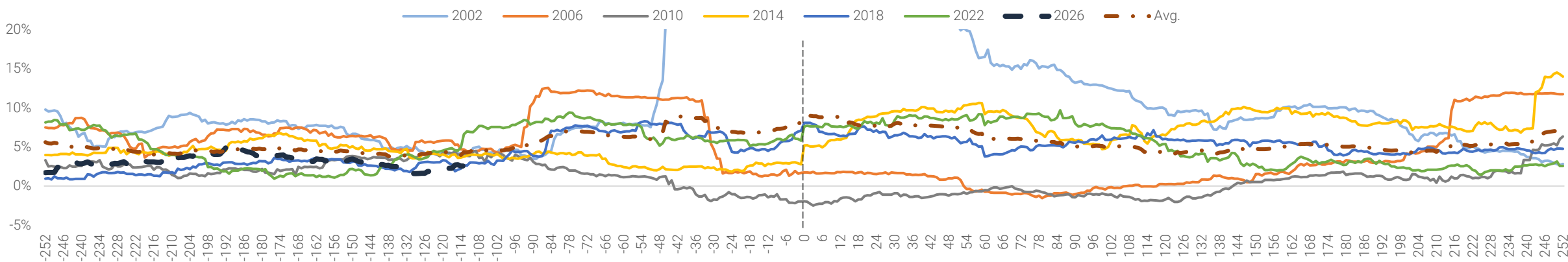
Ibovespa annualized 60-day volatility around presidential elections



Ibovespa annualized 60-day volatility around presidential elections (vs. MSCI EM)



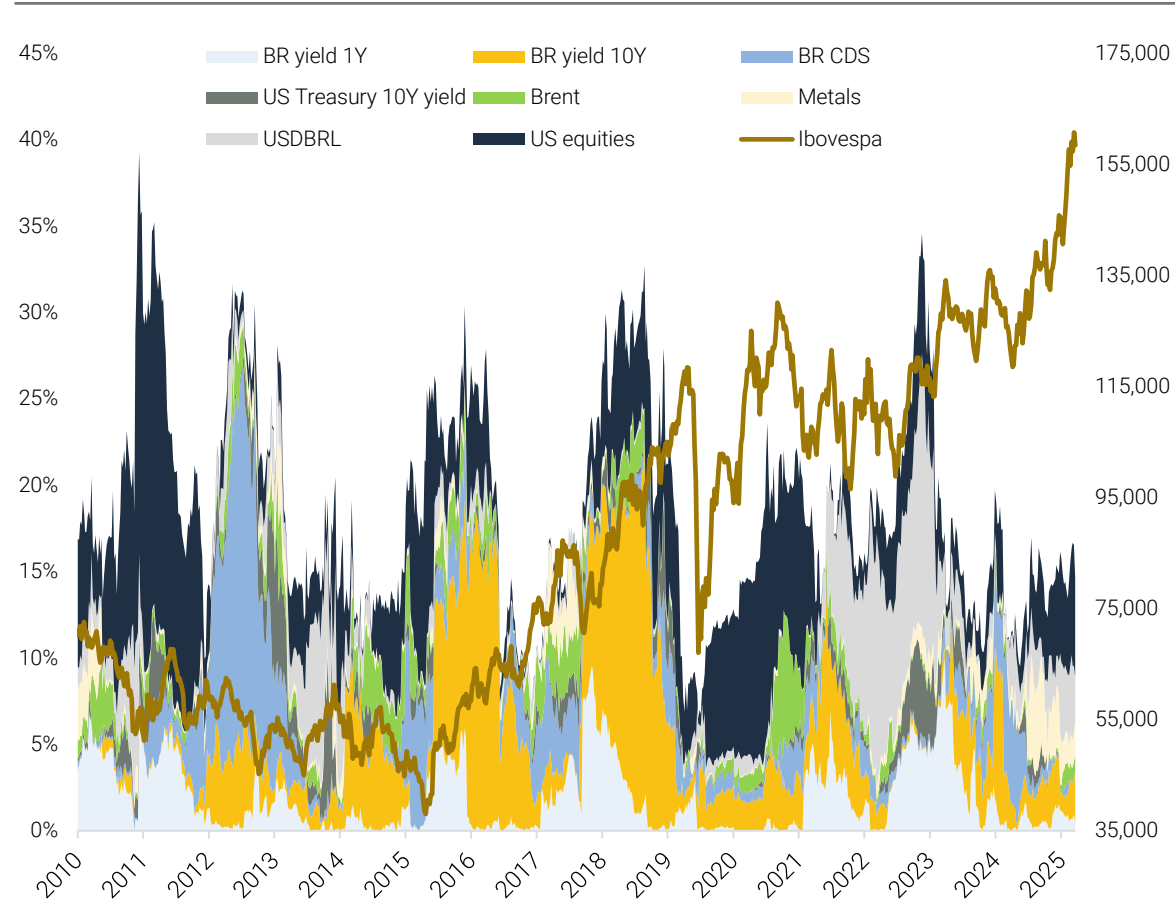
BRL annualized 60-day volatility around presidential elections (adjusted by EM currencies volatility)



# Navigating Elections Volatility

Local equities decouple from global equities during election years

Contribution of macro factors to Ibovespa returns (R<sup>2</sup> contribution from 52-week rolling regressions)



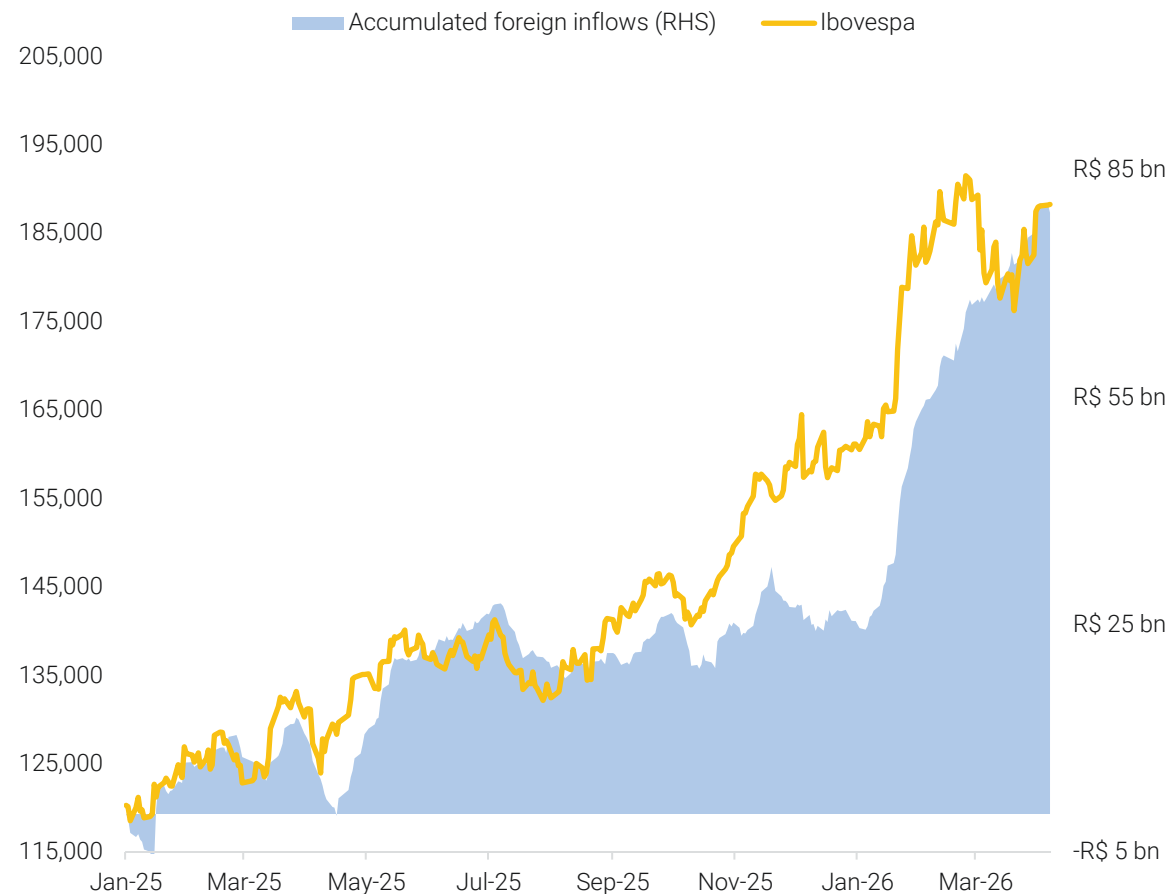
Average contribution of macro factors to Ibovespa returns by year

Variable	Avg. Contribution	Avg. Contribution (Presidential Election Years)
BR yield 1Y	2.1%	2.5%
BR yield 10Y	3.7%	4.3%
BR CDS	2.3%	1.1%
US Treasury 10Y yield	0.9%	1.1%
Brent	1.2%	1.0%
Metals	0.9%	0.7%
USDBRL	2.2%	4.2%
US equities	5.1%	2.6%

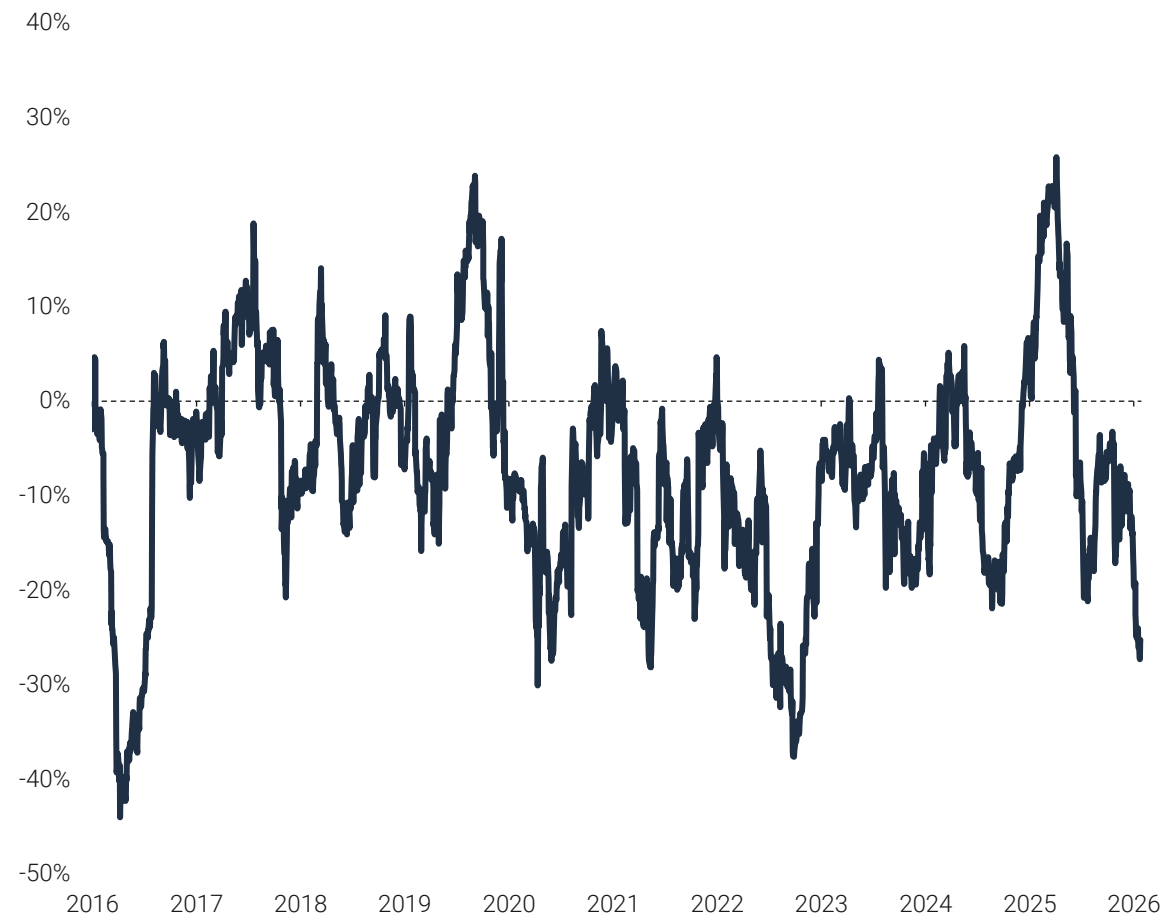
# Navigating Elections Volatility

Why election-driven volatility might be lower this year

### Ibovespa vs. Cumulative foreign inflows into Brazilian equities since the start of 2025



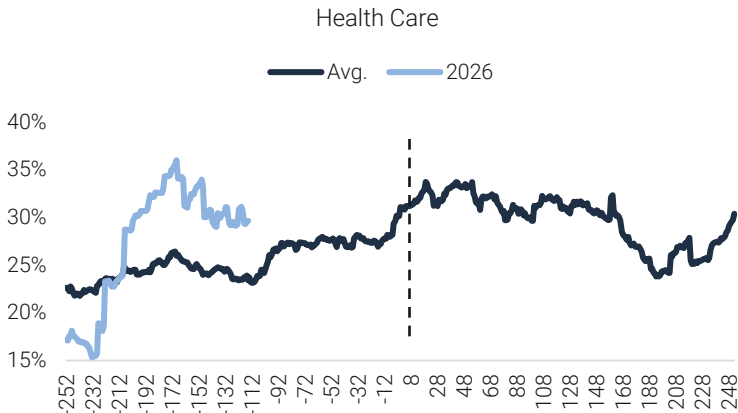
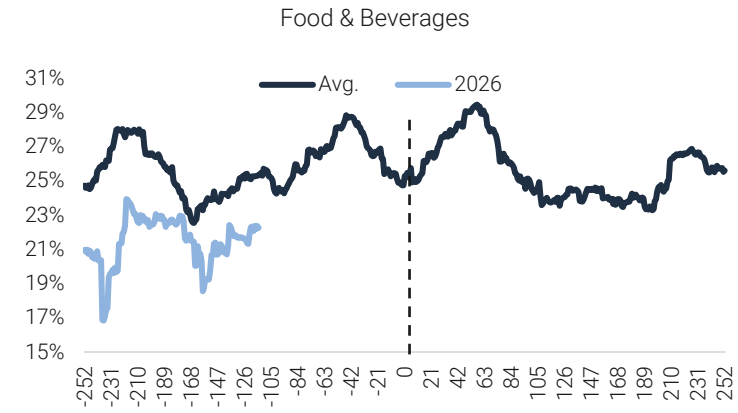
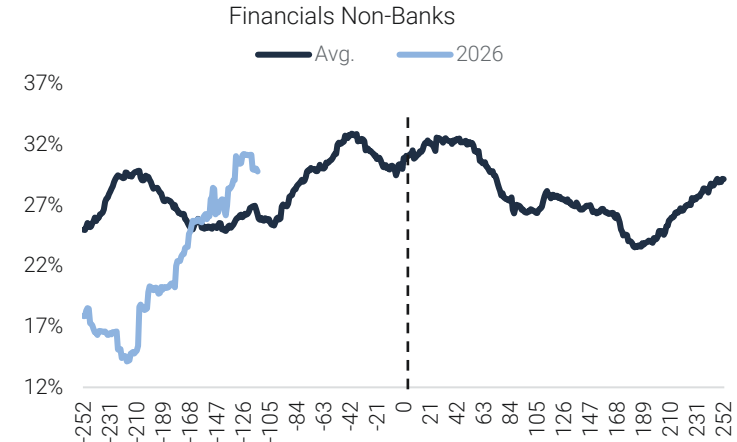
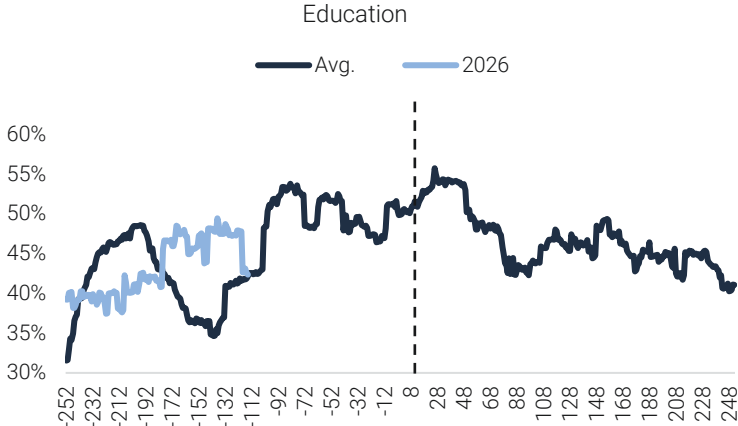
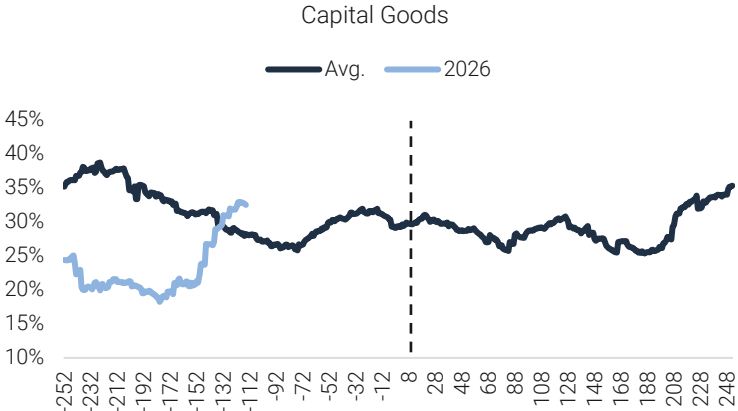
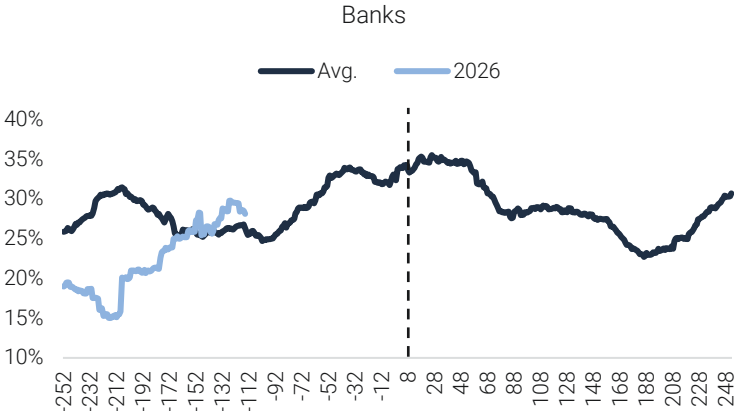
### 90-day rolling correlation between foreign inflows into Brazilian equities and DXY returns



# Navigating Elections Volatility

Sector volatility around presidential elections

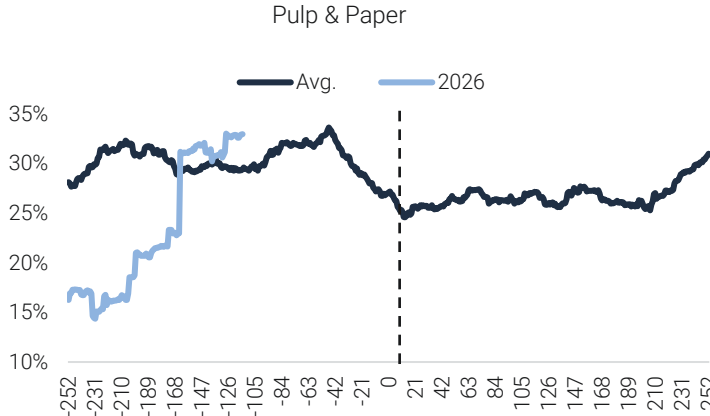
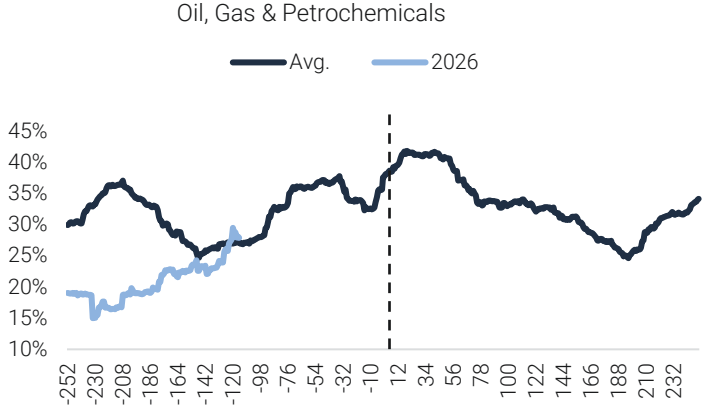
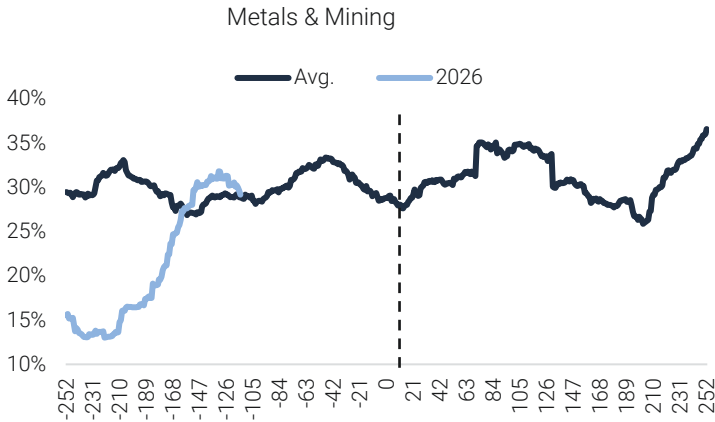
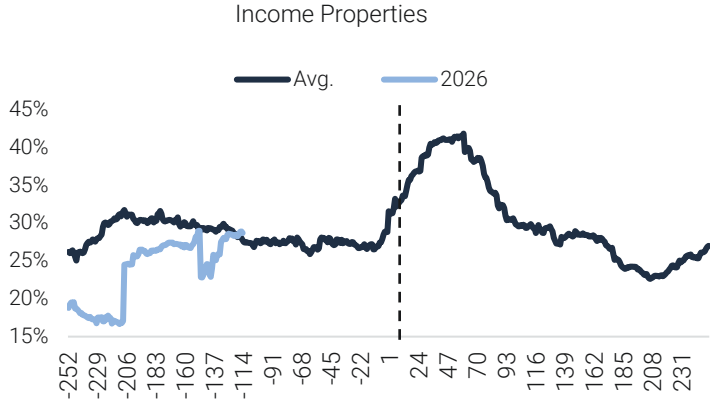
Sectors average annualized 60-day volatility around presidential elections (0d = 1<sup>st</sup> round date)



# Navigating Elections Volatility

Sector volatility around presidential elections

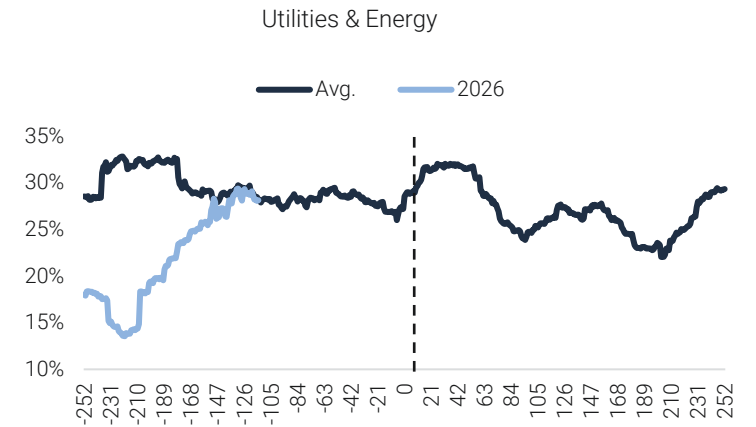
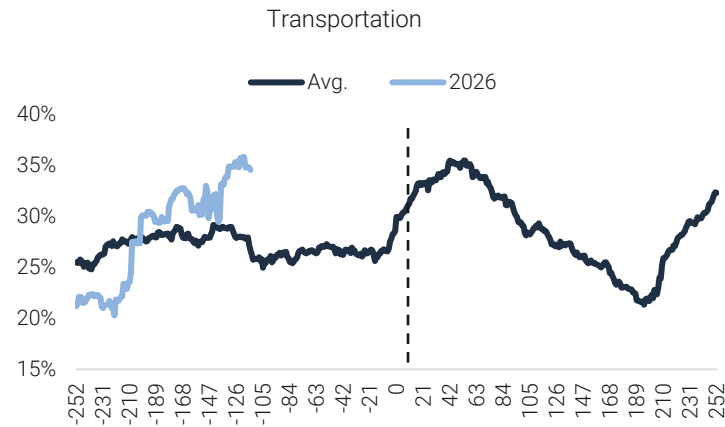
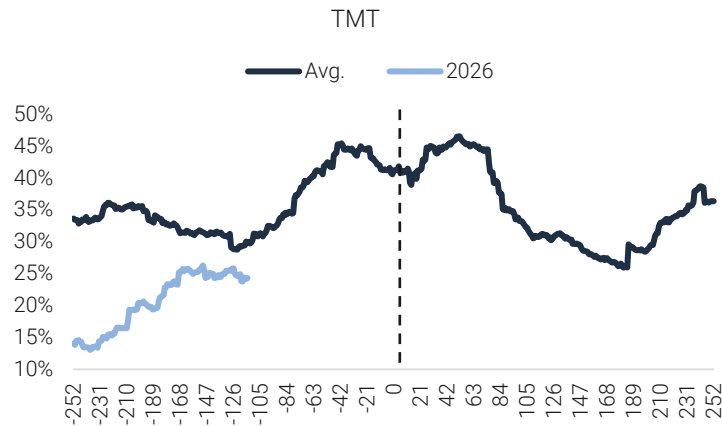
Sectors average annualized 60-day volatility around presidential elections (0d = 1<sup>st</sup> round date)



# Navigating Elections Volatility

Sector volatility around presidential elections

Sectors average annualized 60-day volatility around presidential elections (0d = 1st round date)



Equity Strategy  
Valuation

We are increasing our base case IBOV fair value to 205k points for YE2026

**We are increasing our base case YE2026 Ibovespa fair value to 205k**, from 196k previously.

Our base case fair value for the Ibovespa is calculated as an average of four methodologies: 1) a DCF model, which currently assumes a WACC of 13.2%. 2) a target P/E model, which assumes a P/E multiple of 10.5x, slightly below the historical average of 11x. 3) a target EV/EBITDA of 6.0x, slightly below the historical average of 6.5x, and 4) a bottom-up approach, using the target price of XP analysts for each constituent of the index.

On a Bull case scenario, we assume earnings/EBITDA to be 10% higher than the base case, real yields to recede back to 5.5%, and multiples to re-rate to 12x fwd. P/E and 6.5x EV/EBITDA, as well as 20% higher bottom-up target. In this case, we see a fair value of 258k points.

On a Bear Case scenario, we assume earnings/EBITDA to be 10% lower, real yields to increase to 8.5%, and multiples to de-rate back to the lows. In that case, we see a fair value of 156k points.

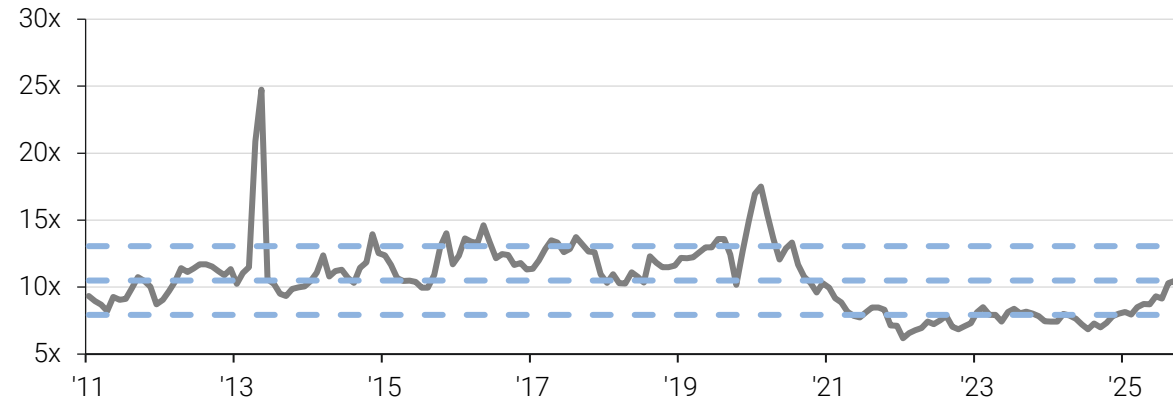
## Ibovespa 2026 fair value

Bear Case		Base Case		Bull Case	
Real Yield @ 8.5%	167,744	Real Yield @ 7.3%	193,480	Real Yield @ 5.5%	247,857
P/E 7.5x	149,505	P/E 10.5x	209,307	P/E 12.0x	263,129
EV/EBITDA 4.5x	141,662	EV/EBITDA 6.0x	211,286	EV/EBITDA 6.5x	273,947
Bottom up -20%	166,106	Bottom up	207,632	Bottom up +20%	249,159
<b>Average</b>	<b>156,254</b>	<b>Average</b>	<b>205,426</b>	<b>Average</b>	<b>258,523</b>

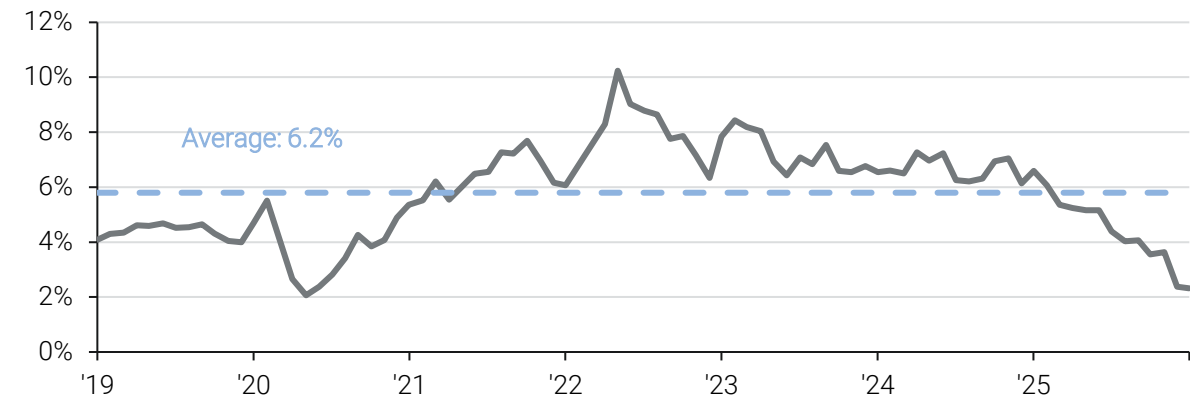
# Valuation

## Brazil's valuation multiples

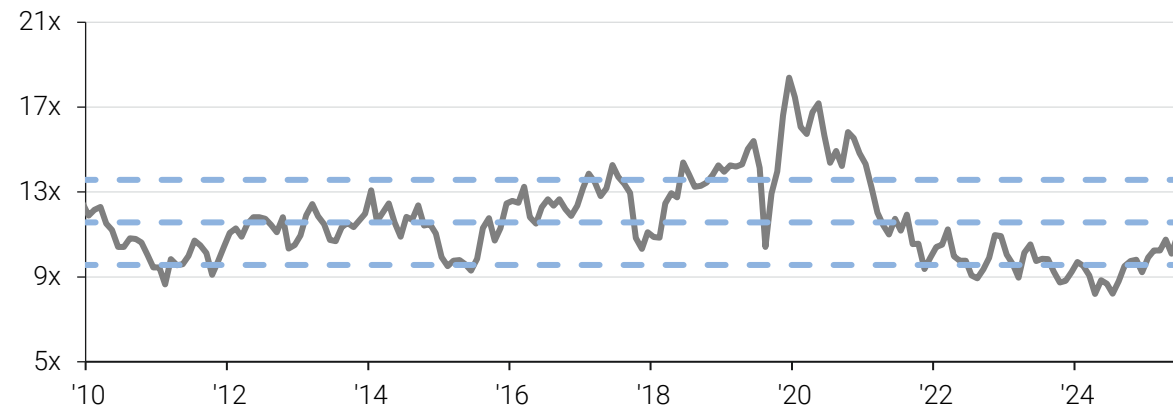
### Ibovespa fwd. P/E



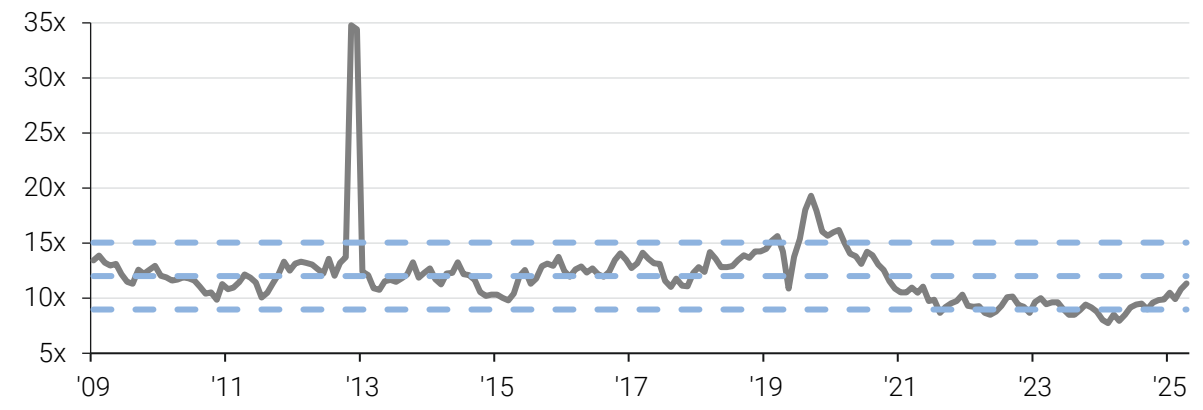
### Ibovespa Equity Risk Premium



### Ibovespa ex-Materials & Energy fwd. P/E



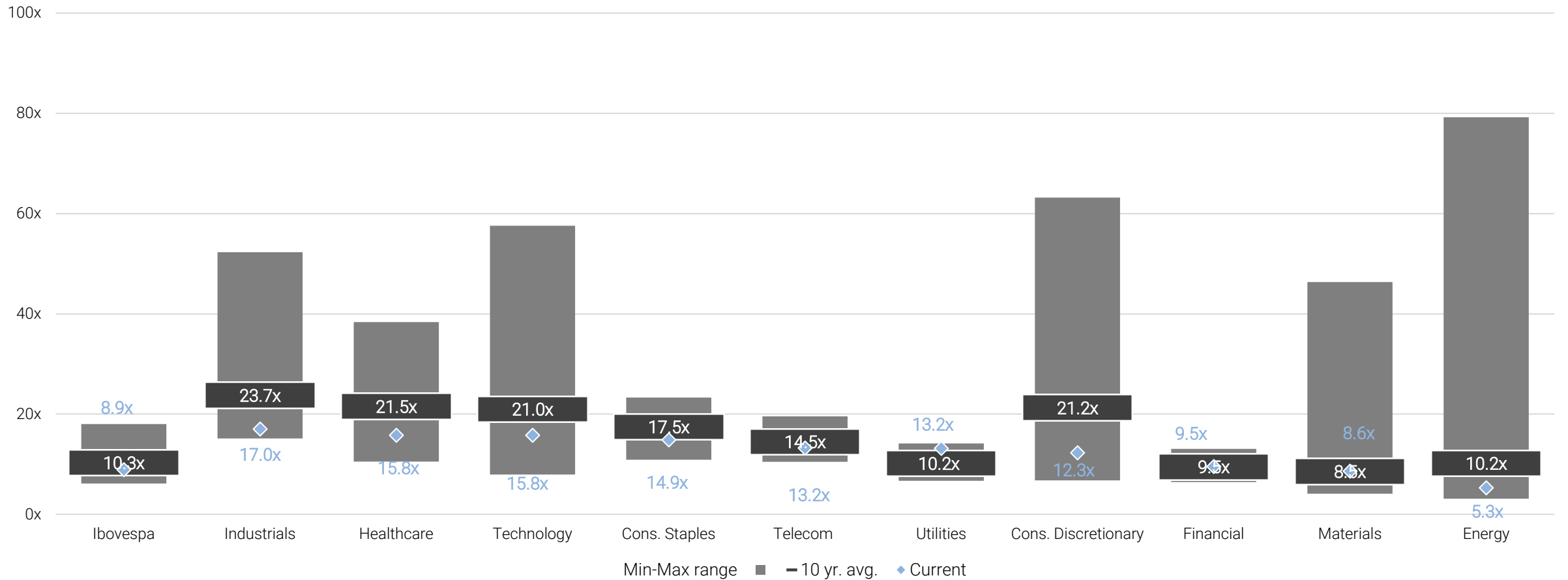
### Ibovespa ex-Vale and Petrobras fwd. P/E



# Valuation

Brazil's valuation multiples

Brazil sector fwd. P/E (MSCI Brazil)



# Valuation

## Brazil's relative valuation multiples

### Brazil vs Latam – 12M fwd. P/E

MSCI Sectors	Brazil vs. Latam					
	P/E - Brazil	P/E	10Y Avg.	Min	Max	Range
Cons. Discretionary	11.8	96%	95%	56%	116%	
Cons. Staples	14.6	93%	94%	78%	106%	
Financials	9.3	101%	99%	75%	109%	
Technology	15.6	100%	89%	27%	102%	
Energy	5.4	100%	97%	47%	118%	
Industrials	16.3	109%	126%	91%	190%	
Materials	8.4	76%	84%	65%	158%	
Utilities	12.9	102%	97%	76%	108%	
Healthcare	15.4	100%	100%	58%	102%	
Telecom	13.0	116%	106%	82%	137%	
<b>Total</b>	<b>8.9</b>	<b>89%</b>	<b>91%</b>	<b>82%</b>	<b>103%</b>	

### Brazil vs EM – 12M fwd. P/E

MSCI Sectors	Brazil vs. Latam					
	P/E - Brazil	P/E	10Y Avg.	Min	Max	Range
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Utilities	12.9	102%	97%	76%	108%	
Healthcare	15.4	100%	100%	58%	102%	
Telecom	13.0	116%	106%	82%	137%	
<b>Total</b>	<b>8.9</b>	<b>89%</b>	<b>91%</b>	<b>82%</b>	<b>103%</b>	

### Brazil vs World – 12M fwd. P/E

MSCI Sectors	Brazil vs. World				
	P/E	10Y Avg.	Min	Max	Range
Cons. Discretionary	56%	107%	32%	204%	
Cons. Staples	75%	90%	55%	123%	
Financials	73%	83%	56%	125%	
Technology	77%	94%	43%	217%	
Energy	40%	65%	35%	324%	
Industrials	71%	132%	75%	255%	
Materials	56%	58%	34%	249%	
Utilities	77%	66%	44%	85%	
Healthcare	92%	124%	63%	208%	
Telecom	67%	88%	56%	133%	
<b>Total</b>	<b>50%</b>	<b>62%</b>	<b>39%</b>	<b>98%</b>	

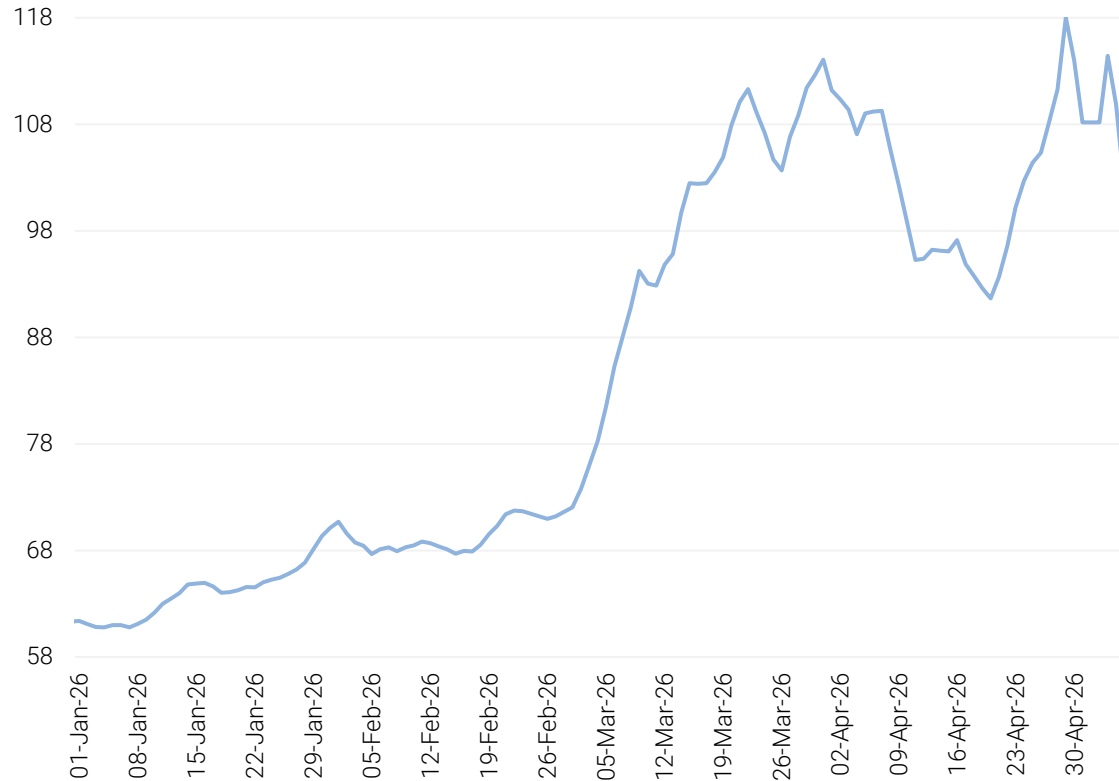
Equity Strategy  
Macro

# Global backdrop

The economic consequences of the war

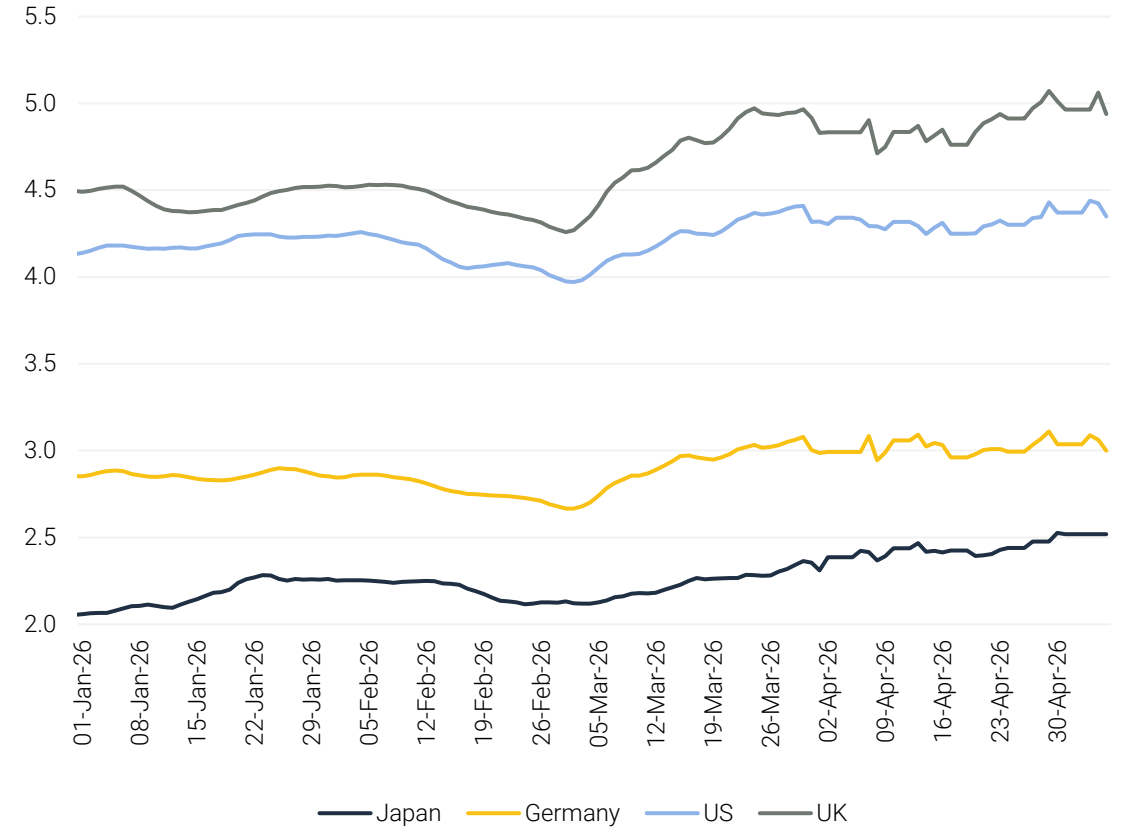
## Oil prices remain volatile amid the ongoing conflict in the Middle East

Brent oil (USD/barrel)



## Interest rates in developed economies have risen since the beginning of the conflict

2Y government bond yields (%)

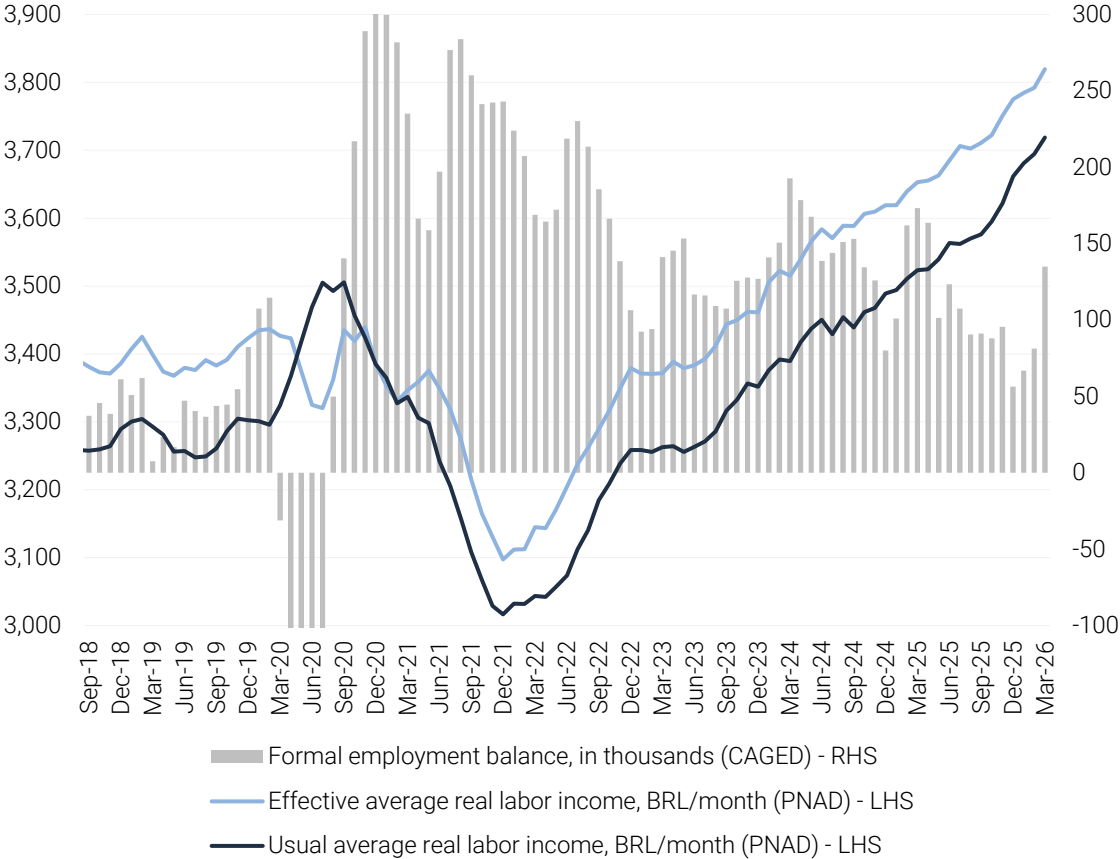


# Brazil macro backdrop

Activity – Demand remains strong amid a tight labor market and stimulus measures

## The labor market remains tight, with resilient job creation and rising real labor earnings

SAS. MM3M.



## Credit concessions for vehicle purchases and mortgage financing have gained steam in recent months

Credit for individuals. Real daily average (BRL Mn). SAS. 3MMA.



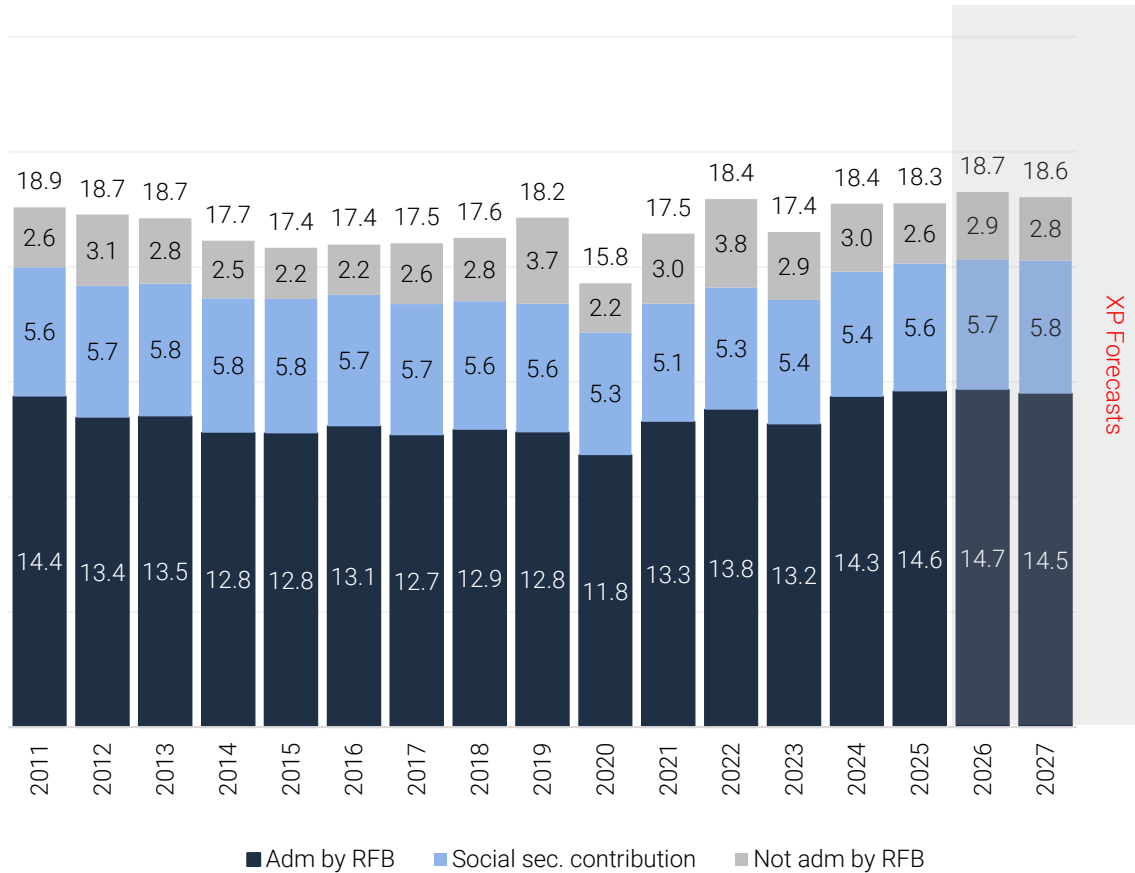
# Brazil macro backdrop

May 12, 2026  
Equity Strategy

Public finances – Primary deficit forecast increases with measures to mitigate higher fuel prices

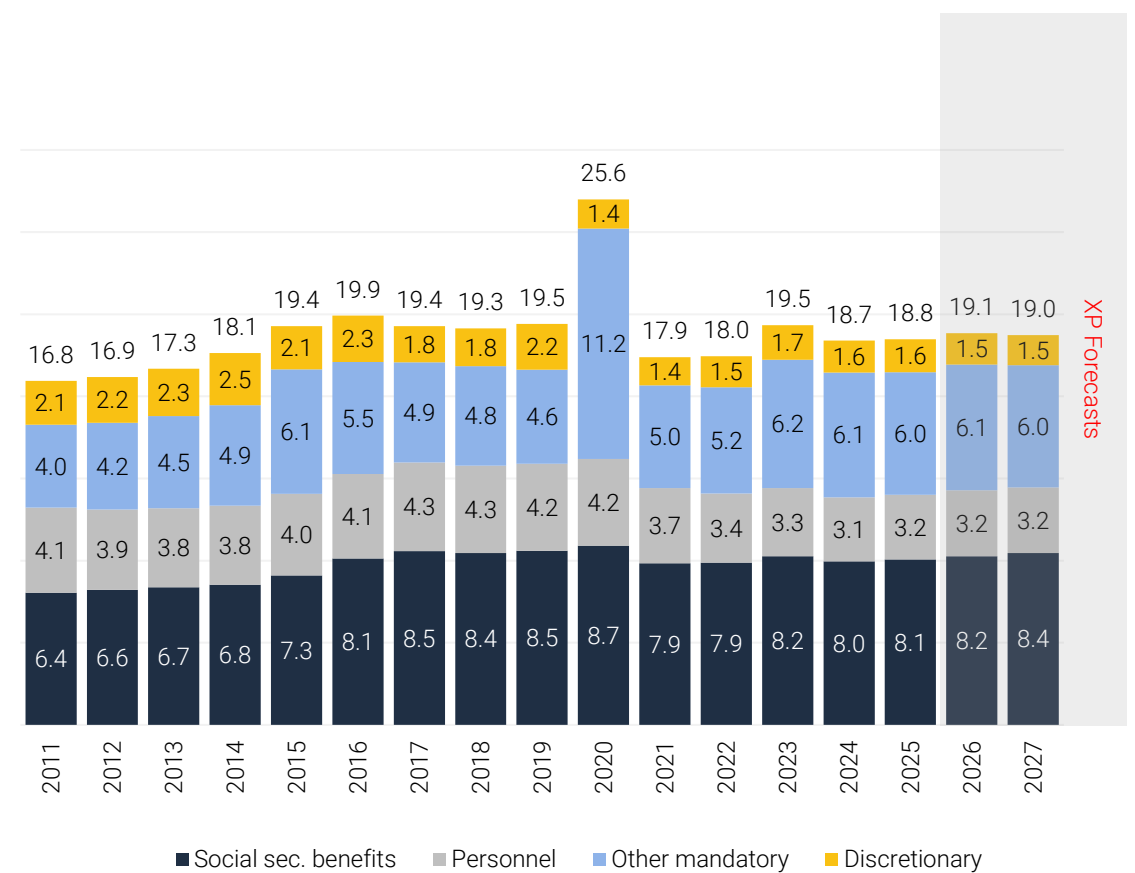
## Net revenues should reach their highest level since 2013...

Net fiscal revenue (% of GDP)



## ...however, subsidies and social benefits put pressure on spending

Total expenditure (% of GDP)

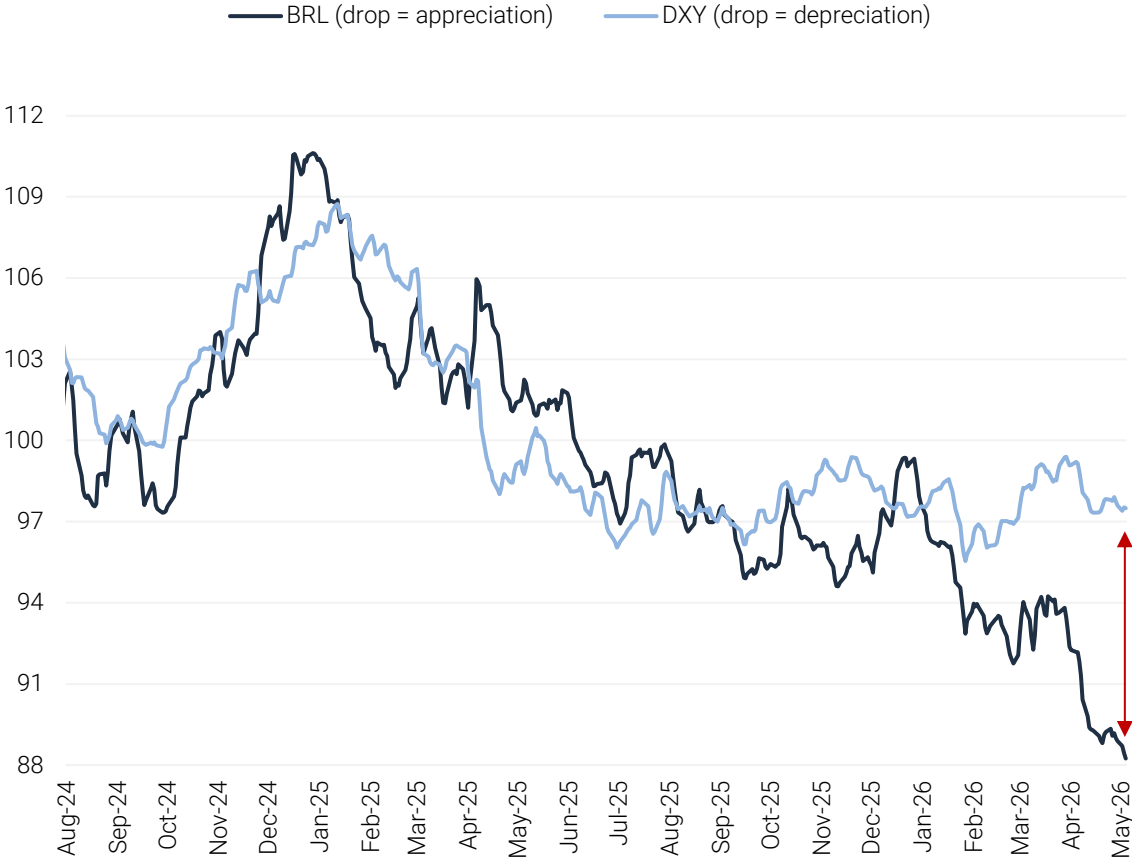


# Brazil macro backdrop

External Accounts - Brazil as a “relative winner” supports a stronger BRL

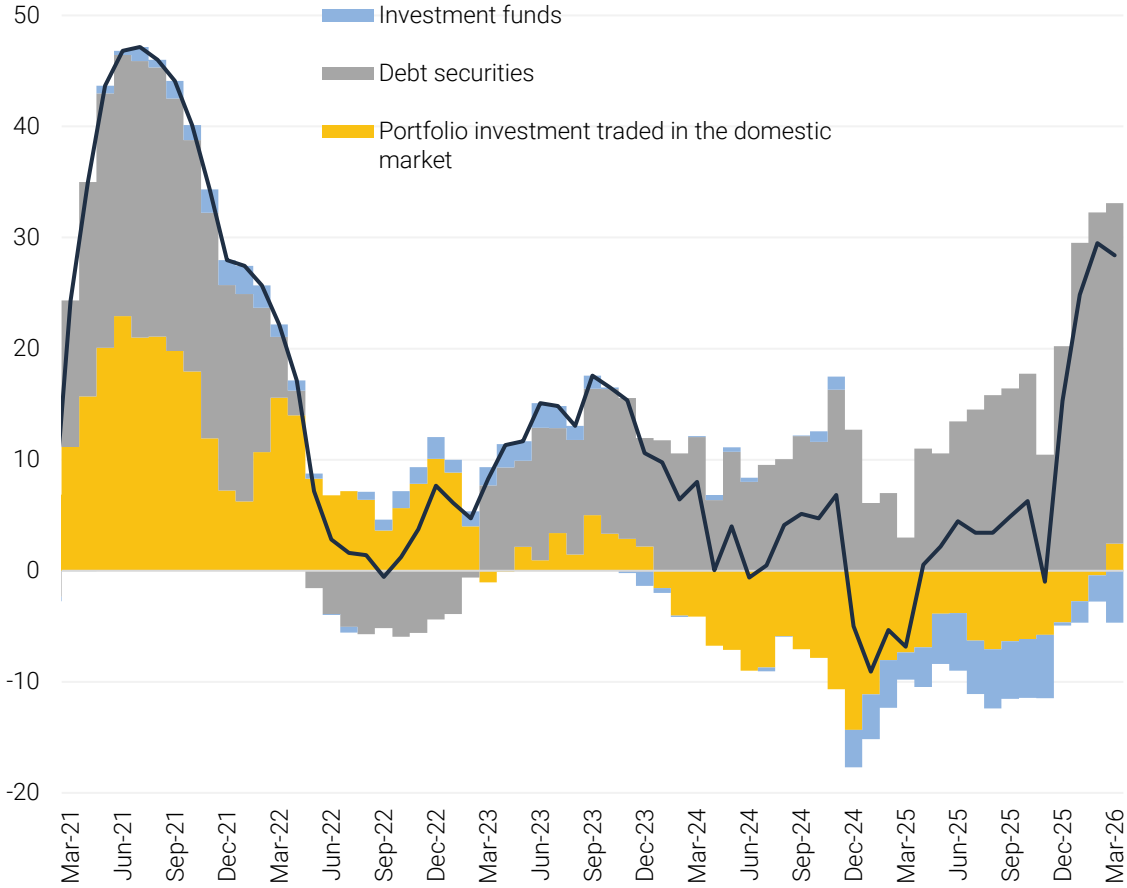
## BRL has strengthened recently, even with the US dollar stabilizing

Index. 2025 = 100



## Global inflows into the Brazilian market accelerated in 2026

Portfolio investment traded in the domestic market. 12M (BRL Bn)

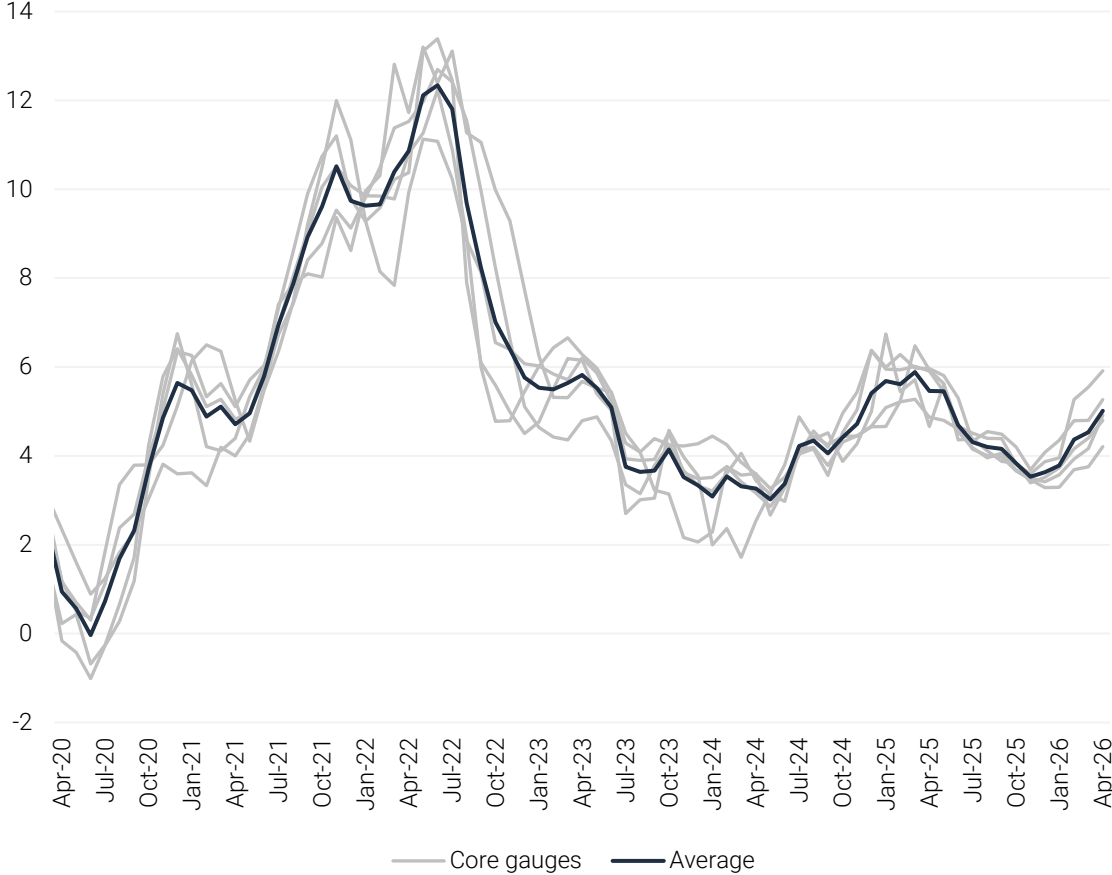


# Brazil macro backdrop

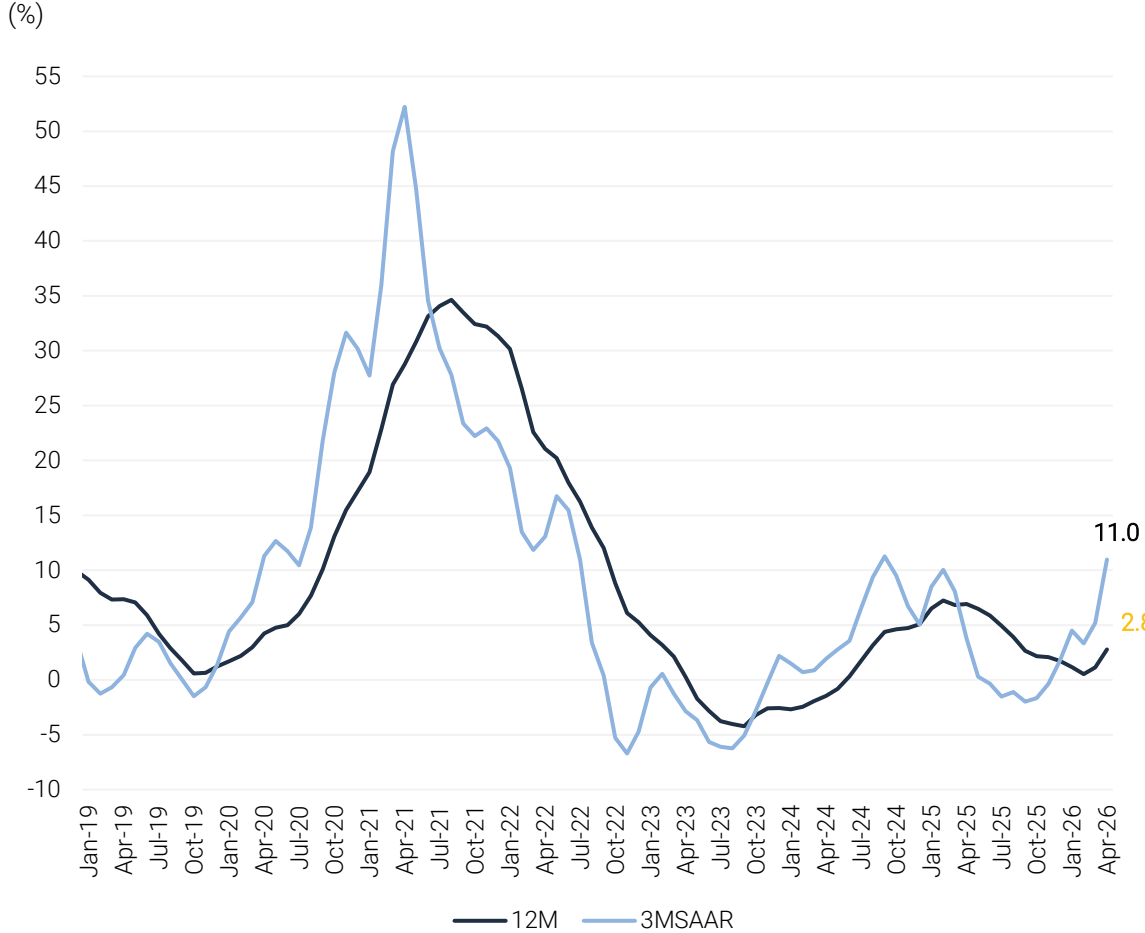
Inflation – Amid the war and other shocks, we raised our 2026 IPCA forecast to 5.3%

## Core inflation began to rise even before the energy shock

IPCA-15. 3M SAAR (%)



## Wholesale prices decelerated in 2025 but are picking up again amid the energy crisis and pressures from global demand



## XP Forecasts

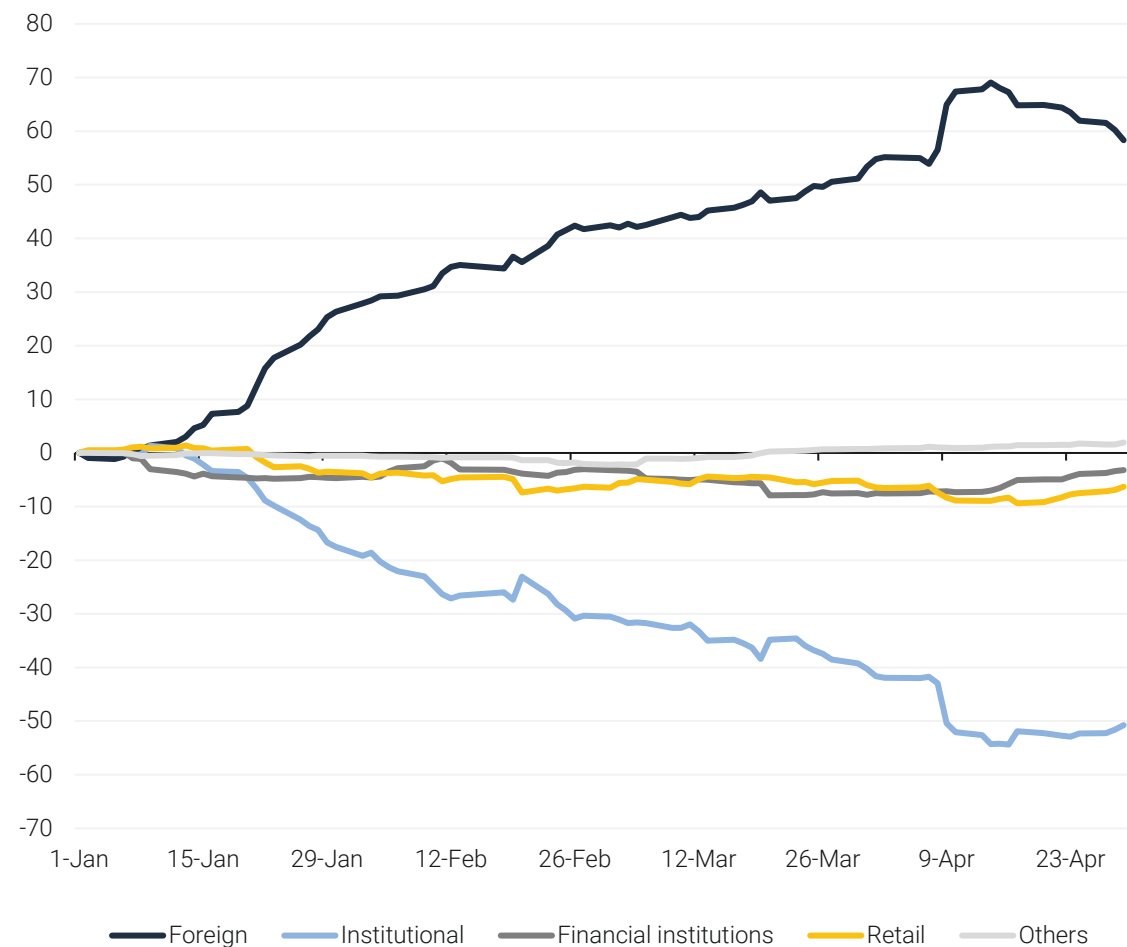
	2020	2021	2022	2023	2024	2025	2026 (F)	2027 (F)
<b>Economic Activity</b>								
Nominal GDP (USD Bn)	1.475	1.670	1.951	2.190	2.178	2.315	2.723	2.772
Nominal GDP (BRL Bn)	7.610	9.012	10.080	10.943	11.779	12.739	13.617	14.414
GDP growth (%)	-3,3	4,8	3,0	3,2	3,4	2,3	2,0	1,2
Unemployment rate (% s.a., end of period)	14,7	11,7	8,3	7,6	6,5	5,3	5,6	6,2
<b>Inflation</b>								
IPCA (CPI, %)	4,5	10,1	5,8	4,6	4,8	4,3	5,3	4,0
<b>Monetary Policy</b>								
SELIC rate (% p.a., end of period)	2,00	9,25	13,75	11,75	12,25	15,00	13,75	11,50
<b>Public Finances</b>								
Central government primary balance (% GDP)	-9,8	-0,4	0,5	-2,4	-0,4	-0,5	-0,4	-0,4
Primary balance for target calculation (% GDP)*	--	--	--	--	-0,1	-0,1	0,0	0,0
Public sector primary balance (% GDP)	-9,2	0,7	1,2	-2,3	-0,4	-0,4	-0,4	-0,3
Public sector overall balance (% GDP)	-13,6	-4,3	-4,6	-8,8	-8,5	-8,3	-8,5	-8,2
General government gross debt (% GDP)	86,9	77,3	71,7	73,8	76,5	78,7	83,2	87,7
Net public sector debt (% GDP)	61,4	55,1	56,1	60,4	61,5	65,3	69,7	74,2
<b>External Accounts and FX</b>								
FX (USDBRL, end of period)	5,20	5,58	5,28	4,86	6,17	5,49	5,00	5,30
Trade Balance (USD Bn)	35,7	42,3	51,5	92,3	65,8	60,0	76,5	70,9
Exports (USD Bn)	210,7	284,0	340,2	343,8	339,9	350,9	384,4	375,4
Imports (USD Bn)	175,0	241,7	288,7	251,5	274,0	290,9	307,9	304,5
Current Account (USD Bn)	-24,9	-40,4	-42,2	-27,9	-61,2	-68,8	-58,0	-52,6
Current Account (% GDP)	-1,7	-2,4	-2,2	-1,3	-2,8	-3,0	-2,1	-1,9
FDI (USD Bn)	38,3	46,4	74,6	62,4	71,1	77,7	75,0	79,0
FDI (% GDP)	2,6	2,8	3,8	2,9	3,2	3,4	2,8	2,8

Equity Strategy  
Flows

# Flows

Investors' flows in B3

YTD flows to Brazilian equities by participants (R\$ billion)



Monthly net flows to Brazilian equities by participants (R\$ billion)

Month	Foreign	Institutional	Financial Inst.	Retail	Others
May-25	10,6	-8,3	-1,2	0,8	-2,0
Jun-25	5,4	-8,4	-0,3	2,0	1,4
Jul-25	-6,4	-0,5	5,3	1,1	0,5
Aug-25	1,2	-1,3	1,0	-1,4	0,4
Sep-25	5,1	-8,9	-1,6	-0,2	5,7
Oct-25	-1,8	0,0	0,3	0,9	0,6
Nov-25	2,1	-8,7	3,4	-3,5	6,8
Dec-25	-0,4	1,9	-2,8	3,5	-2,3
Jan-26	26,3	-17,5	-4,7	-3,6	-0,5
Feb-26	15,4	-12,8	1,6	-2,7	-1,5
Mar-26	11,7	-9,9	-4,8	0,3	2,8
Apr-26	8,2	-12,0	4,1	-1,1	0,8
YTD	61,5	-52,3	-3,7	-7,1	1,6

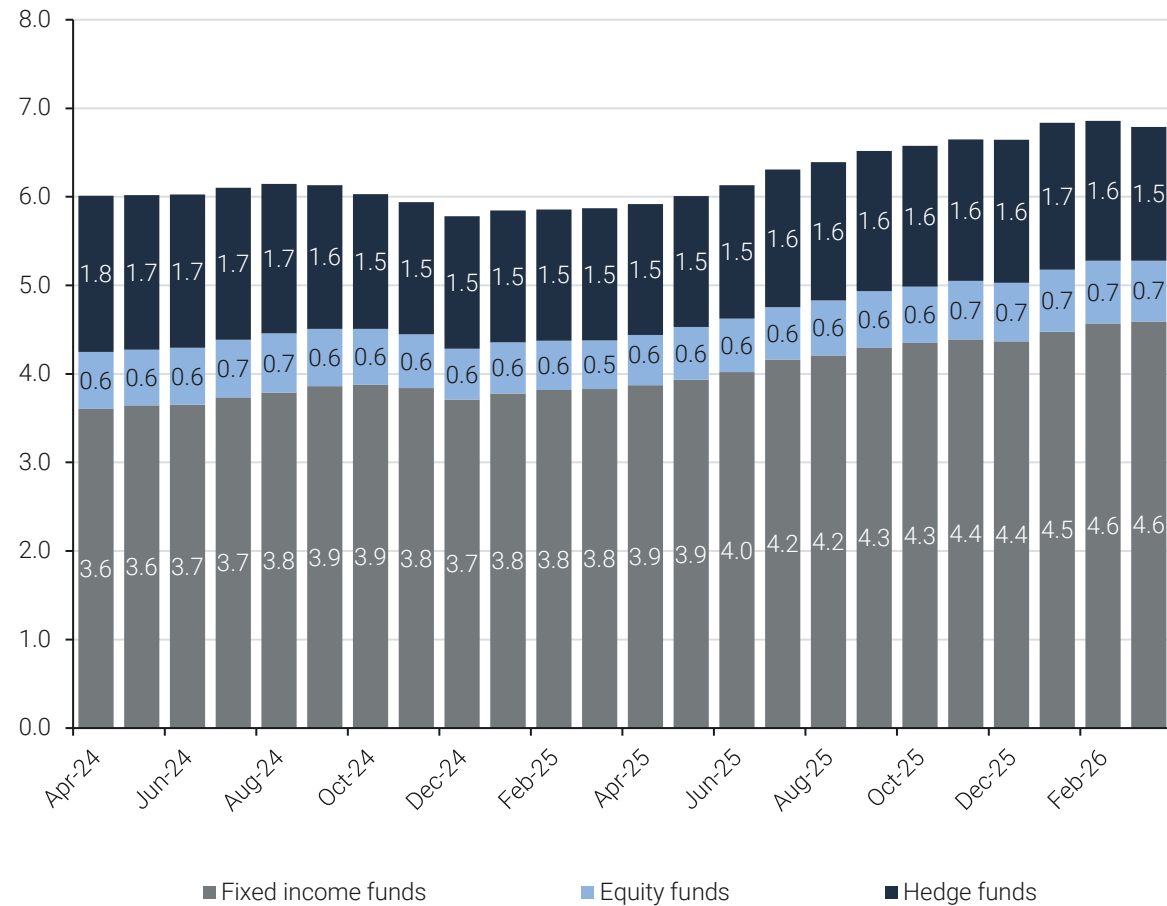
Annual net flows to Brazilian equities by participants (R\$ bln)

Year	Foreign	Institutional	Financial Inst.	Retail	Others
2018	-11,5	12,5	1,1	1,2	0,0
2019	-44,5	44,1	-2,4	8,7	0,0
2020	-40,1	-7,3	0,4	54,6	-5,4
2021	-7,2	-52,6	2,8	39,6	17,3
2022	100,8	-142,5	12,9	-1,9	30,7
2023	44,9	-65,1	2,1	0,6	17,5
2024	-32,1	-37,5	13,2	30,8	25,6
2025	26,9	-47,6	5,3	6,8	8,6
2026	61,5	-52,3	-3,7	-7,1	1,6

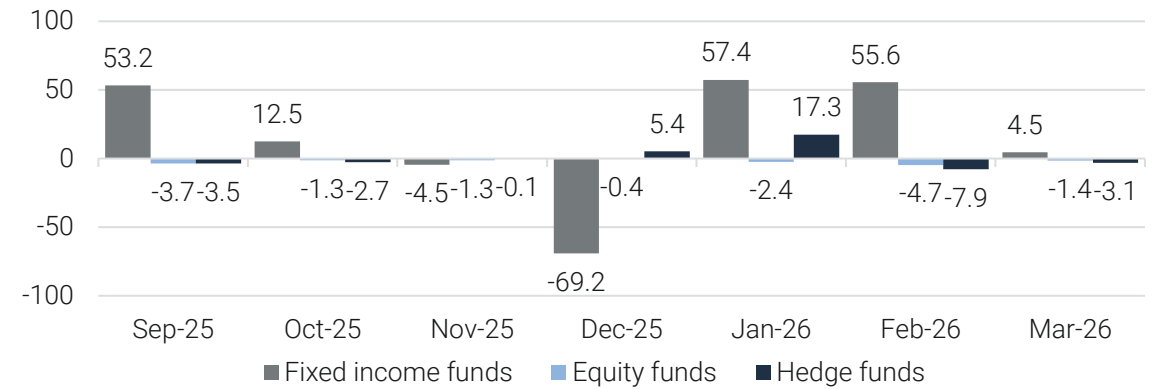
# Fund flows

## Fund industry flows

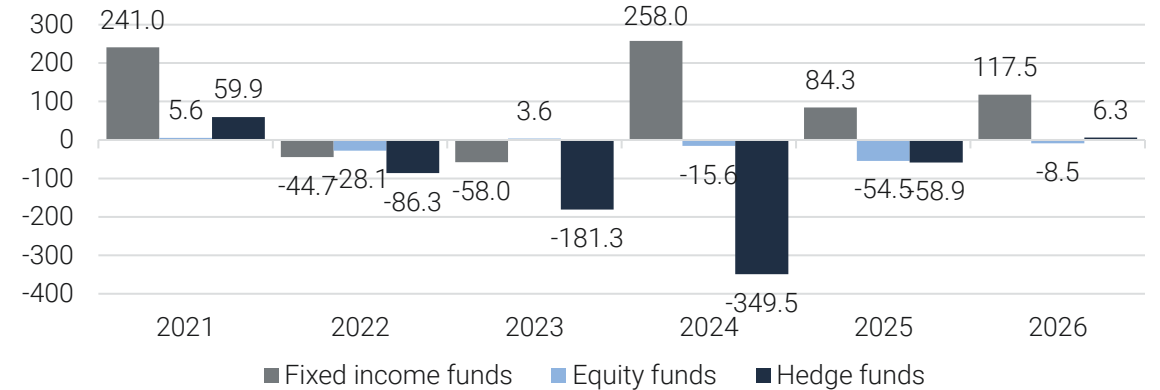
AUM of Brazilian funds by type (R\$ trillion)



Monthly net flow of funds (R\$ billion)



Annual net flow of funds (R\$ billion)



Equity Strategy

# Equity Funds Positioning

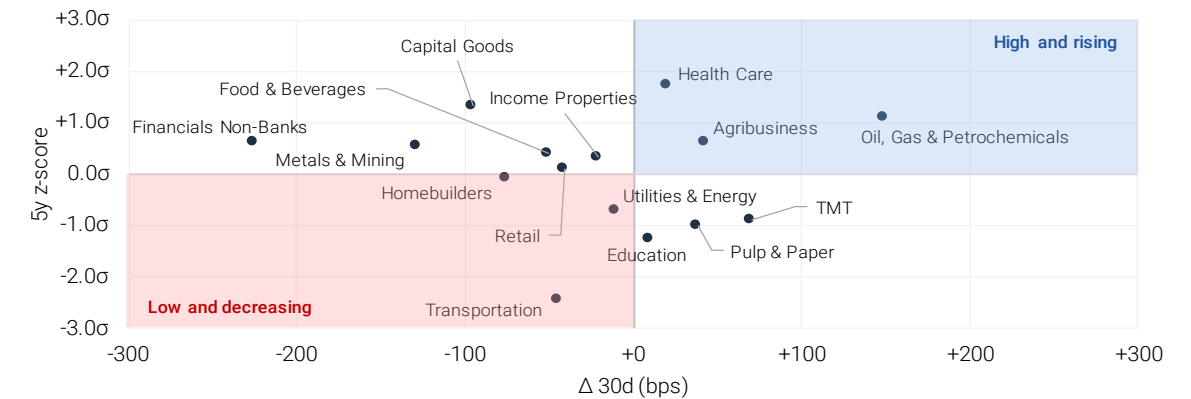
# Equity Funds Positioning Monitor

May 12, 2026  
Equity Strategy

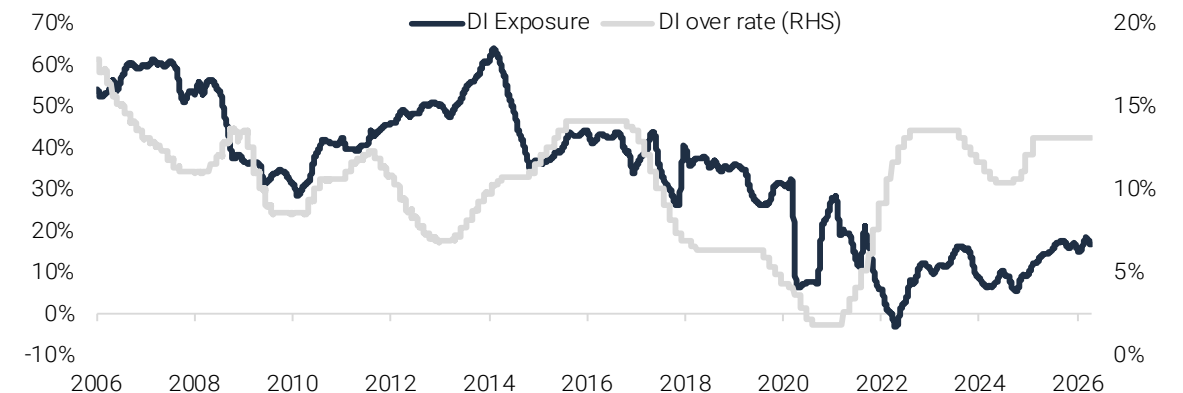
## Current Sector & Factor Exposure

	Ibovespa Weight	Estimated Exposure	Δ 7d (bps)	Δ 30d (bps)	Exposure 5y z-score
<b>Sectors</b>					
Oil, Gas & Petrochemicals	17.8%	▲ 15.4%	+26	+149	+1.10
Utilities & Energy	14.7%	▬ 14.2%	+18	-11	-0.69
Banks	18.7%	▲ 11.4%	+109	+413	+0.09
Metals & Mining	13.3%	▼ 8.6%	-21	-129	+0.53
Health Care	2.3%	▲ 7.9%	-5	+21	+1.75
Capital Goods	5.0%	▼ 6.9%	-19	-95	+1.31
Income Properties	1.1%	▼ 6.1%	-6	-21	+0.34
Pulp & Paper	1.6%	▲ 5.3%	+1	+38	-0.99
Financials Non-Banks	8.3%	▼ 4.1%	-72	-226	+0.63
Retail	3.2%	▼ 3.7%	-19	-41	+0.12
Food & Beverages	3.0%	▼ 3.7%	-7	-51	+0.39
Agribusiness	0.1%	▲ 3.6%	-4	+43	+0.61
Sanitation <sup>1</sup>	4.0%	▼ 2.9%	-17	-51	
Transportation	3.2%	▼ 2.3%	+15	-44	-2.45
TMT	2.5%	▲ 2.3%	+35	+70	-0.87
Homebuilders	0.8%	▼ 1.7%	-39	-75	-0.06
Education	0.3%	▬ -0.2%	+5	+10	-1.27
<b>Factors</b>					
Ibovespa		▲ 62.2%	+61	+833	+2.69
Low Risk		▼ 30.5%	-16	-274	+0.04
Quality		▲ 20.6%	-21	+71	+1.36
Size		▲ 5.7%	+2	+223	-0.95
Momentum		▼ -6.0%	+17	-569	-2.65
Value		▼ -12.9%	-43	-284	-1.31

Trend and level quadrant analysis of sector exposures



Allocation in Cash (DI Over) relative to Equities (Ibovespa)



# Equity Funds Positioning Monitor: Escape the Herd

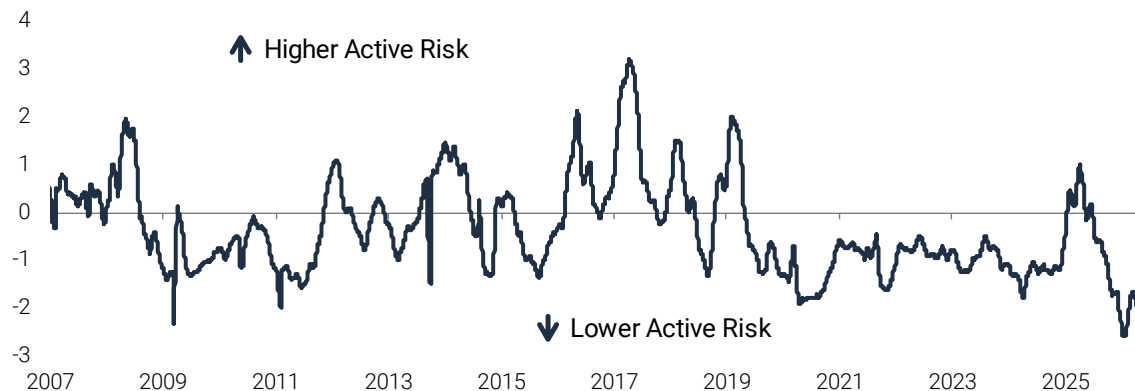
Crowded sectors tend to face corrections, while Underbought bounce back

According to our *Escape the Herd* study, **Crowded** sectors tend to face corrections, while **Underbought** typically bounce back. Here, we provide an updated view of sector positioning based on this classification, track the significance of active fund positioning relative to the Ibovespa using our Activism Index. For more details, [access the full report here](#).

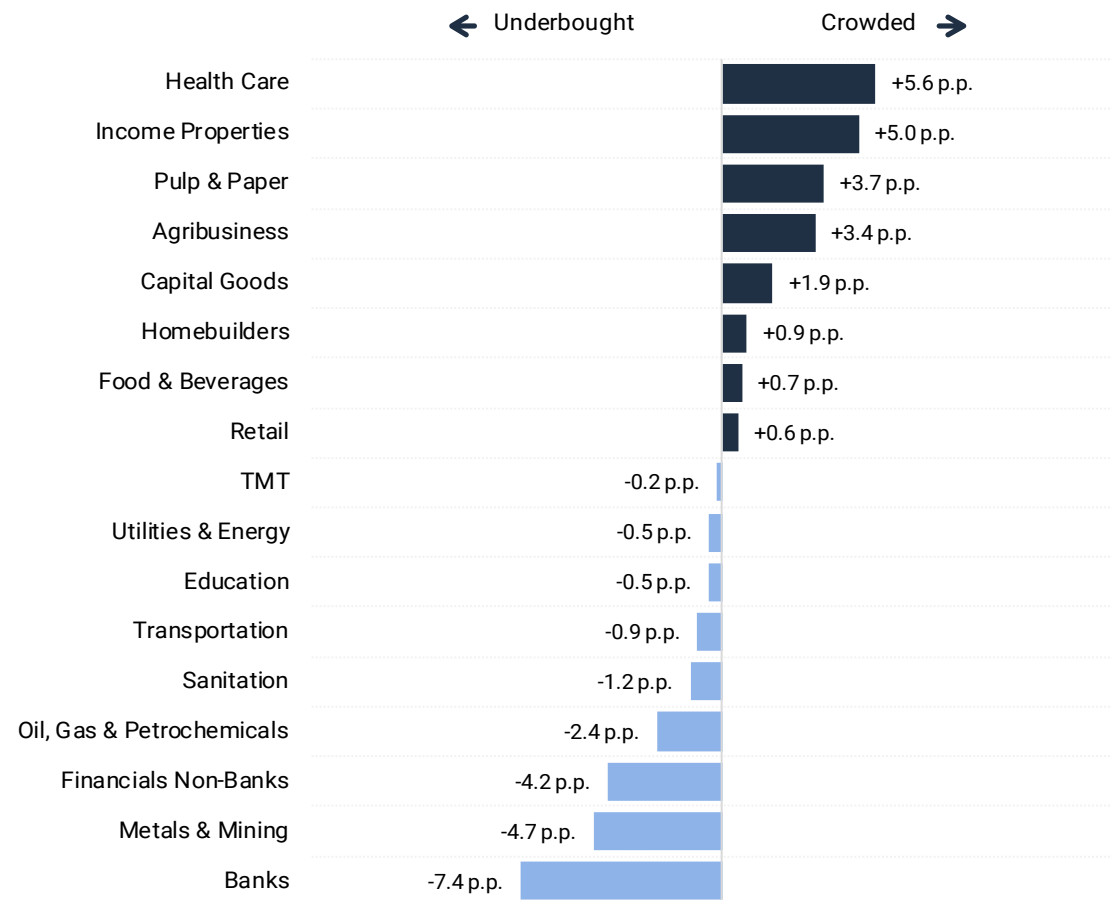
## Crowded and Underbought sectors

Crowded (lower returns)	vs Ibovespa	Underbought (higher returns)	vs Ibovespa
Health Care	+5.6 pp	Financials Non-Banks	-4.2 pp
Income Properties	+5.0 pp	Metals & Mining	-4.7 pp
Pulp & Paper	+3.7 pp	Banks	-7.4 pp

## Active Risk Index (5y z-score)



## Estimated Sector Equity Funds Exposure vs Ibovespa Weights

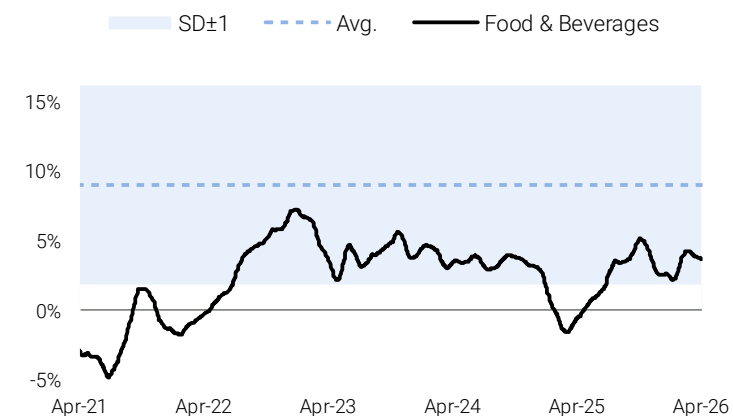
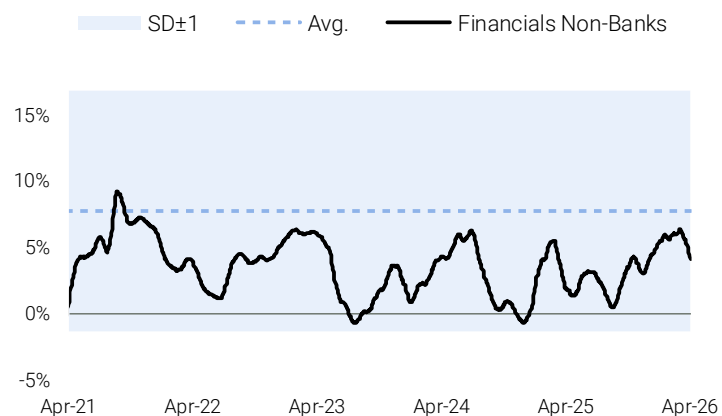
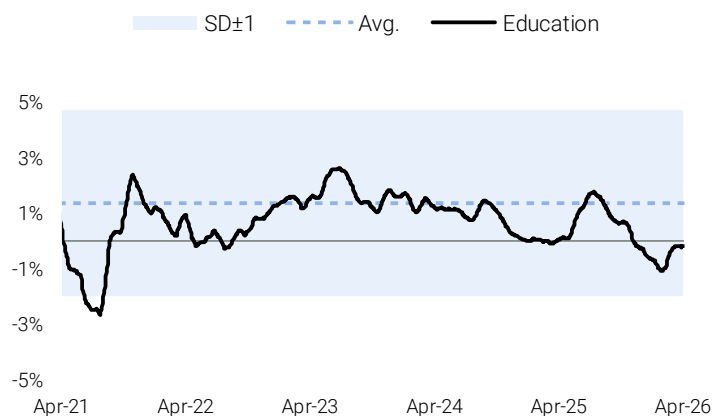
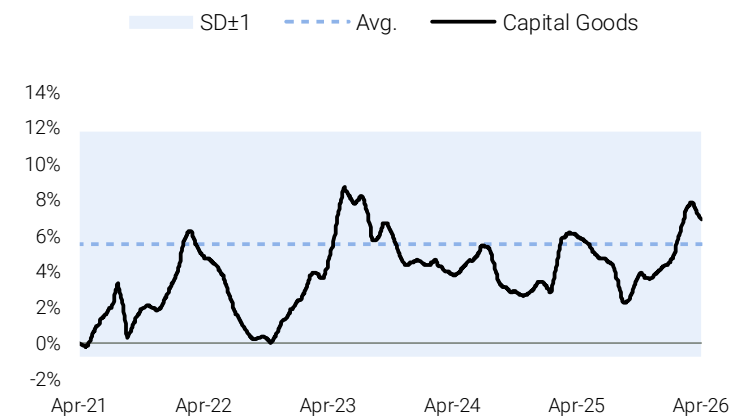
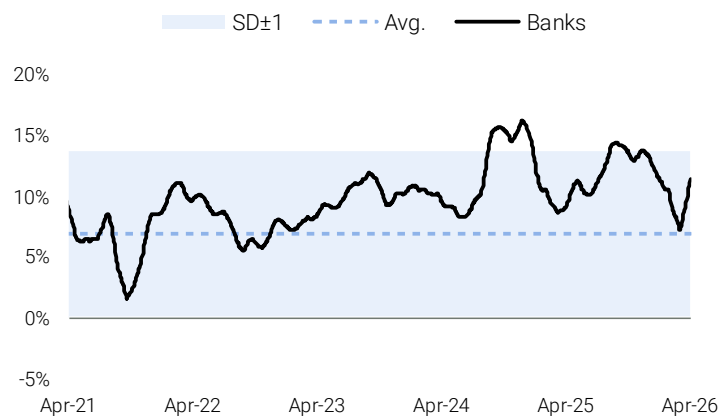
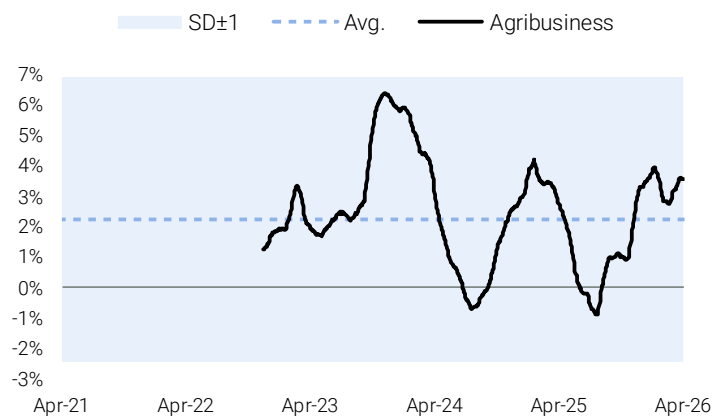


# Equity Funds Positioning Monitor

May 12, 2026  
Equity Strategy

## Rolling betas – Last five years

### Sectors (part 1 of 4)

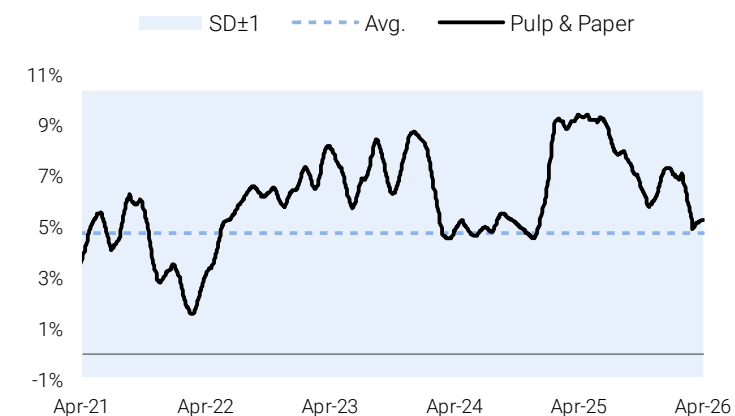
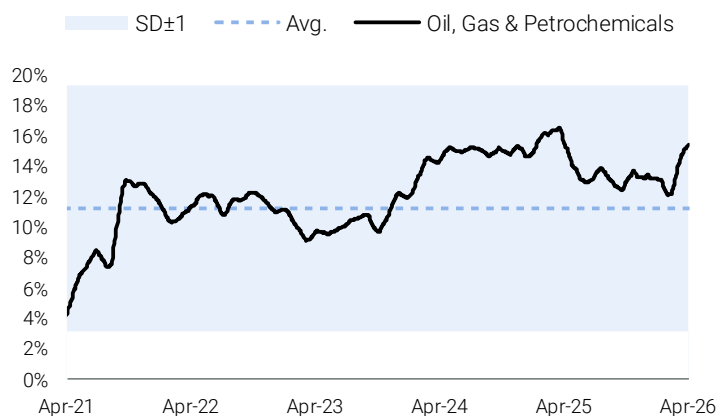
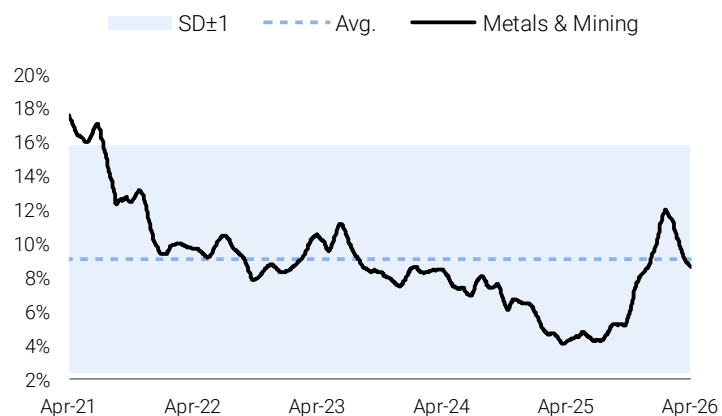
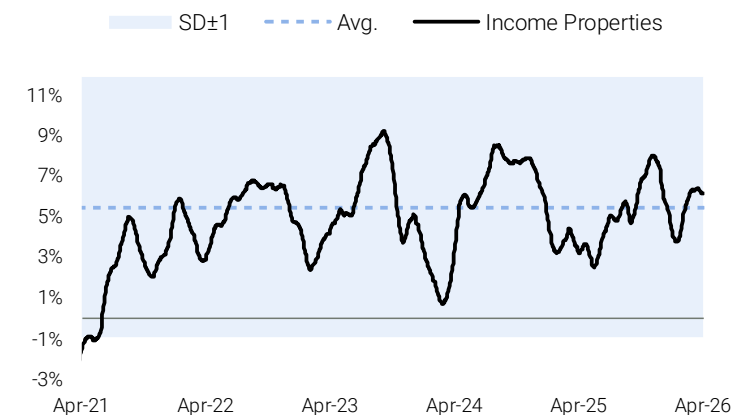
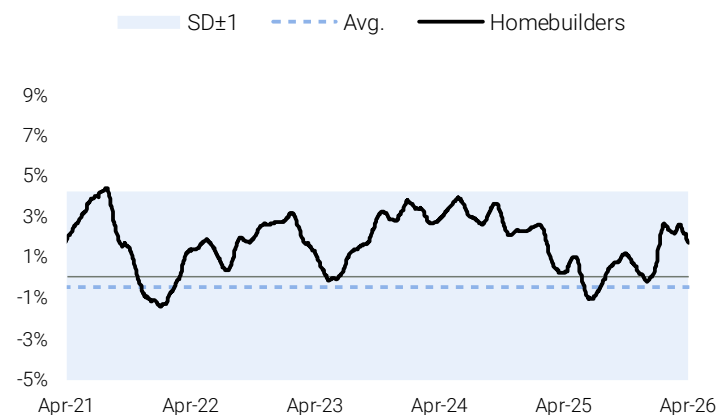
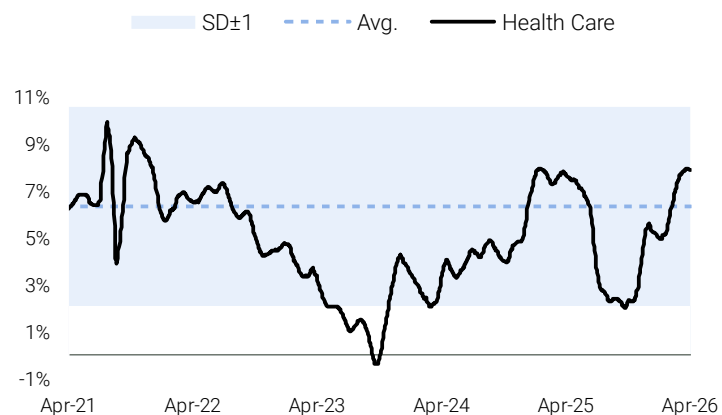


# Equity Funds Positioning Monitor

May 12, 2026  
Equity Strategy

## Rolling betas – Last five years

### Sectors (part 2 of 4)

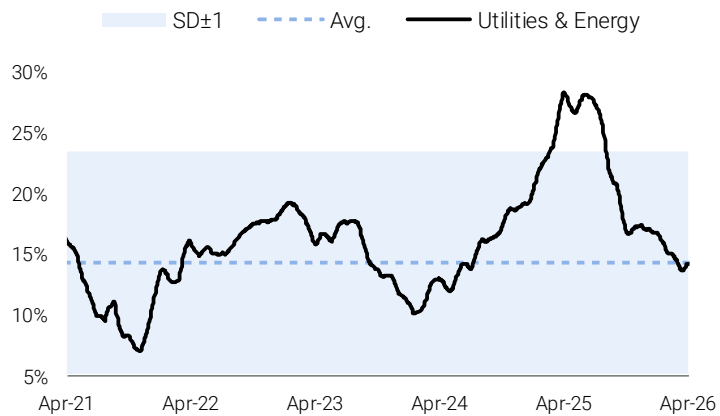
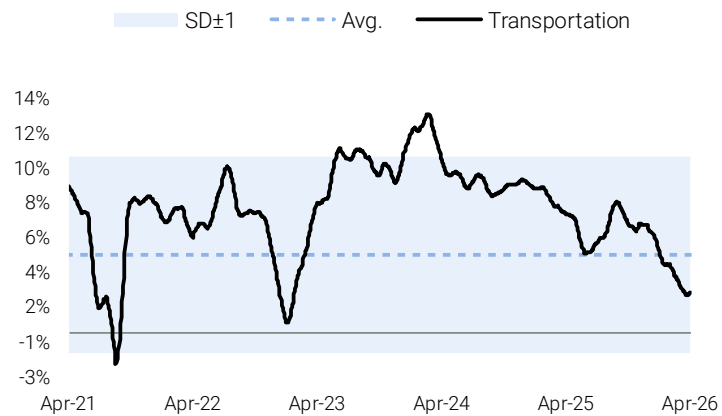
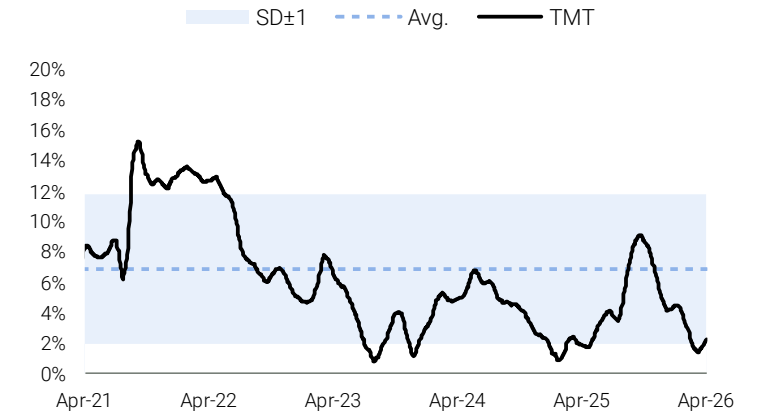
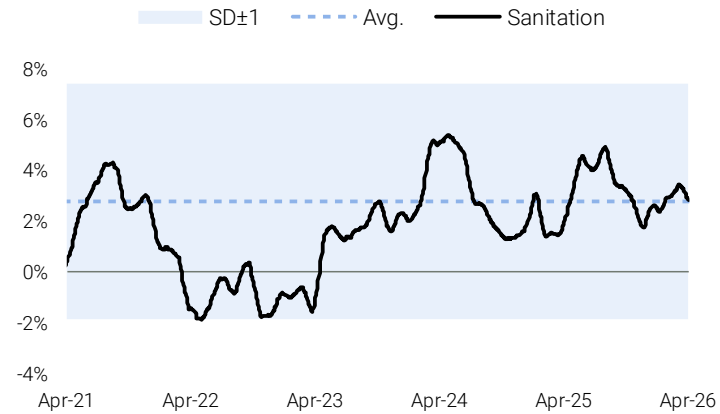
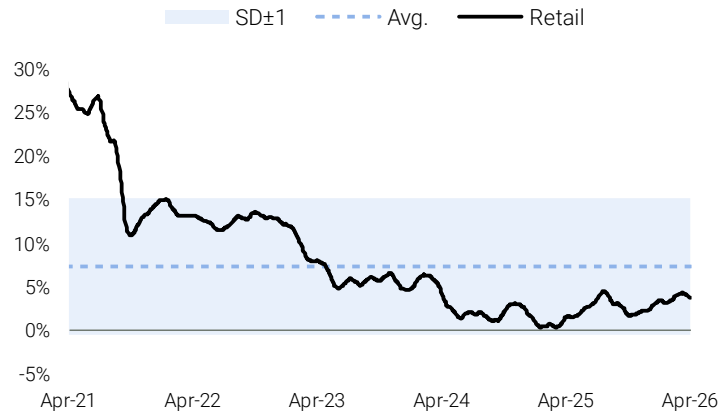


# Equity Funds Positioning Monitor

May 12, 2026  
Equity Strategy

## Rolling betas – Last five years

### Sectors (part 3 of 4)

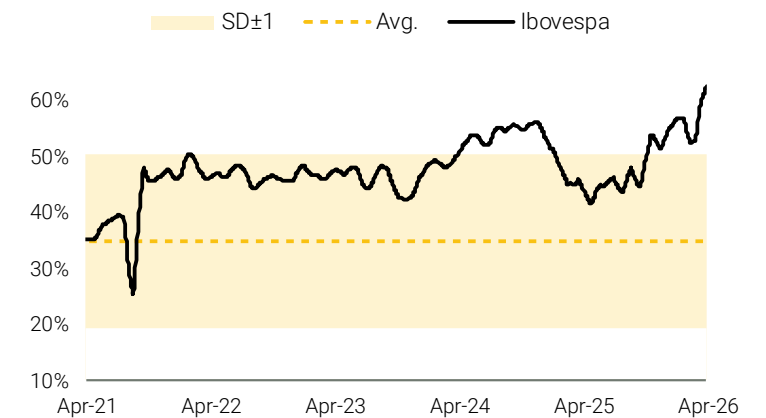
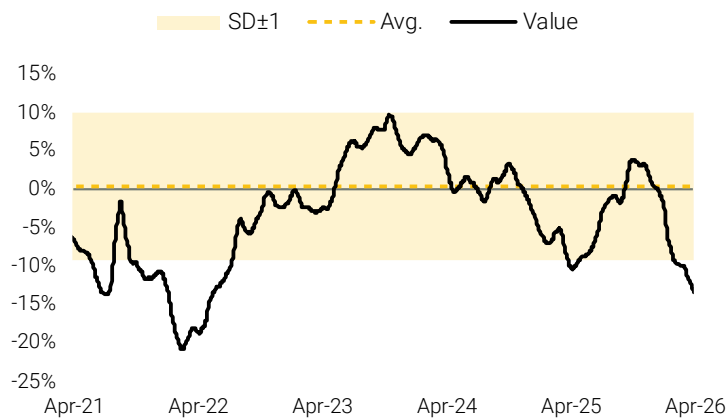
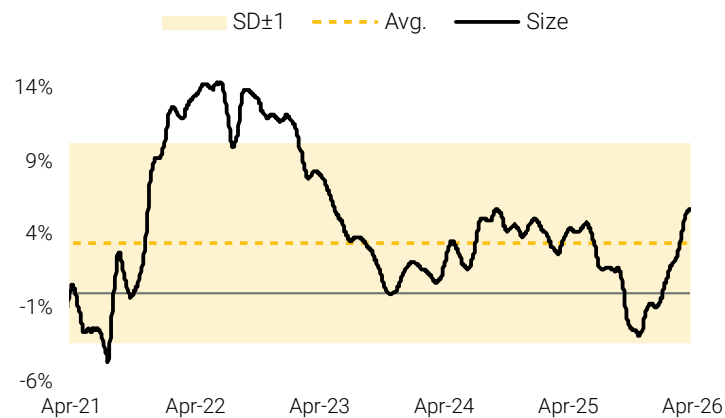
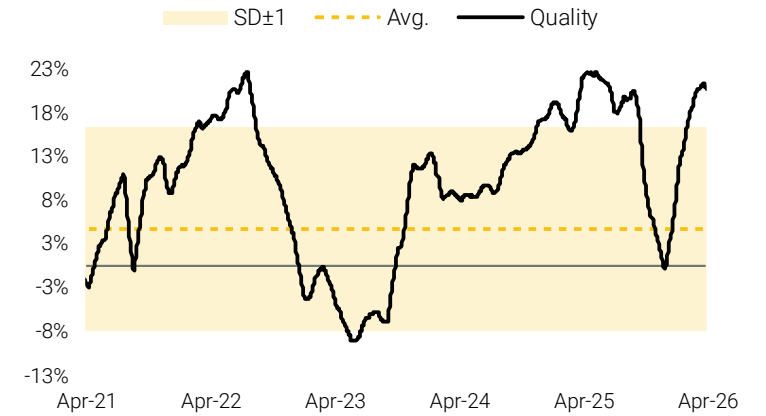
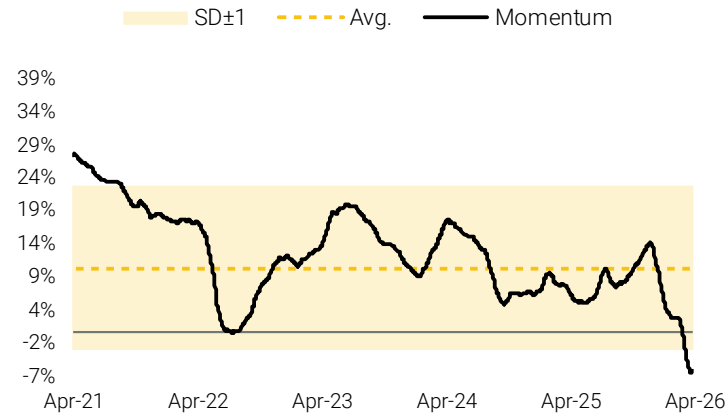
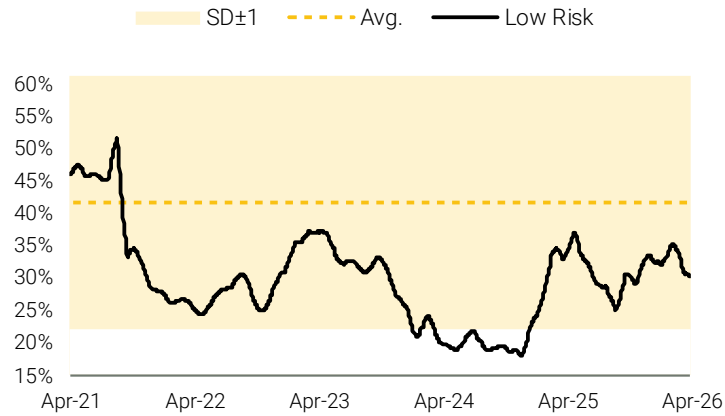


# Equity Funds Positioning Monitor

May 12, 2026  
Equity Strategy

## Rolling betas – Last five years

### Factors (part 4 of 4)

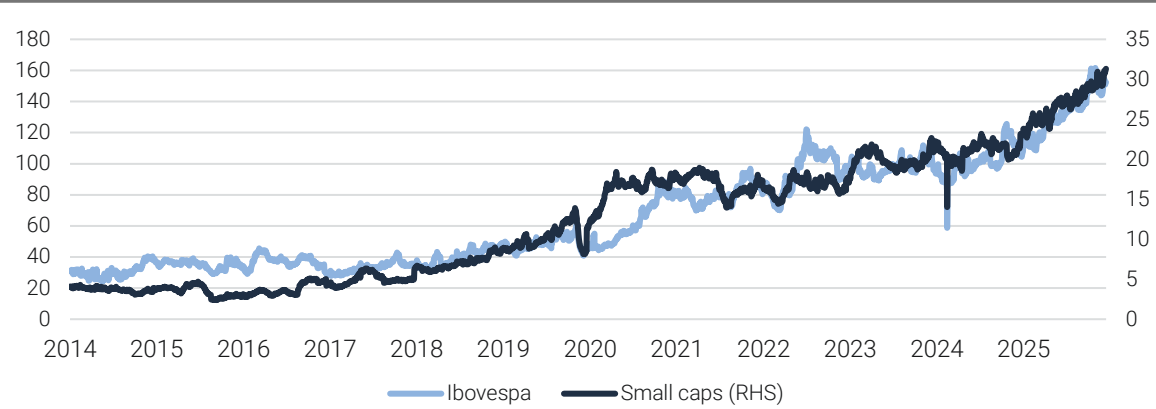


Equity Strategy  
Short Scout

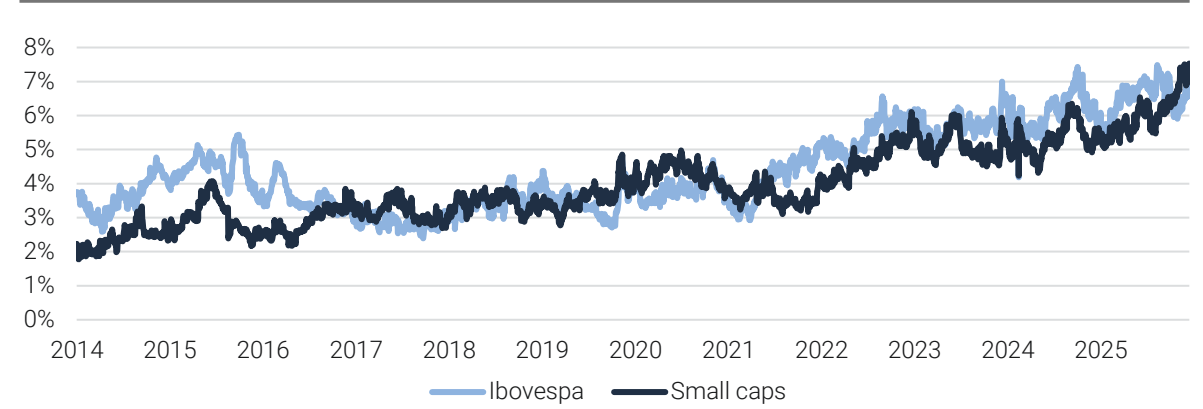
# Short Scout

## Short selling in Brazilian equities

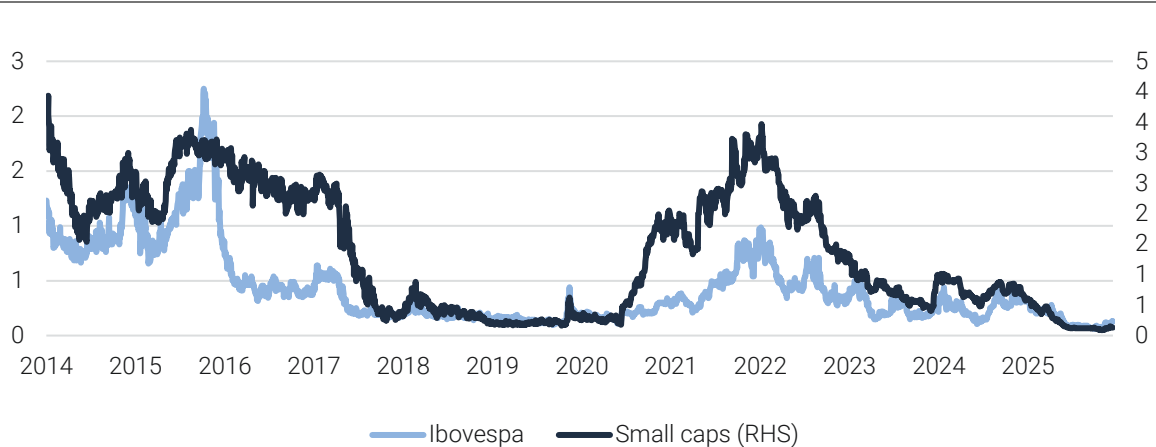
### Total short interest (R\$ billion)



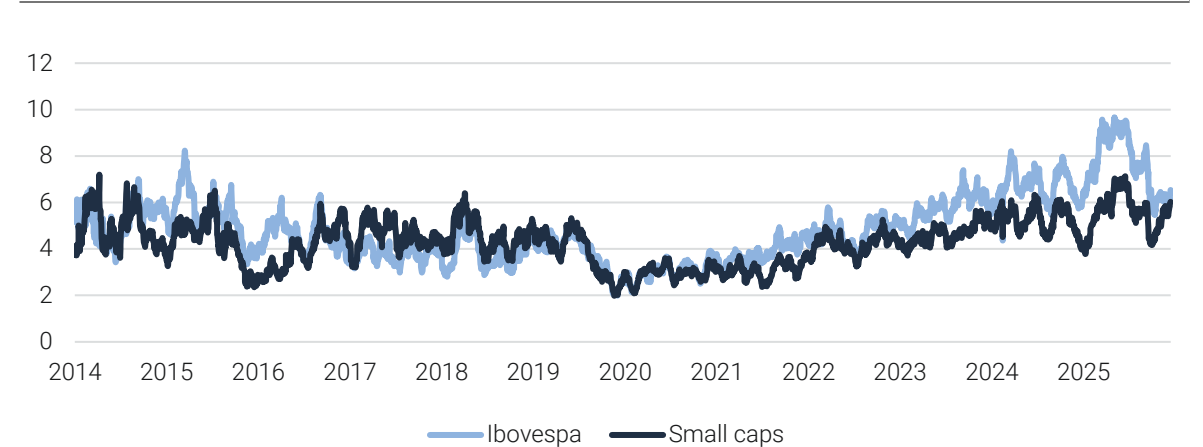
### Median short interest



### Median lending rate (%)

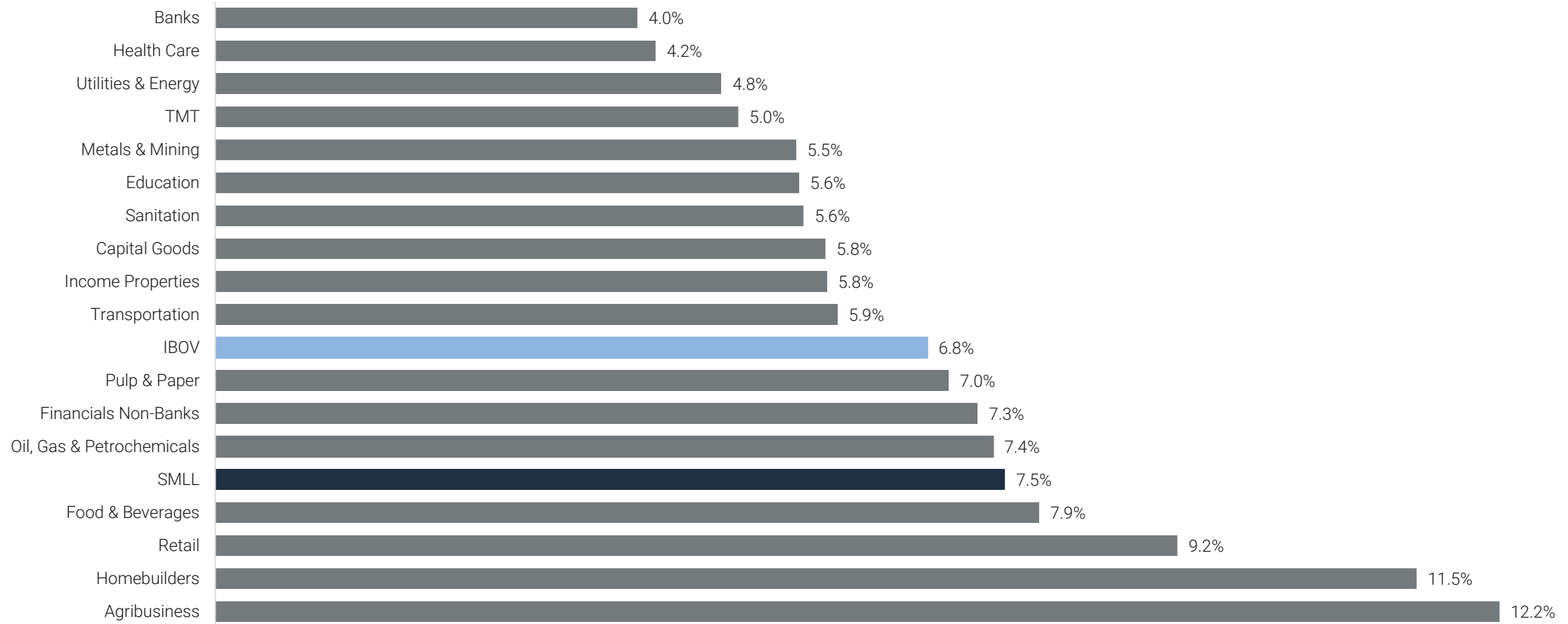


### Median days to cover



## Short selling in Brazilian equities

### Median short interest by sector (%)



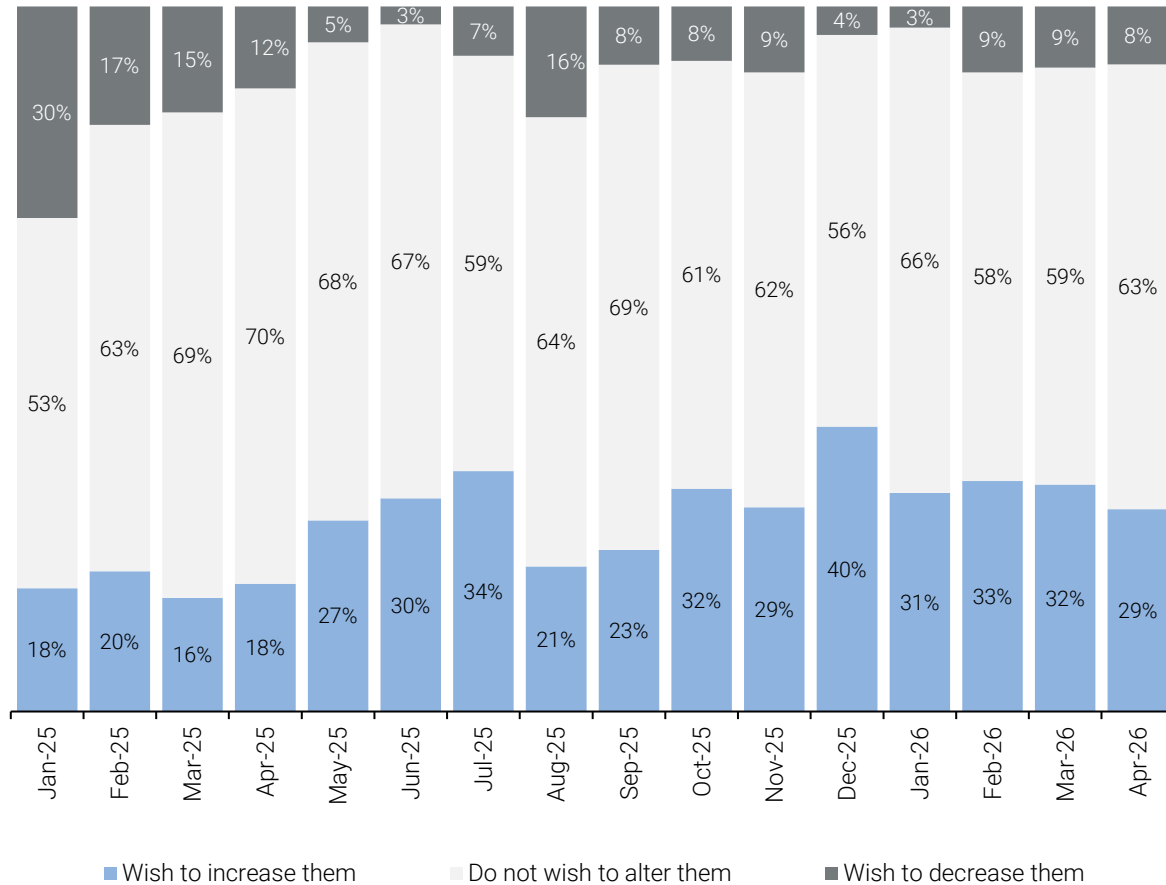
Equity Strategy  
Investor Surveys

# XP IFA Sentiment Survey

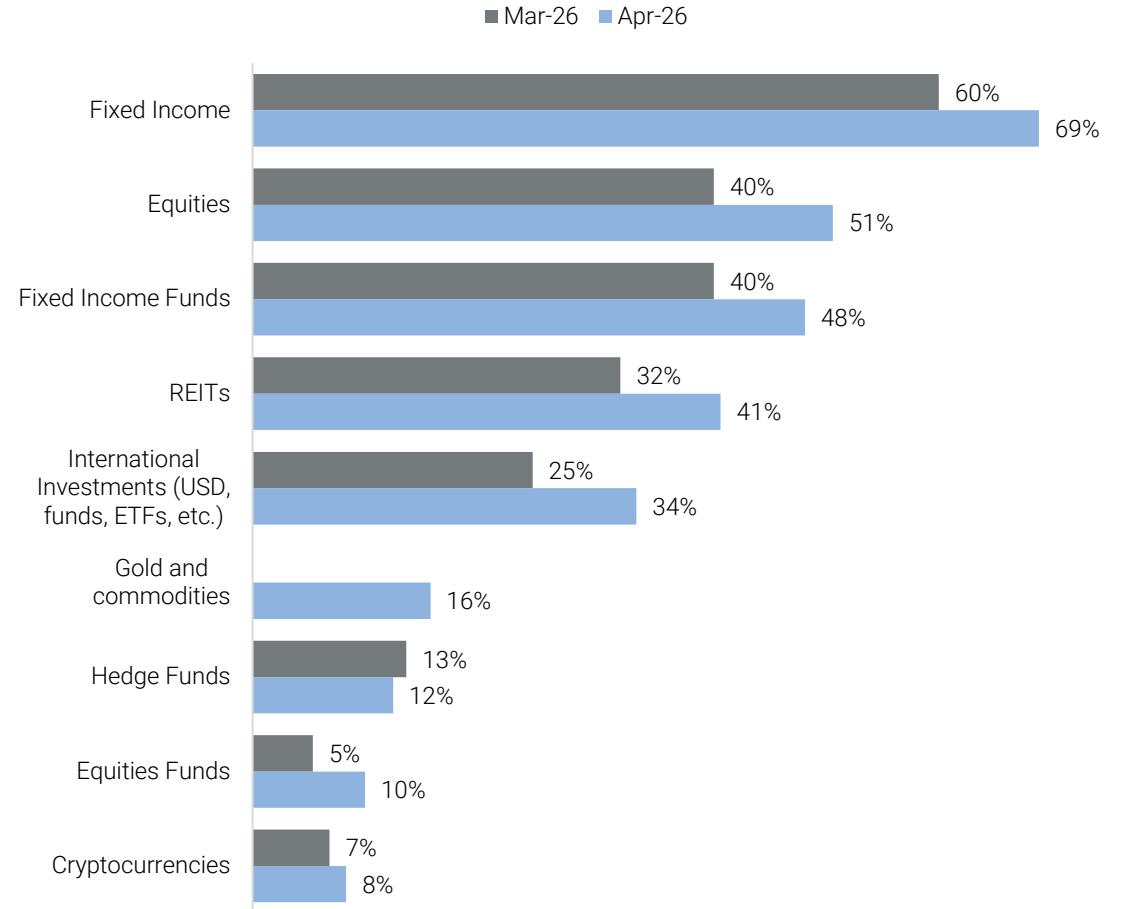
May 12, 2026  
Equity Strategy

Allocation levels remain relatively unchanged, while Fixed Income reigns supreme

Regarding their investments in equities, your clients:



Which assets are your clients most interested in?

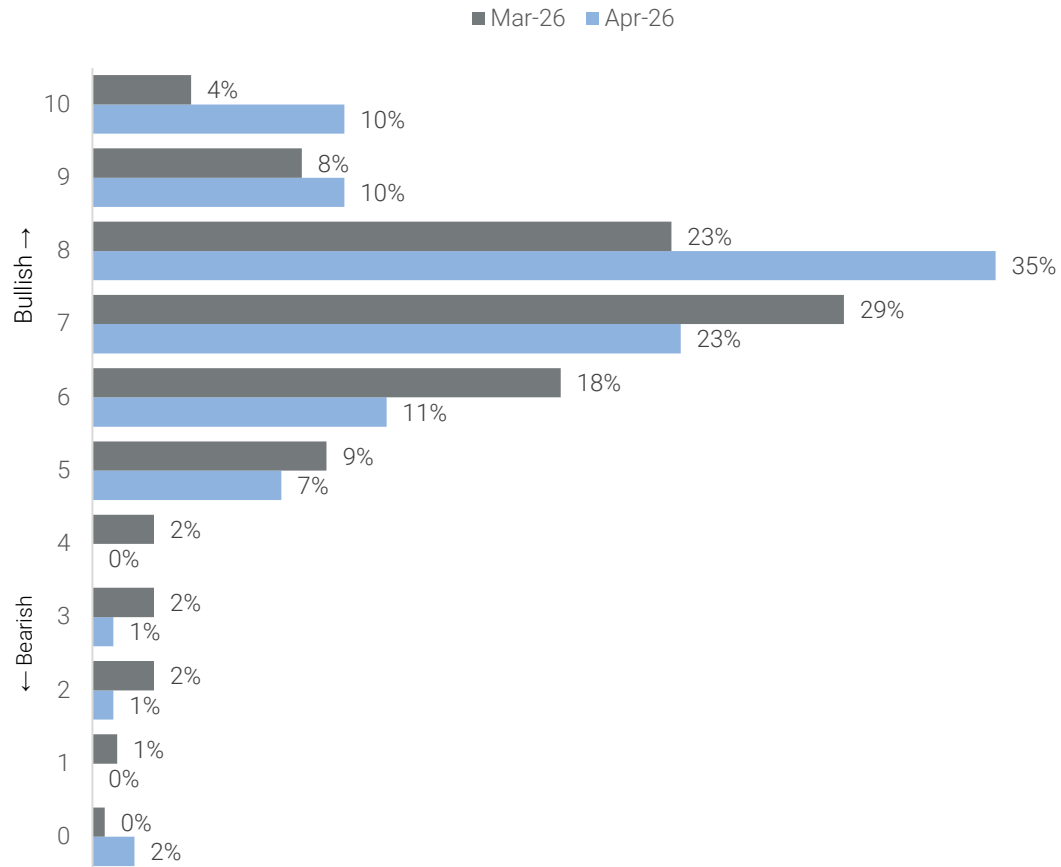


# XP IFA Sentiment Survey

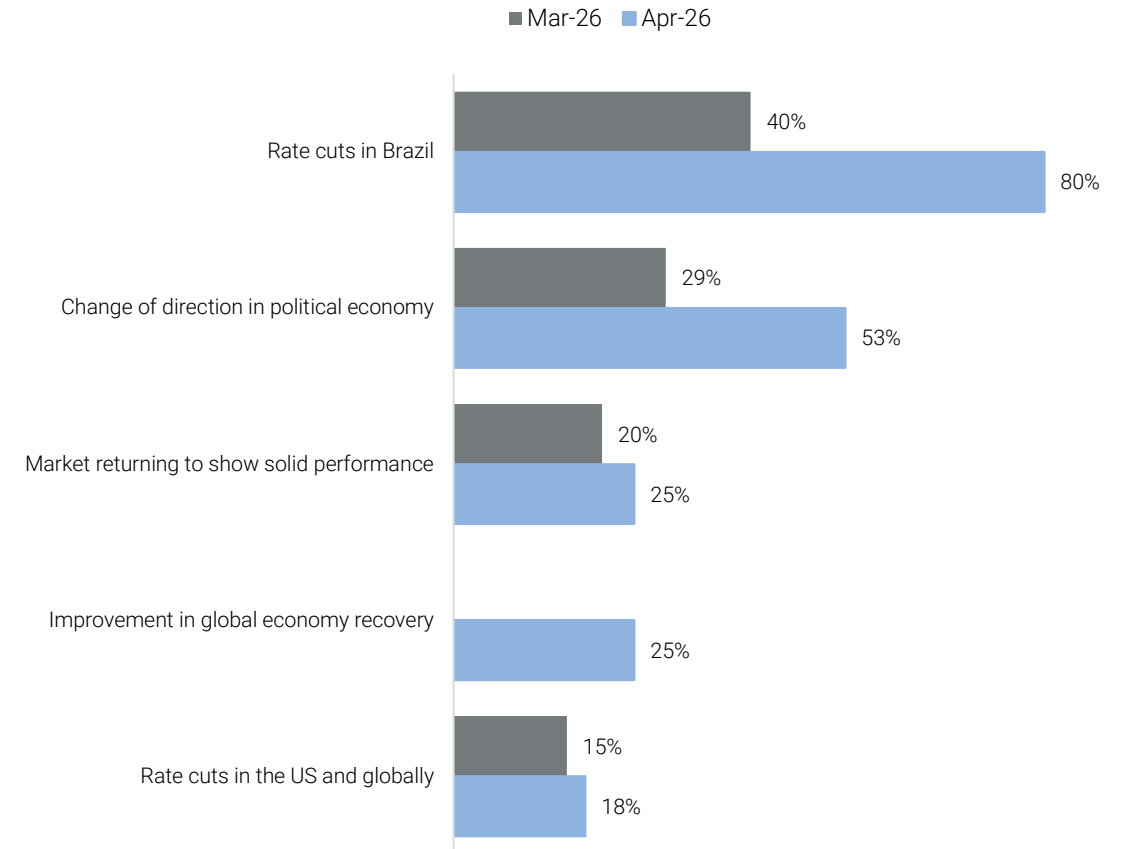
May 12, 2026  
Equity Strategy

IFAs' sentiment toward equities has deteriorated

On a scale of 0 (most bearish) to 10 (most bullish), indicate your current equity sentiment relative to historical terms.



Which of the factors below would increase your risk-appetite for Brazilian equities?

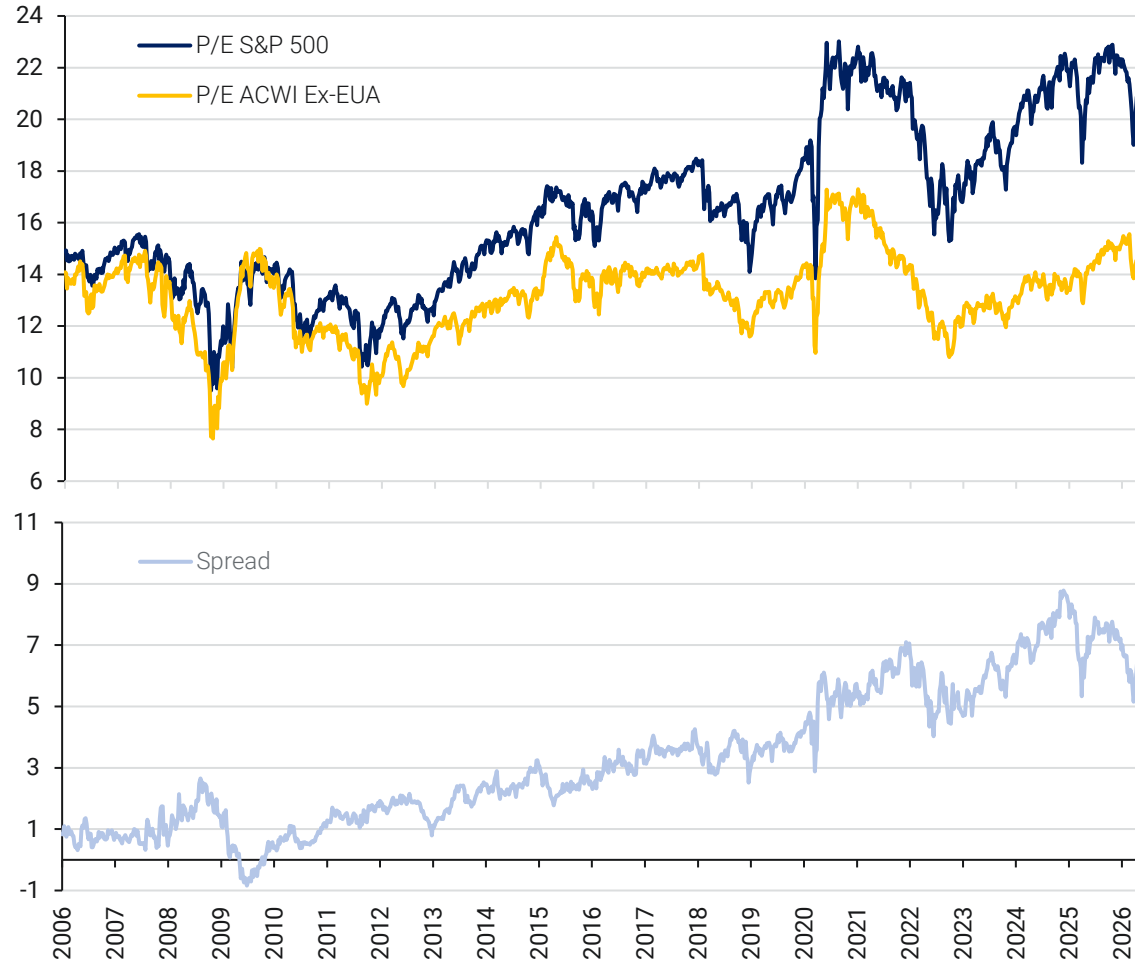


Equity Strategy

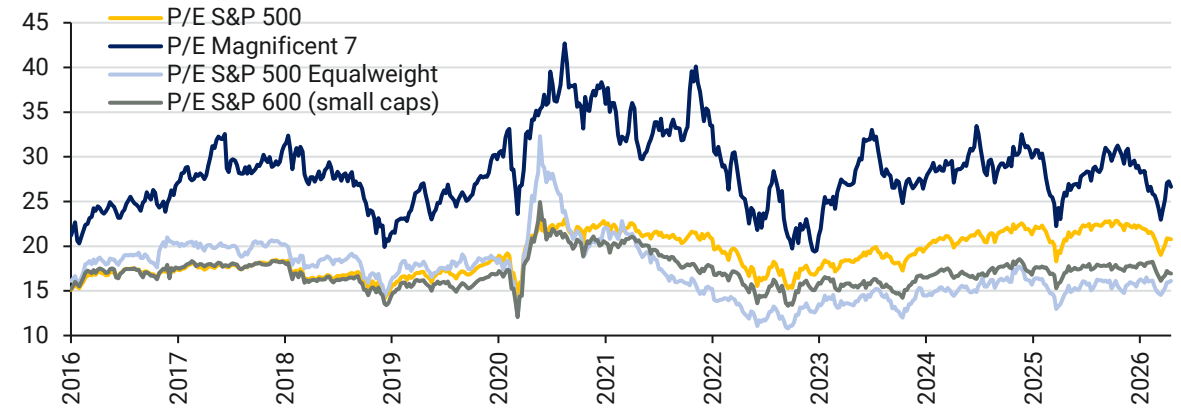
# Global Equity Strategy

## Global Valuations

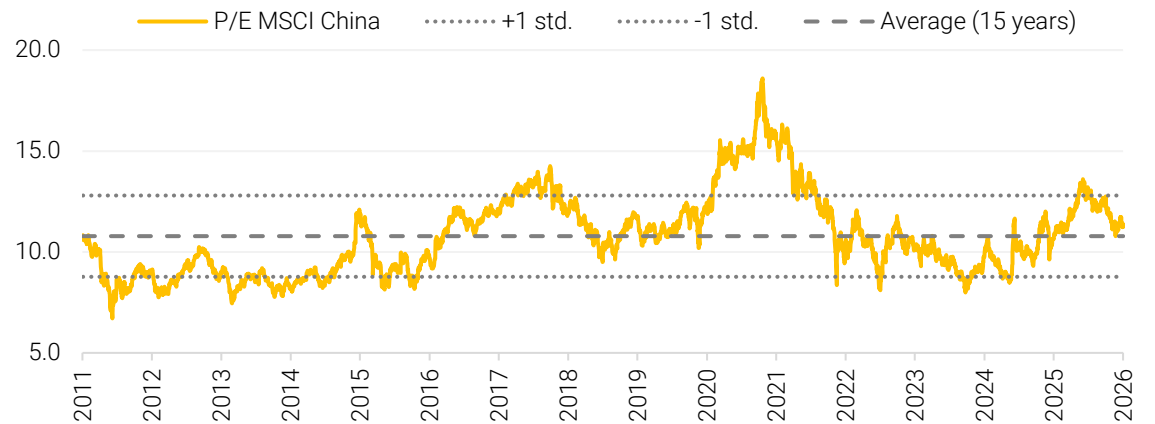
Price/Earnings (P/E) ratio: S&P 500 x MSCI ACWI Ex-US (Since 2006)



Price/Earnings (P/E) ratio: Mag7 x S&P 500 equalweight x S&P 600 (Small Caps, since 2016)



MSCI China P/E ratio

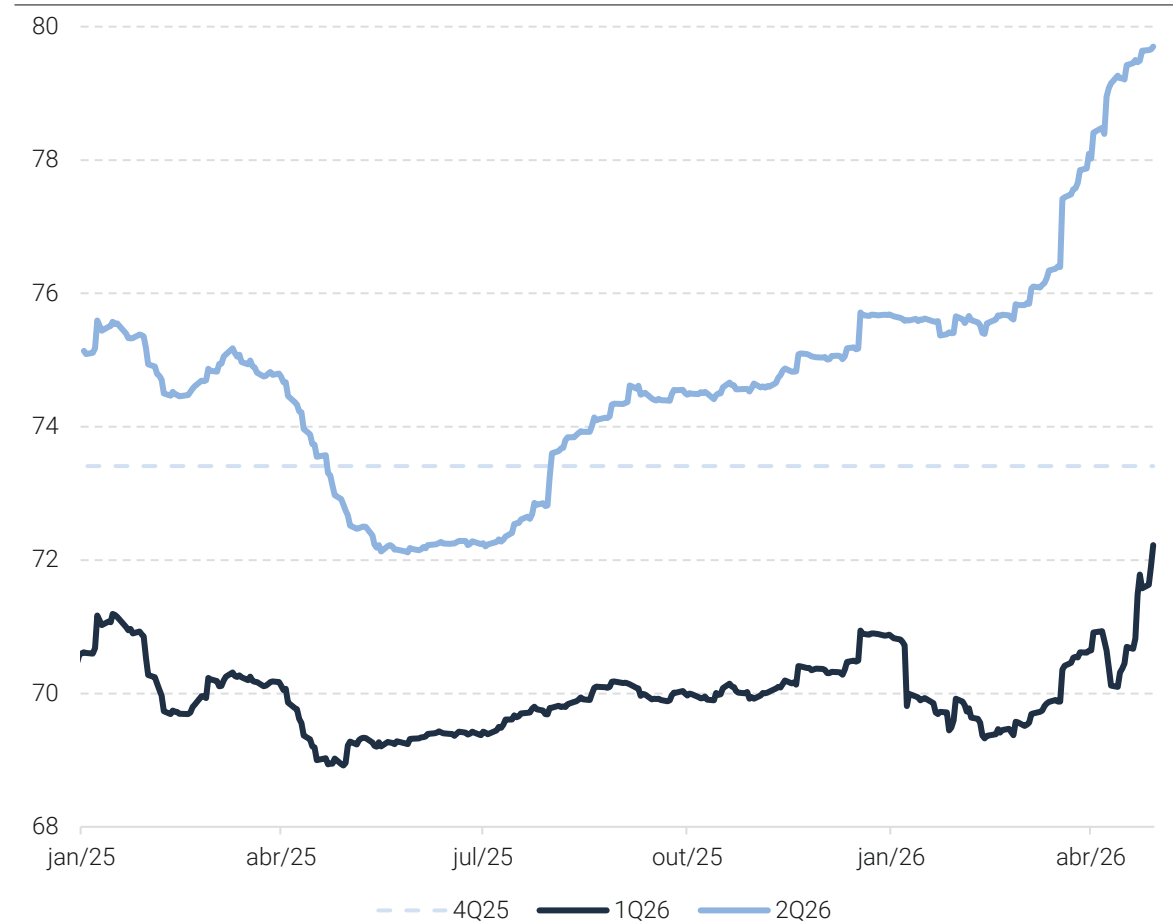


# S&P 500 4Q25 Earnings Season

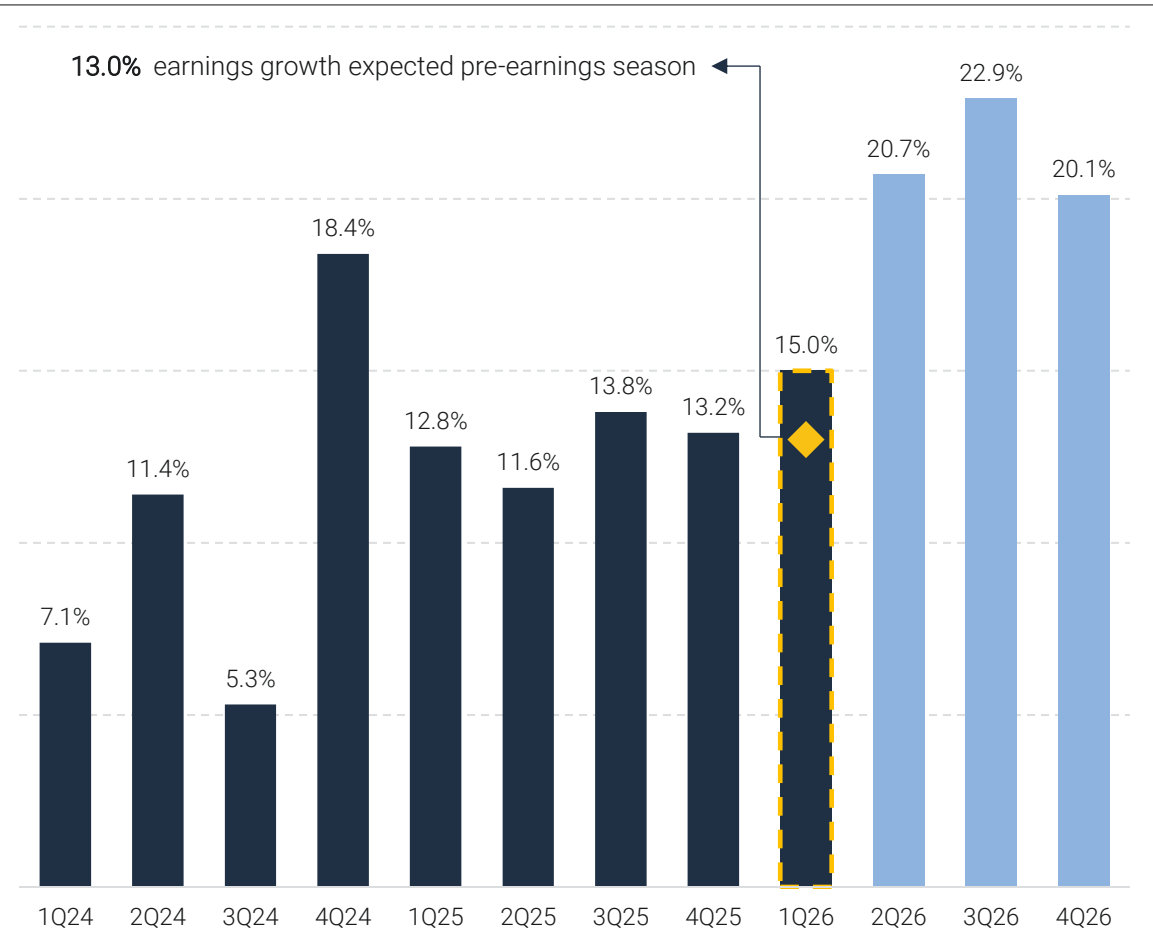
May 12, 2026  
Equity Strategy

So far, so good

Revisions to S&P 500 EPS Growth Estimates



Historical and Projected YoY EPS Growth of the S&P 500



## May 2026 XP Portfolios

### Global Top Picks Portfolio

- No changes

### Global Dividends Portfolio

- Adding: Lockheed Martin (LMT, 0.0% -> 2.5%);
- Reducing: Dell (DELL, 5.0% -> 2.5%).

# XP Global Top Picks Portfolio

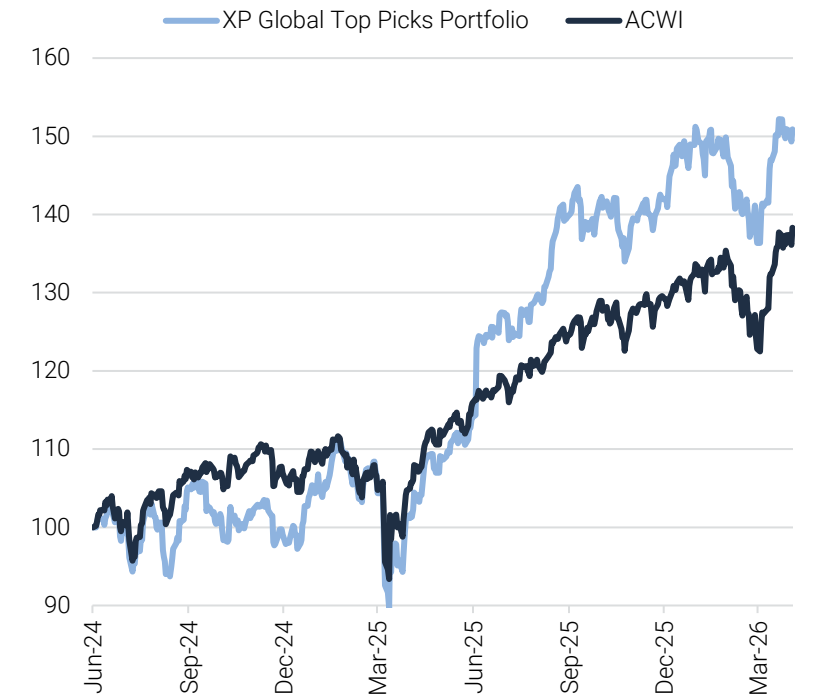
May 12, 2026  
Equity Strategy

No changes

## XP Global Top Picks Portfolio

Company	Ticker	Weight	Sector	Current Price (US\$)	Target Price <sup>1</sup> (US\$)	Upside <sup>1</sup>	Market Cap. (US\$bn)
Alibaba	BABA	2.5%	Consumer Discretionary	131.88	182.75	38.6%	316.4
Alphabet	GOOG	2.5%	Communication Services	381.94	422.65	10.7%	4,645.4
Amazon	AMZN	5.0%	Consumer Discretionary	265.06	304.49	14.9%	2,851.3
Apple	AAPL	5.0%	Information Technology	271.35	303.79	12.0%	3,983.7
ASML	ASML	5.0%	Information Technology	1,438.99	1,831.40	27.3%	558.5
AstraZeneca	AZN	10.0%	Health Care	187.37	222.43	18.7%	290.6
Baidu	BIDU	5.0%	Communication Services	126.53	171.63	35.6%	43.1
Citigroup	C	10.0%	Financials	127.98	143.59	12.2%	219.5
Disney	DIS	5.0%	Communication Services	103.75	128.68	24.0%	183.8
Eaton	ETN	5.0%	Industrials	433.01	418.50	-3.4%	168.0
Exelon	EXC	5.0%	Industrials	45.99	50.42	9.6%	47.1
ExxonMobil	XOM	7.5%	Energy	154.33	165.57	7.3%	641.5
JPMorgan	JPM	7.5%	Financials	313.23	341.61	9.1%	840.2
Lowe's	LOW	5.0%	Consumer Discretionary	238.79	286.27	19.9%	133.7
Microsoft	MSFT	5.0%	Information Technology	407.78	560.32	37.4%	3,029.2
Nvidia	NVDA	5.0%	Information Technology	199.57	270.04	35.3%	4,849.6
Procter & Gamble	PG	2.5%	Consumer Staples	147.09	164.00	11.5%	342.5
Santander	SAN	5.0%	Financials	12.19	13.59	11.4%	179.1
TSMC	TSM	2.5%	Information Technology	396.06	446.12	12.6%	2,054.2

## Performance vs. ACWI (100 = June 30, 2024)



## Performance

	Since inception <sup>2</sup>	2026	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	2025	2024
XP Global Top Picks Portfolio	50.9%	8.5%	7.8%	-4.3%	-1.1	5.8%	2.2%	-1.1%	0.9%	9.3%	3.1%	2,9%	5.6%	6.7%	-1,7%	40.8%	-0.8%
iShares MSCI ACWI ETF (ACWI)	38.3%	7.1%	9.5%	-6.1%	1.3%	2.8%	0.9%	0.0%	2.3%	3.7%	2.7%	1,1%	4.8%	5.3%	0.9%	22.4%	5.5%
Relative Performance (in pp)	12.6	1.4	-1.7	1.8	-2.4	3.0	1.3	-1.1	-1.4	5.7	0.5	1.9	0.8	1.4	-2.6	18.4	-6.3

# XP Global Dividends Portfolio

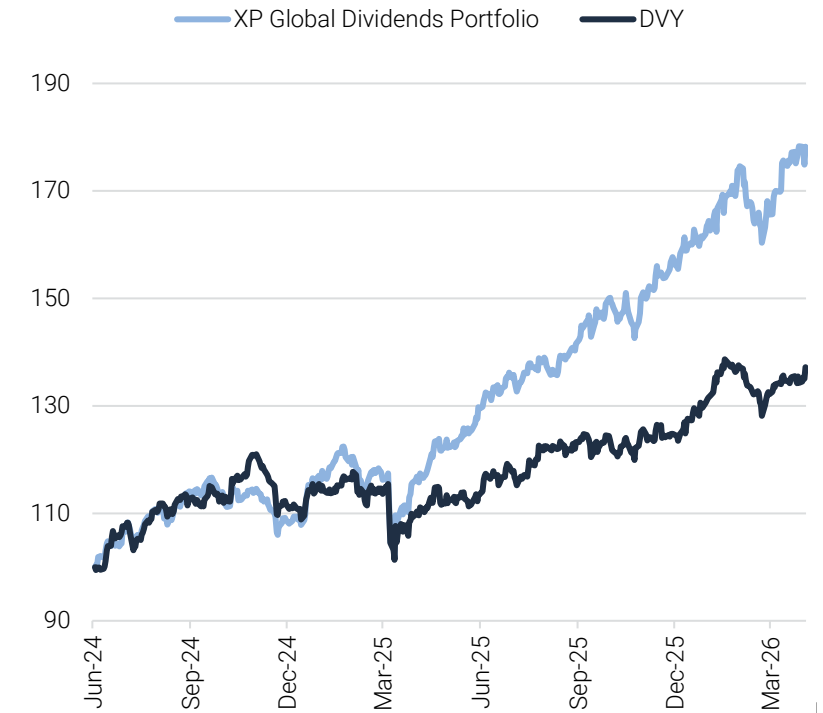
May 12, 2026  
Equity Strategy

Adding LMT; reducing DELL

## XP Global Dividends Portfolio

Company	Ticker	Weight	Sector	Current Price (US\$)	Target Price <sup>1</sup> (US\$)	Upside <sup>1</sup>	Div. Yield (%)
AbbVie	ABBV	2.5%	Healthcare	211.32	254.00	20.2%	3.3%
BHP	BHP	5.0%	Materials	79.30	74.36	-6.2%	3.7%
Constellation Energy	CEG	5.0%	Utilities	313.00	376.05	20.1%	0.5%
Dell	DELL	2.5%	Information Technology	208.95	192.04	-8.1%	1.2%
Exelon	EXC	5.0%	Utilities	45.99	50.42	9.6%	3.7%
Goldman Sachs	GS	10.0%	Financials	923.77	952.91	3.2%	1.9%
HSBC	HSBC	5.0%	Financials	91.86	81.99	-10.7%	9.8%
Lockheed Martin	LMT	2.5%	Industrials	517.97	639.81	23.5%	2.7%
Merck	MRK	5.0%	Healthcare	109.18	131.89	20.8%	3.1%
Morgan Stanley	MS	10.0%	Financials	190.59	204.35	7.2%	2.1%
National Grid	NGG	10.0%	Utilities	89.54	92.92	3.8%	2.4%
Newmont	NEM	5.0%	Materials	111.09	146.86	32.2%	0.9%
Nextera	NEE	7.5%	Utilities	97.88	98.83	1.0%	2.5%
Nike	NKE	5.0%	Consumer Discretionary	44.36	61.73	39.1%	3.7%
Shell	SHEL	5.0%	Energy	90.67	98.57	8.7%	3.3%
Target	TGT	5.0%	Consumer Staples	129.75	127.03	-2.1%	3.5%
US Bancorp	USB	5.0%	Financials	56.66	61.90	9.2%	3.7%
Vodafone	VOD	5.0%	Communication Services	15.80	13.66	-13.6%	3.4%
						<b>Avg. div. Yield =</b>	<b>3.0%</b>

## Performance vs. DVY (100 = June 30, 2024)



## Performance

	Since inception <sup>2</sup>	2026	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Set-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	2025	2024
XP Global Dividends Portfolio	78.2%	14.7%	5.5%	-3.2%	7.1%	4.8%	2.6%	2.3%	3.3%	4.0%	2.8%	2.7%	6.3%	5.9%	-1.0%	42.4%	9.1%
iShares Select Dividend ETF (DVY)	37.2%	11.0%	2.7%	-2.4%	3.9%	6.6%	-0.6%	3.2%	-2.1%	1.1%	5.0%	1.7%	2.2%	2.4%	-4.6%	11.6%	10.9%
Relative performance (in pp)	40.9	3.7	2.8	-0.8	3.3	-1.8	3.2	-0.9	5.4	2.9	-2.2	1.0	4.1	3.4	3.7	30.8	-1.8

Equity Strategy  
Top picks

# Bottom-up top picks in Brazilian equities

May 12, 2026  
Equity Strategy

Top picks by sector as chosen by our sector analysts

Sector	Lead Analyst	Ticker	Target price
Agri, Food & Beverages	Leonardo Alencar	TTEN3	R\$ 21.60
Banks & Non-Bank Financials	Bernardo Guttmann	ITUB4	R\$ 51.00
Capital Goods	Lucas Laghi	EMBJ3	R\$ 92.00
Low-Income Homebuilders	Ygor Altero	CURY3	R\$ 49.00
Middle/High-Income Homebuilders	Ygor Altero	CYRE3	R\$ 42.00
Income Properties	Ygor Altero	IGTI11	R\$ 32.00
Metals & Mining	Lucas Laghi	GGBR4	R\$ 25.00
Oil, Gas & Petrochemicals	Regis Cardoso	PRI03	R\$ 64.00
Pulp & Paper	Lucas Laghi	SUZB3	R\$ 66.00
Retail	Danniela Eiger	LREN3	R\$ 22.00
Sanitation	Raul Cavendish	SBSP3	R\$ 31.50
Technology	Bernardo Guttmann	BMOB3	R\$ 31.00
Telecom	Bernardo Guttmann	VIVT3	R\$ 43.00
Transportation	Pedro Bruno	RAIL3	R\$ 22,00
Utilities & Energy	Raul Cavendish	EQTL3	R\$ 58.82

Equity Strategy

XP Portfolios

## May 2026 XP Portfolios

### Top Ideas:

- Adding: TOTS3 (2.5%); GGBR4 (5%); EMBJ3 (5%)
- Removing: AURA33 (5%)
- Reducing: B3SA3 (7.5% → 5%); LREN3 (10% → 5%)

### Top Dividends:

- Adding: PRIO3 (5%)
- Reducing: B3SA3 (12.5% → 10%); PETR4 (12.5% → 10%)

### Top Small Caps:

- Adding: ALUP11 (5%); BRBI11 (5%)
- Removing: DIRR3 (7.5%); INBR32 (5%)
- Increasing: POMO4 (5% → 7.5%); TTEN3 (5% → 10%); BMOB3 (5% → 7.5%)
- Reducing: AURA33 (10% → 5%); CURY3 (12.5% → 10%)

### Top ESG

- No changes for May

# XP Brazil Top Ideas Portfolio

May 12, 2026  
Equity Strategy

Adding TOTS3, GGBR4, EMBJ3; Reducing B3SA3, LREN3; Removing AURA33

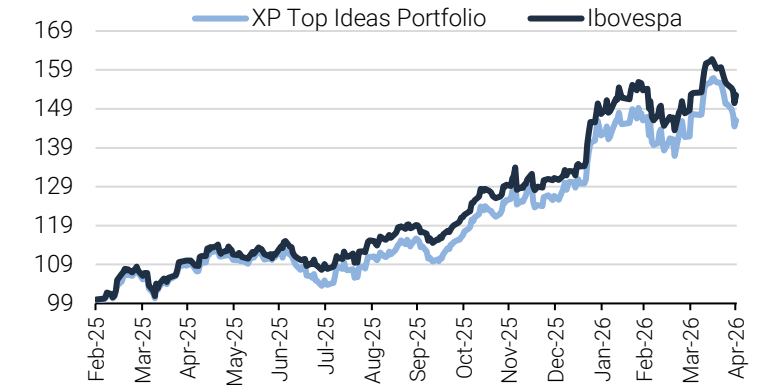
## XP Brazil Top Ideas Portfolio

Segment	Sector	Sector Weight (Ibovespa)	Sector Weight (Portfolio)	Company	Ticker	Weight	Rating	Target Price
Commodities	Energy	19.8%	15.0%	PRIO	PRI03	5.0%	Buy	R\$ 64.00
				Petrobras	PETR4	10.0%	Buy	R\$ 47.00
	Materials	14.9%	10.0%	Gerdau	GGBR4	5.0%	Buy	R\$ 25.00
				Vale	VALE3	5.0%	Neutral	R\$ 85.00
Cyclicals	Cons. Staples	5.2%	5.0%	Raia Drogasil	RADL3	5.0%	Buy	R\$ 31.00
	Cons. Disc.	1.6%	5.0%	Lojas Renner	LREN3	5.0%	Buy	R\$ 22.00
	Industrials	8.0%	12.5%	Localiza	RENT3	7.5%	Buy	R\$ 65.00
				Embraer	EMBJ3	5.0%	Buy	R\$ 92.00
	Info Tech.	0.7%	2.5%	Totvs	TOTS3	2.5%	Buy	R\$ 50.50
	Real Estate	1.9%	10.0%	Iguatemi	IGTI11	10.0%	Buy	R\$ 32.00
Defensives	Utilities	17.8%	15.0%	Copel	CPLE3	10.0%	Buy	R\$ 19.87
				Sabesp	SBSP3	5.0%	Buy	R\$ 162.4
Financials	Financials	26.0%	25.0%	B3	B3SA3	5.0%	Neutral	R\$ 16.00
				BTG Pactual	BPAC11	5.0%	Buy	R\$ 63.00
				Nubank	ROX034	5.0%	Buy	R\$ 18.60
				Itaú Unibanco	ITUB4	10.0%	Buy	R\$ 51.00

## Performance

	Since inception	YTD	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25
XP Top Ideas	46.0%	15.3%	-0.6%	0.6%	2.7%	12.3%	0.8%	6.9%	1.8%
Ibovespa	52.5%	16.3%	-0.1%	-0.7%	4.1%	12.6%	1.3%	6.4%	2.3%

## Performance vs. Ibovespa (100 = Feb 28, 2025)



## Performance by constituent

Ticker	Weight	Date of inclusion	Return since inclusion	MTD return
AURA33	5.0%	Dec-25	99.0%	-1.3%
B3SA3	7.5%	Dec-25	24.4%	-1.6%
BPAC11	5.0%	Dec-25	11.2%	5.4%
CPLE3	10.0%	Mar-25	101.0%	4.6%
IGTI11	10.0%	Mar-25	61.7%	-1.0%
ITUB4	10.0%	Mar-25	67.5%	-0.6%
RENT3	7.5%	Dec-25	7.9%	-2.3%
LREN3	10.0%	Mar-26	-11.5%	-9.1%
ROX034	5.0%	Apr-26	-4.2%	-4.2%
PETR4	10.0%	Feb-26	31.8%	2.2%
PRI03	5.0%	Jun-25	70.5%	0.3%
RADL3	5.0%	Mar-26	-12.2%	-6.4%
SBSP3	5.0%	Jan-26	25.1%	4.7%
VALE3	5.0%	Mar-25	66.6%	-1.6%

# XP Brazil Dividends Portfolio

May 12, 2026  
Equity Strategy

Adding PRIO3; Reducing B3SA3, PETR4

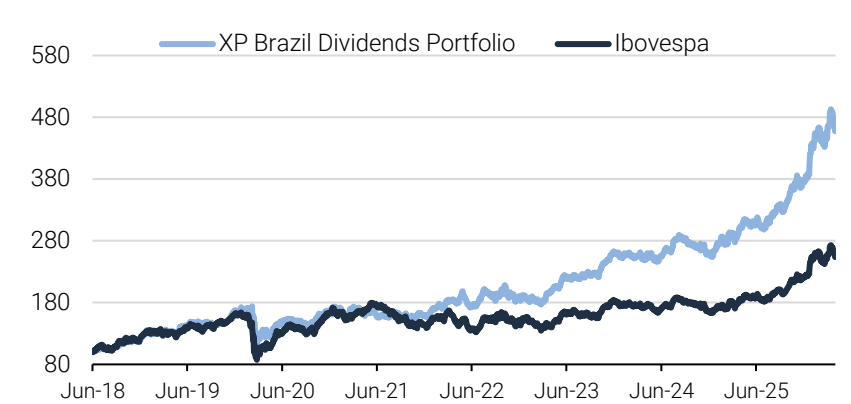
## XP Brazil Dividends Portfolio

Segment	Sector	Sector Weight (Ibovespa)	Sector Weight (Portfolio)	Company	Ticker	Weight	Rating	Target	DY
Commodities	Energy	19.82%	15.00%	Petrobras	PETR4	10.00%	Buy	R\$ 47.00	6.56%
				Prio	PRIO3	5.00%	Buy	R\$ 64.00	0.00%
Materials	Materials	14.86%	12.50%	Vale	VALE3	12.50%	Neutral	R\$ 85.00	6.76%
Cyclicals	Real Estate	1.87%	7.50%	Allos	ALOS3	7.50%	Buy	R\$ 32.00	7.12%
	Comm. Serv.	1.93%	5.00%	Vivo	VIVT3	5.00%	Buy	R\$ 43.00	2.47%
Defensives	Utilities	17.81%	25.00%	Copel	CPLE3	15.00%	Buy	R\$ 19.87	12.46%
				Energisa	ENGI11	5.00%	Buy	R\$ 88.27	3.96%
				Axia Energia	AXIA7	5.00%	Buy	R\$ 63.30	9.85%
Financials	Financials	26.05%	35.00%	B3	B3SA3	10.00%	Neutral	R\$ 16.00	6.25%
				Caixa Seg.	CXSE3	5.00%	Buy	R\$ 20.00	7.75%
				Itaú	ITUB4	15.00%	Buy	R\$ 51.00	7.25%
				Santander	SANB11	5.00%	Buy	R\$ 44.00	10.43%

## Performance

	Since inception	YTD	LTM	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25
XP Top Dividends	364.6%	23.3%	53.2%	0.6%	0.9%	6.8%	13.8%	0.5%	8.3%
Ibovespa	157.4%	16.3%	38.7%	-0.1%	-0.7%	4.1%	12.6%	1.3%	6.4%

## Performance vs. Ibovespa (100 = June 30, 2018)



## Performance by constituent

Ticker	Weight	Date of inclusion	Return since inclusion	MTD return
ALOS3	7.5%	Dec-25	13.5%	1.9%
AXIA7	5.0%	Mar-26	1.5%	5.8%
B3SA3	12.5%	Dec-24	105.6%	-1.6%
CXSE3	5.0%	Mar-25	29.7%	-1.4%
CPLE3	15.0%	Feb-21	330.4%	4.6%
ENGI11	5.0%	Jun-25	26.5%	0.7%
ITUB4	15.0%	Dec-22	147.5%	-0.6%
PETR4	12.5%	Jun-24	62.9%	2.2%
SANB11	5.0%	Jul-25	5.5%	-3.6%
VIVT3	5.0%	Apr-24	75.4%	-4.5%
VALE3	12.5%	Dec-23	35.9%	-1.6%

# XP Brazil Small Caps Portfolio

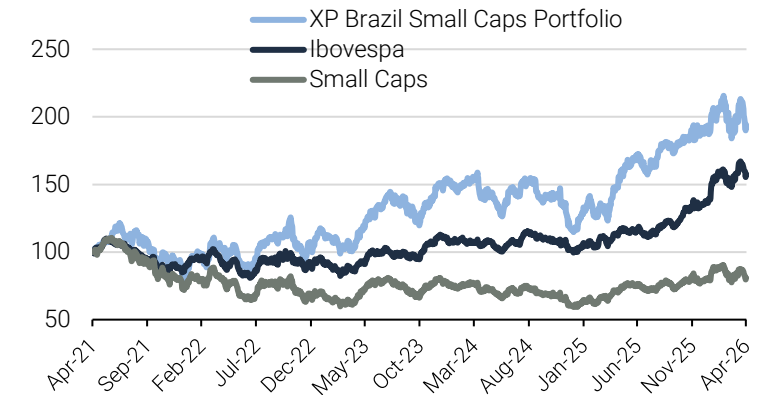
May 12, 2026  
Equity Strategy

Adding ALUP11, BRBI11; Increasing POMO4, TTEN3, BMOB3; Removing DIRR3, INBR32; Reducing AURA33, CURY3

## XP Brazil Small Caps Portfolio

Segment	Sector	Sector Weight (Ibovespa)	Sector Weight (Portfolio)	Company	Ticker	Weight	Rating	Target Price
Commodities	Materials	14.9%	5.0%	Aura Minerals	AURA33	5.0%	Buy	R\$ 90.00
Cyclicals	Cons. Disc.	1.6%	10.0%	Vivara	VIVA3	10.0%	Buy	R\$ 38.00
	Info. Tech.	0.7%	5.0%	LWSA	LWSA3	5.0%	Buy	R\$ 5.00
	Comm. Serv.	1.9%	7.5%	Bemobi	BMOB3	7.5%	Buy	R\$ 31.00
	Industrials	8.0%	17.5%	Mills	MILS3	5.0%	Buy	R\$ 20.00
				Marcopolo	POMO4	7.5%	Buy	R\$ 8.50
				Priner	PRNR3	5.0%	Buy	R\$ 22.10
Defensives	Real Estate	1.9%	10.0%	Cury	CURY3	10.0%	Buy	R\$ 49.00
	Cons. Staples	5.2%	20.0%	3tentos	TTEN3	10.0%	Buy	R\$ 23.60
				Pague Menos	PGMN3	10.0%	Buy	R\$ 8.50
	Utilities	17.8%	20.0%	Orizon	ORVR3	15.0%	Buy	R\$ 97.48
			Alupar	ALUP11	5.0%	Buy	R\$ 36.22	
Financials	Financials	26.0%	5.0%	BR Partners	BRBI11	5.0%	Buy	R\$ 26.00

## Performance vs. Ibovespa (100 = April 30, 2021)



## Performance by constituent

Ticker	Weight	Date of inclusion	Return since inclusion	MTD return
TTEN3	5.0%	Feb-26	1.0%	5.0%
AURA33	10.0%	May-25	272.8%	-1.3%
BMOB3	5.0%	Dec-25	3.4%	-2.4%
CURY3	12.5%	Nov-22	229.8%	-15.0%
DIRR3	7.5%	Mar-25	52.1%	-3.4%
INBR32	5.0%	Apr-25	21.3%	-9.4%
LWSA3	5.0%	Dec-25	-13.8%	-0.3%
POMO4	5.0%	Mar-24	26.2%	5.9%
MILS3	5.0%	Nov-25	3.6%	-3.7%
ORVR3	15.0%	Jul-24	111.1%	14.2%
PGMN3	10.0%	Feb-26	-15.2%	-10.5%
PRNR3	5.0%	Mar-26	-13.4%	-3.5%
VIVA3	10.0%	Apr-26	-0.4%	-0.4%

## Performance

	Since inception	YTD	LTM	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25
XP Top Small Caps	94.2%	1.7%	31.1%	-1.9%	-6.2%	4.7%	5.5%	0.3%	4.2%
Ibovespa	57.6%	16.3%	38.7%	-0.1%	-0.7%	4.1%	12.6%	1.3%	6.4%
Small	-19.1%	2.4%	13.3%	-3.2%	-5.8%	1.9%	10.1%	-3.6%	6.0%

# XP Brazil ESG Portfolio

May 12, 2026  
Equity Strategy

No change in our ESG recommended portfolio for May

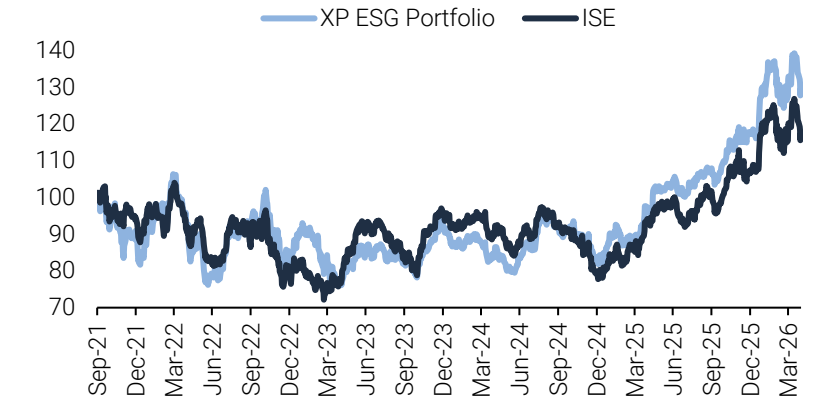
## XP Brazil ESG Portfolio

Segment	GICS Sector	Sector Weight (ISE)	Sector Weight (Portfolio)	Company	Ticker	Weight	Rating	Target Price
Commodities	Materials	4,3%	10,0%	Suzano	SUZB3	10,0%	Buy	R\$ 66,00
Cyclicals	Cons. Disc.	14,5%	5,0%	Lojas Renner	LREN3	5,0%	Buy	R\$ 22,00
	Industrials	8,6%	20,0%	Localiza	RENT3	10,0%	Buy	R\$ 62,00
				WEG	WEGE3	10,0%	Neutral	R\$ 50,00
	Comm. Serv.	5,8%	10,0%	Telefônica Brasil	VIVT3	10,0%	Buy	R\$ 36,00
Defensives	Utilities	26,4%	35,0%	Sabesp	SBSP3	15,0%	Buy	R\$ 162,43
				Alupar	ALUP11	10,0%	Buy	R\$ 36,22
				Orizon	ORVR3	10,0%	Buy	R\$ 97,48
Financials	Financials	20%	20,0%	B3	B3SA3	5,0%	Neutral	R\$ 16,00
				Itaú Unibanco	ITUB4	15,0%	Buy	R\$ 51,00

## Performance

	Since the beginning <sup>2</sup>	2026	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25
XP Brazil ESG Portfolio	29,8%	10,1%	-1,9%	-2,6%	5,9%	8,8%	0,8%	6,6%	1,6%
ISE <sup>1</sup>	17,5%	9,4%	-1,6%	-2,4%	3,7%	9,9%	-2,4%	7,6%	0,9%
Ibovespa	68,8%	16,3%	-0,1%	-0,7%	4,1%	12,6%	1,3%	6,4%	2,3%

## Performance of XP Brazil ESG Portfolio vs. ISE<sup>1</sup>



## Performance by constituent

Ticker	Weight	Date of inclusion	Return since inclusion	MTD <sup>3</sup> return
ALUP11	10%	May-24	37,3%	-1,9%
B3SA3	5%	Jul-24	87,5%	-1,6%
ITUB4	15%	Dec-22	147,5%	-0,6%
LREN3	5%	May-25	-1,6%	-9,1%
RENT3	10%	Apr-26	-2,3%	-2,3%
ORVR3	10%	Oct-21	192,6%	14,2%
SBSP3	15%	Nov-25	32,9%	4,7%
SUZB3	10%	Feb-23	2,1%	-15,5%
VIVT3	10%	Mar-22	99,5%	-4,5%
WEGE3	10%	Oct-21	26,1%	-12,1%

Equity Strategy

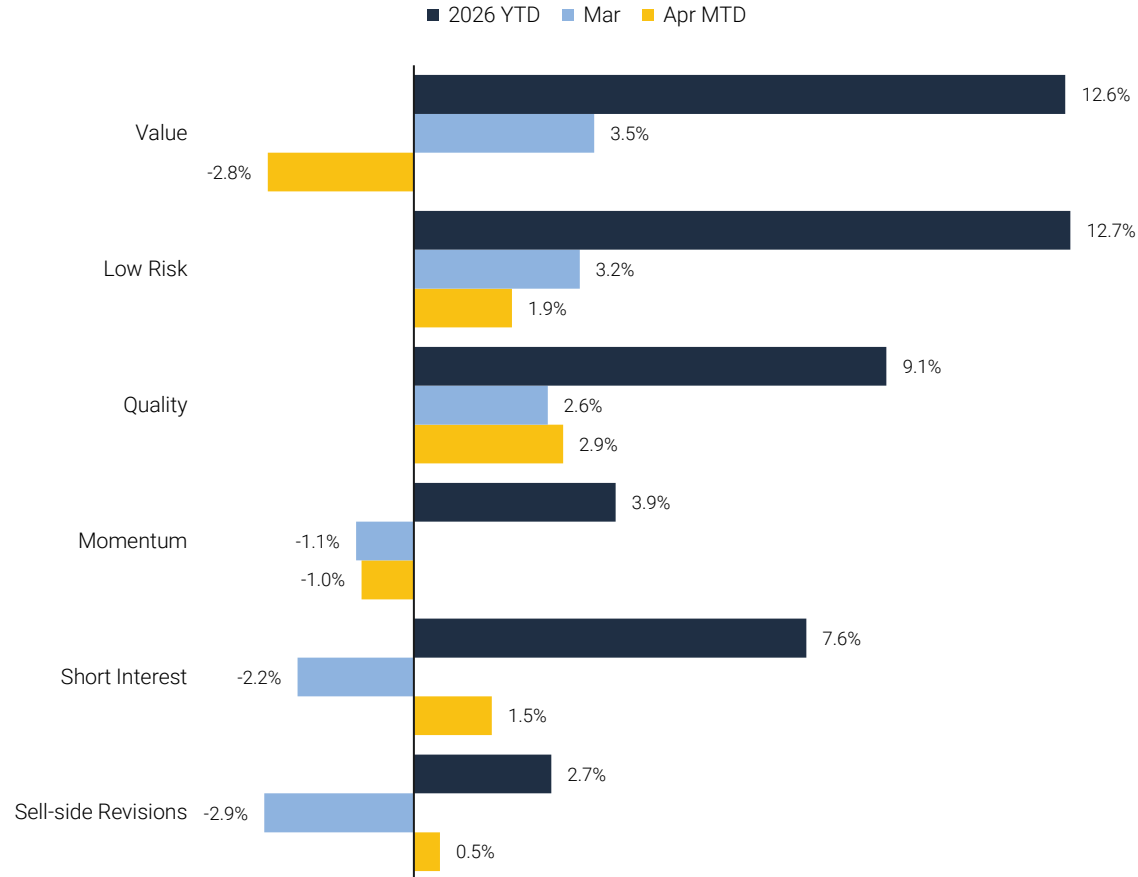
# Quantitative Strategy: Factor Investing

# Composite Performance

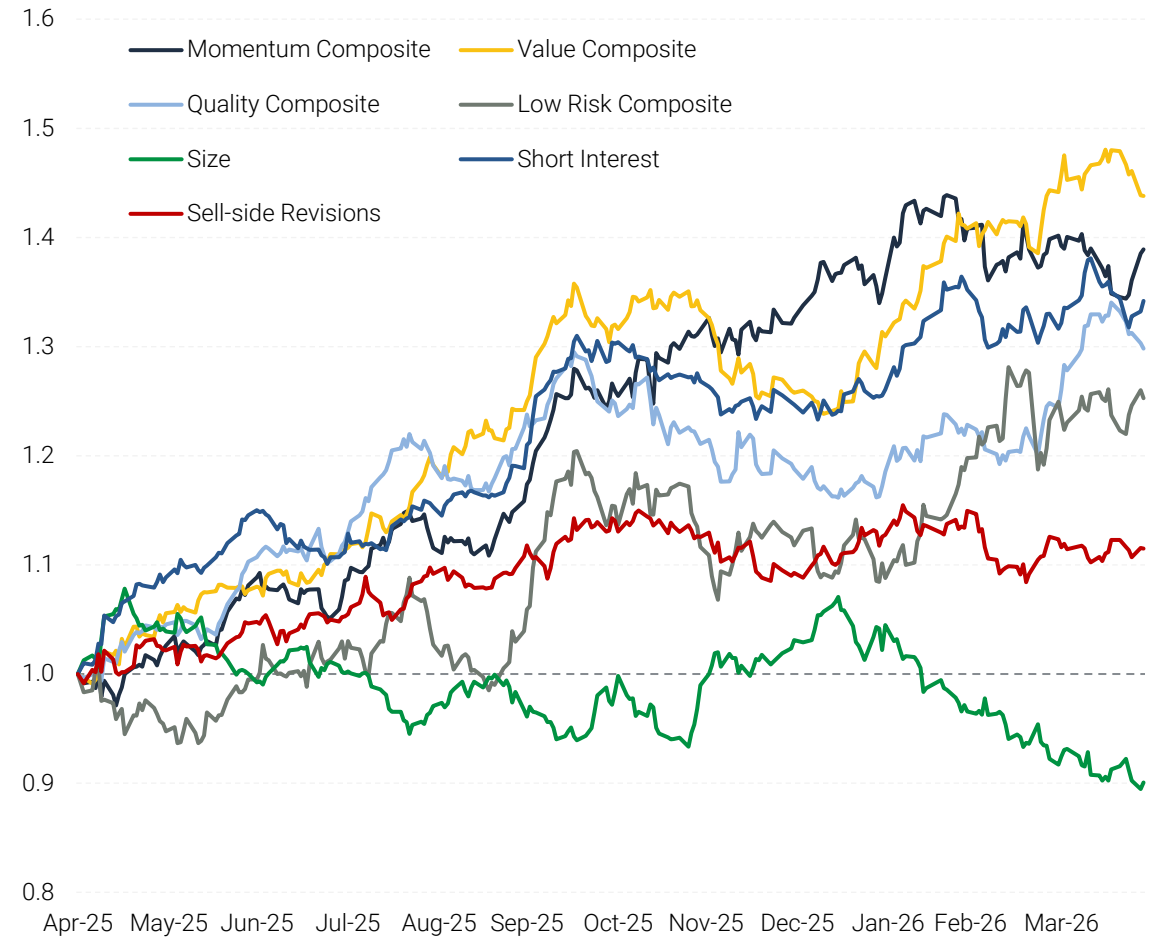
May 12, 2026  
Equity Strategy

## Factor Performance

### Short-Term L/S Factor Performance



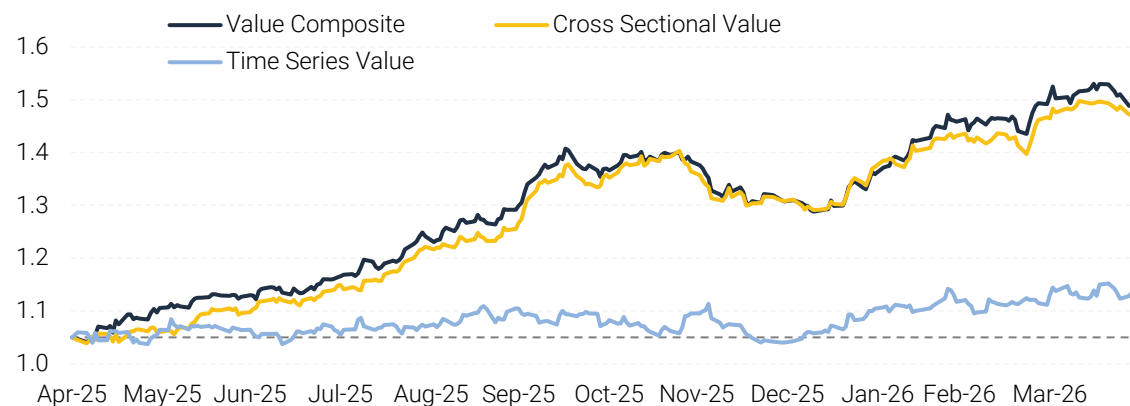
### Cumulative L/S performance



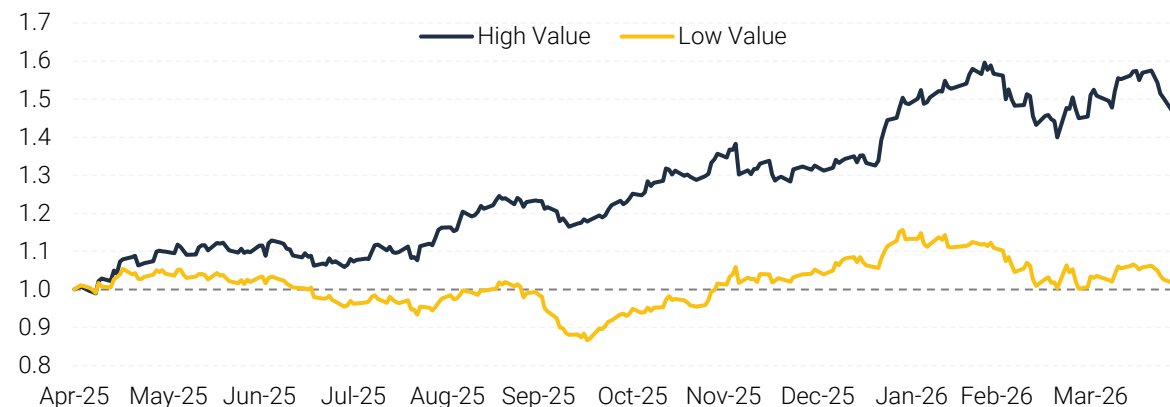
# Composite Performance

## Value Factor

### Cumulative L/S Value Performance



### Top & Bottom Value Performance



### Highest and lowest rated stocks in the Value factor

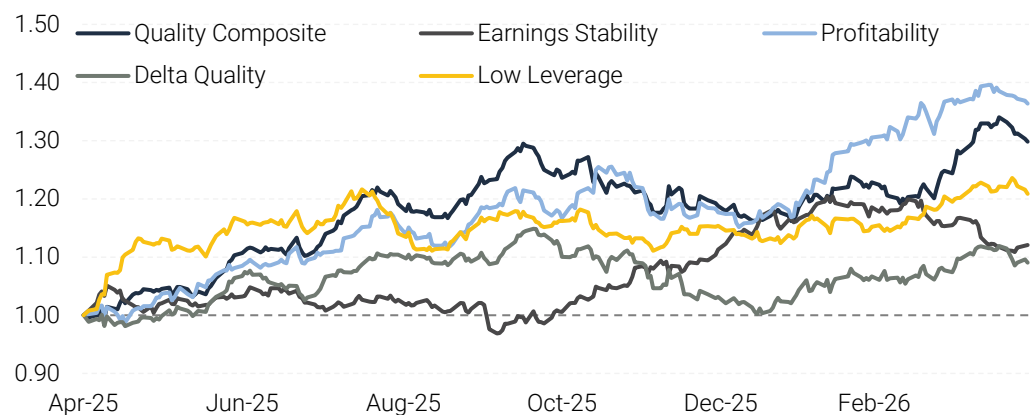
Ticker	Sector	Factor Score	Ticker	Sector	Factor Score
RIAA3	Retail	97,9	FESA4	Metals & Mining	35,4
JHSF3	Real Estate	97,5	ENEV3	Utilities	34,9
BEEF3	Agri, Food & Beverages	97,2	USIM5	Metals & Mining	34,9
BRAP4	Metals & Mining	94,4	RAIL3	Transportation	34,7
CEAB3	Retail	91,6	WEGE3	Capital Goods	33,1
LREN3	Retail	86,0	SBSP3	Utilities	31,6
AZZA3	Retail	85,9	CSMG3	Utilities	31,6
RANI3	Pulp & Paper	85,7	EMBJ3	Capital Goods	31,4
VTRU3	Education	84,3	DIRR3	Real Estate	30,6
QUAL3	Health Care	81,9	TTEN3	Agri, Food & Beverages	30,4
VLID3	TMT	81,7	ITUB4	Banks	29,8
BLAU3	Health Care	81,1	CSAN3	Oil, Gas & Petrochemicals	29,8
BRAV3	Oil, Gas & Petrochemicals	80,1	CURY3	Real Estate	29,8
POMO4	Capital Goods	79,8	AURE3	Utilities	27,1
KLBN11	Pulp & Paper	78,1	VALE3	Metals & Mining	24,9
BRSR6	Banks	77,9	TFCO4	Retail	24,6
LEVE3	Capital Goods	77,8	PRI03	Oil, Gas & Petrochemicals	24,2
GMAT3	Retail	77,6	AXIA3	Utilities	23,6
MOVI3	Transportation	77,6	BRB11	Banks	19,7
IGT111	Real Estate	77,3	HBSA3	Transportation	18,2
PETR4	Oil, Gas & Petrochemicals	76,9	SOJA3	Agri, Food & Beverages	16,1
MILS3	Transportation	75,3	LWSA3	TMT	15,6
IRBR3	Financials Non-Banks	75,1	BRKM5	Oil, Gas & Petrochemicals	15,6
EVEN3	Real Estate	74,7	PRNR3	Transportation	15,3
YDUQ3	Education	74,6	BPAC11	Banks	12,9
HBOR3	Real Estate	73,2	ORVR3	Utilities	12,3
MDIA3	Agri, Food & Beverages	73,0	TUPY3	Capital Goods	11,5
VAM03	Transportation	71,8	RCSL4	Capital Goods	9,9
HYPE3	Health Care	71,0	ONCO3	Health Care	6,3
VULC3	Retail	70,9			

# Composite Performance

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## Quality Factor

### Cumulative L/S Quality Performance



### Top & Bottom Quality Performance



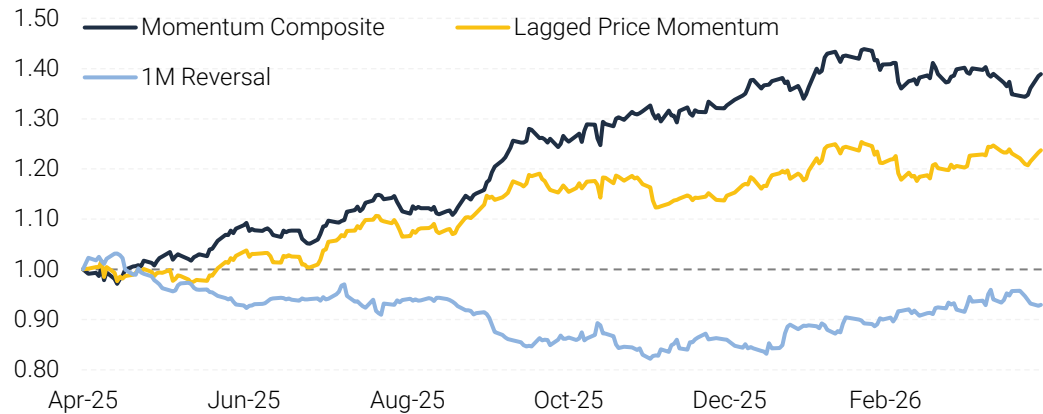
### Highest and lowest rated stocks in the Quality factor

Ticker	Sector	Factor Score	Ticker	Sector	Factor Score
CURY3	Real Estate	96,4	ENGI11	Utilities	34,1
ODPV3	Health Care	93,4	UNIP6	Oil, Gas & Petrochemicals	33,0
ABEV3	Agri, Food & Beverages	91,8	DASA3	Health Care	31,9
SEER3	Education	89,0	ARML3	Transportation	31,3
JHSF3	Real Estate	88,4	PRI03	Oil, Gas & Petrochemicals	30,5
TEND3	Real Estate	88,1	RCSL4	Capital Goods	30,1
RIAA3	Retail	85,7	BHIA3	Retail	30,1
RDOR3	Health Care	84,7	SUZB3	Pulp & Paper	29,8
CEAB3	Retail	83,4	MBRF3	Agri, Food & Beverages	28,9
LEVE3	Capital Goods	83,4	HBOR3	Real Estate	27,6
BMOB3	TMT	82,7	BRKM5	Oil, Gas & Petrochemicals	27,2
ALOS3	Real Estate	81,8	SOJA3	Agri, Food & Beverages	26,9
BBSE3	Financials Non-Banks	81,7	SMT03	Agri, Food & Beverages	26,9
BPAC11	Banks	81,7	ISAE4	Utilities	26,5
IRBR3	Financials Non-Banks	80,5	TAE11	Utilities	25,1
TOTS3	TMT	80,4	PRNR3	Transportation	25,1
MDNE3	Real Estate	79,3	EQTL3	Utilities	23,6
EMBJ3	Capital Goods	78,9	AURE3	Utilities	23,0
POMO4	Capital Goods	78,5	RAPT4	Capital Goods	21,0
GRND3	Retail	78,3	BBAS3	Banks	20,7
BRSR6	Banks	78,0	AXIA3	Utilities	20,4
ORVR3	Utilities	77,7	POSI3	TMT	19,3
PSSA3	Financials Non-Banks	77,5	LWSA3	TMT	18,7
IGTI11	Real Estate	77,4	TUPY3	Capital Goods	17,9
CMIN3	Metals & Mining	76,8	CSAN3	Oil, Gas & Petrochemicals	15,2
DIRR3	Real Estate	76,5	GFS3	Real Estate	15,1
BRAV3	Oil, Gas & Petrochemicals	76,0	MRVE3	Real Estate	15,0
TGMA3	Transportation	75,8	ONCO3	Health Care	6,8
CVCB3	Retail	75,6			
CASH3	Financials Non-Banks	74,4			

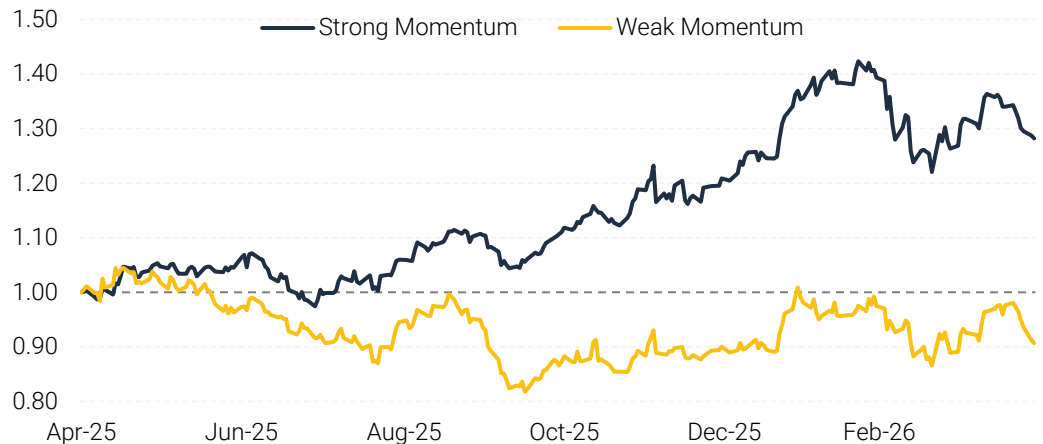
# Composite Performance

## Momentum Factor

### Cumulative L/S Momentum Performance



### Top & Bottom Momentum Performance



### Highest and lowest rated stocks in the Momentum factor

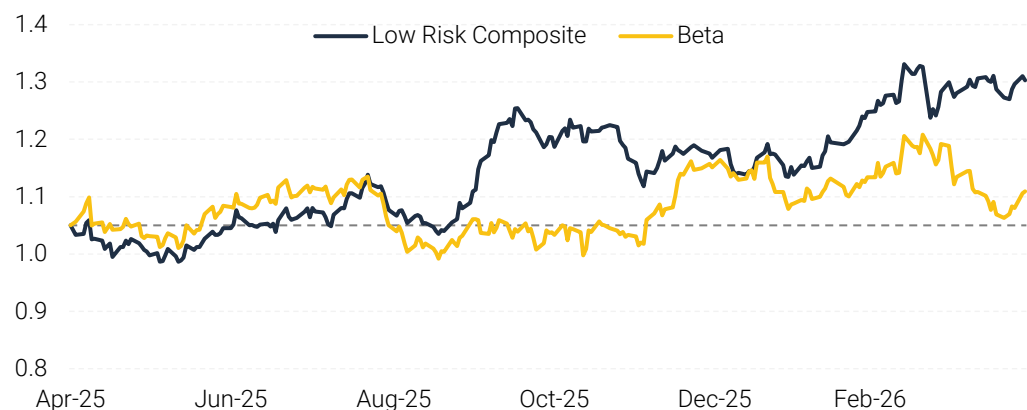
Ticker	Sector	Factor Score	Ticker	Sector	Factor Score
CBAV3	Metals & Mining	99,7	ALUP11	Utilities	26,1
JHSF3	Real Estate	99,7	BBAS3	Banks	25,9
PRI03	Oil, Gas & Petrochemicals	98,2	POSI3	TMT	25,8
DASA3	Health Care	97,8	TGMA3	Transportation	23,8
RCSL4	Capital Goods	97,3	HBOR3	Real Estate	23,7
CSMG3	Utilities	96,3	SUZB3	Pulp & Paper	23,4
ENEV3	Utilities	96,1	RAIL3	Transportation	23,3
MDNE3	Real Estate	96,0	VLID3	TMT	23,0
MOVI3	Transportation	95,2	SYNE3	Real Estate	22,8
PGMN3	Retail	93,5	CEAB3	Retail	20,3
ALPA4	Retail	91,4	AZZA3	Retail	19,8
JSLG3	Transportation	90,2	MYPK3	Capital Goods	19,7
AXIA3	Utilities	90,1	CMIN3	Metals & Mining	19,5
VBBR3	Oil, Gas & Petrochemicals	88,5	QUAL3	Health Care	18,3
PETR4	Oil, Gas & Petrochemicals	88,1	TOTS3	TMT	18,2
PNVL3	Retail	86,6	ONCO3	Health Care	15,2
B3SA3	Financials Non-Banks	86,2	SOJA3	Agri, Food & Beverages	15,1
ITSA4	Financials Non-Banks	86,0	PLPL3	Real Estate	14,9
BPAC11	Banks	86,0	YDUQ3	Education	14,9
RIAA3	Retail	85,4	CASH3	Financials Non-Banks	14,4
VTRU3	Education	85,1	LJQQ3	Retail	13,8
TEND3	Real Estate	84,8	RAPT4	Capital Goods	12,9
ORVR3	Utilities	84,6	SMFT3	Retail	10,5
BMOB3	TMT	83,4	CSAN3	Oil, Gas & Petrochemicals	10,1
DESK3	TMT	83,4	CSNA3	Metals & Mining	8,9
ALOS3	Real Estate	83,3	BHIA3	Retail	8,4
BRSR6	Banks	83,0	HAPV3	Health Care	7,6
VALE3	Metals & Mining	81,8	BEEF3	Agri, Food & Beverages	7,1
CPLE3	Utilities	80,3	GMAT3	Retail	5,4
SEER3	Education	80,3	GFSA3	Real Estate	4,8

# Composite Performance

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## Low Risk Factor

### Cumulative L/S Low Risk Performance



### Top & Bottom Low Risk Performance



### Highest and lowest rated stocks in the Low Risk factor

Ticker	Sector	Factor Score	Ticker	Sector	Factor Score
BBSE3	Financials Non-Banks	99,7	NATU3	Retail	27,2
ABEV3	Agri, Food & Beverages	99,0	CSAN3	Oil, Gas & Petrochemicals	26,5
ALUP11	Utilities	98,9	VAM03	Transportation	23,5
KLBN11	Pulp & Paper	98,1	CSNA3	Metals & Mining	23,4
TAE11	Utilities	96,5	HAPV3	Health Care	23,3
VIVT3	TMT	95,8	QUAL3	Health Care	23,1
ITUB4	Banks	94,2	LWSA3	TMT	22,6
ALOS3	Real Estate	93,4	RIAA3	Retail	21,5
FRAS3	Capital Goods	91,9	TEND3	Real Estate	21,4
VALE3	Metals & Mining	91,2	SYNE3	Real Estate	21,3
BRAP4	Metals & Mining	91,2	JSLG3	Transportation	19,2
SLCE3	Agri, Food & Beverages	91,1	ARML3	Transportation	18,9
FLRY3	Health Care	90,4	CEAB3	Retail	17,4
PETR4	Oil, Gas & Petrochemicals	90,4	CBAV3	Metals & Mining	14,5
ABCB4	Banks	89,4	MBRF3	Agri, Food & Beverages	14,3
ISAE4	Utilities	87,8	SIMH3	Transportation	14,1
EGIE3	Utilities	87,3	ANIM3	Education	14,1
CXSE3	Financials Non-Banks	86,9	CASH3	Financials Non-Banks	13,4
MOTV3	Transportation	86,6	HBOR3	Real Estate	12,5
ITSA4	Financials Non-Banks	86,6	DESK3	TMT	11,6
TIMS3	TMT	85,7	LJQQ3	Retail	11,5
GRND3	Retail	84,7	DASA3	Health Care	10,9
LEVE3	Capital Goods	83,9	CVCB3	Retail	10,9
CPFE3	Utilities	83,3	MGLU3	Retail	10,7
MULT3	Real Estate	82,7	BRKM5	Oil, Gas & Petrochemicals	10,4
VULC3	Retail	81,3	ONCO3	Health Care	7,6
CMIG4	Utilities	79,8	MOVI3	Transportation	7,4
LAVV3	Real Estate	79,1	RCSL4	Capital Goods	5,7
MILS3	Transportation	79,0	GFS3	Real Estate	5,5
VBBR3	Oil, Gas & Petrochemicals	78,6	BHIA3	Retail	3,8

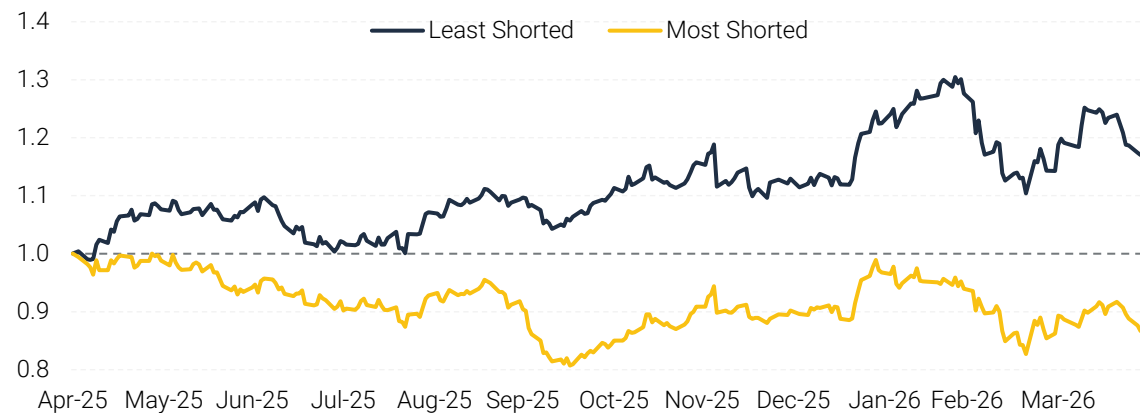
# Composite Performance

## Short Interest Factor

### Cumulative Short Interest Performance



### Top & Bottom Short Interest Performance



### Highest and lowest rated stocks in the Short Interest factor

Ticker	Sector	Factor Score	Ticker	Sector	Factor Score
SEER3	Education	93,5	CYRE3	Real Estate	35,0
IRBR3	Financials Non-Banks	90,0	CBAV3	Metals & Mining	34,7
USIM5	Metals & Mining	90,0	RECV3	Oil, Gas & Petrochemicals	34,0
RANI3	Pulp & Paper	89,7	ORVR3	Utilities	33,4
SAPR11	Utilities	87,7	CVCB3	Retail	33,0
VLID3	TMT	87,6	RAPT4	Capital Goods	32,9
RDOR3	Health Care	87,5	BEEF3	Agri, Food & Beverages	32,7
CEAB3	Retail	87,2	VAMO3	Transportation	32,7
PNVL3	Retail	86,6	RIAA3	Retail	32,2
QUAL3	Health Care	86,4	LJQQ3	Retail	31,2
BMOB3	TMT	85,2	RAIL3	Transportation	30,4
RADL3	Retail	85,0	MBRF3	Agri, Food & Beverages	29,4
EQTL3	Utilities	84,7	GFS3	Real Estate	27,6
JHSF3	Real Estate	83,7	ONCO3	Health Care	27,5
FESA4	Metals & Mining	82,0	MULT3	Real Estate	27,4
SBFG3	Retail	81,8	NATU3	Retail	24,3
MOTV3	Transportation	81,3	CMIN3	Metals & Mining	24,2
ANIM3	Education	80,6	LWSA3	TMT	24,1
CPLE3	Utilities	79,4	TAE11	Utilities	23,8
HBSA3	Transportation	78,6	SIMH3	Transportation	21,9
IGT11	Real Estate	78,6	EVEN3	Real Estate	21,5
DIRR3	Real Estate	77,2	BHIA3	Retail	20,3
TTEN3	Agri, Food & Beverages	76,7	TGMA3	Transportation	18,3
MYPK3	Capital Goods	76,3	AZZA3	Retail	14,8
PGMN3	Retail	76,3	CPFE3	Utilities	13,1
BPAC11	Banks	76,3	EGIE3	Utilities	13,1
PRNR3	Transportation	76,1	GMAT3	Retail	11,7
BRBI11	Banks	75,3	HAPV3	Health Care	11,1
ABCB4	Banks	75,2	SOJA3	Agri, Food & Beverages	10,8
SBSP3	Utilities	74,4	FRAS3	Capital Goods	8,3

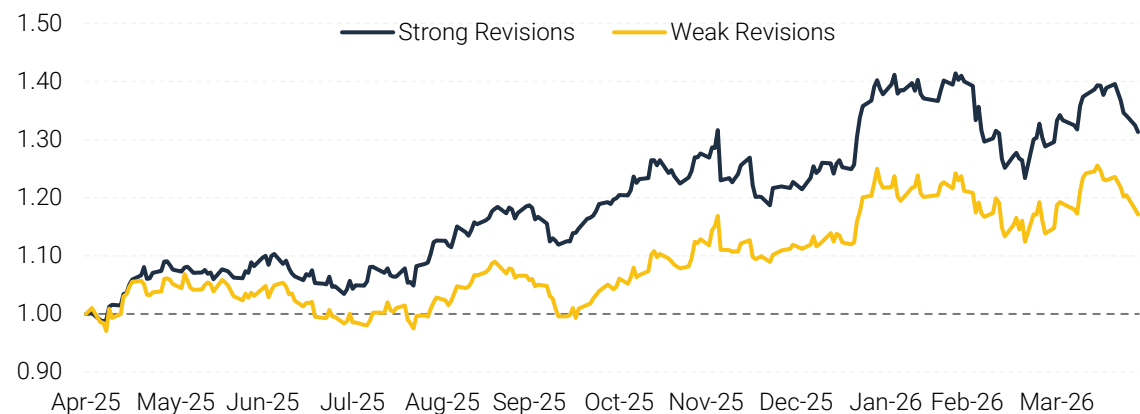
# Composite Performance

## Sell-side Revisions Factor

### Cumulative Sell-side Revisions Performance



### Top & Bottom Sell-side Revisions Performance



### Highest and lowest rated stocks in the Sell-side Revisions factor

Ticker	Sector	Factor Score	Ticker	Sector	Factor Score
AXIA3	Utilities	97,9	POM04	Capital Goods	39,7
ORVR3	Utilities	97,8	MYPK3	Capital Goods	39,4
PETR4	Oil, Gas & Petrochemicals	97,8	VALE3	Metals & Mining	38,1
ALPA4	Retail	96,6	BLAU3	Health Care	35,0
USIM5	Metals & Mining	94,4	ENEV3	Utilities	35,0
EZTC3	Real Estate	92,9	YDUQ3	Education	32,6
DXCO3	Pulp & Paper	91,0	PSSA3	Financials Non-Banks	31,1
ANIM3	Education	88,6	DIRR3	Real Estate	30,6
RADL3	Retail	87,9	NATU3	Retail	29,3
BPAC11	Banks	87,8	SUZB3	Pulp & Paper	27,9
ARML3	Transportation	85,7	CEAB3	Retail	27,4
MOVI3	Transportation	85,6	EQTL3	Utilities	23,2
BRSR6	Banks	84,9	SMT03	Agri, Food & Beverages	23,1
B3SA3	Financials Non-Banks	84,9	RAIL3	Transportation	22,5
TTEN3	Agri, Food & Beverages	84,0	VAM03	Transportation	22,1
FLRY3	Health Care	83,9	BBSE3	Financials Non-Banks	22,0
SMFT3	Retail	83,8	RECV3	Oil, Gas & Petrochemicals	21,0
TEND3	Real Estate	82,1	CMIG4	Utilities	17,8
TAE11	Utilities	82,0	RAPT4	Capital Goods	17,4
BRAV3	Oil, Gas & Petrochemicals	81,8	BBAS3	Banks	16,8
IGT11	Real Estate	81,1	AZZA3	Retail	12,9
GGBR4	Metals & Mining	77,3	AURE3	Utilities	10,6
SBSP3	Utilities	77,2	GMAT3	Retail	10,2
PRI03	Oil, Gas & Petrochemicals	74,7	SOJA3	Agri, Food & Beverages	10,1
RDOR3	Health Care	74,6	HAPV3	Health Care	9,5

Equity Strategy

XP Sentiment Index

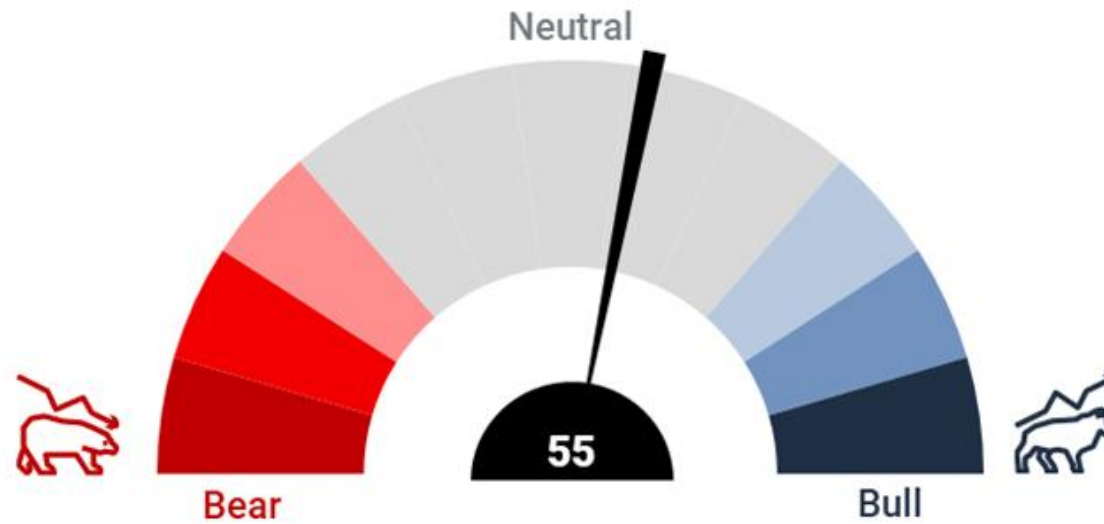
# XP Sentiment Index

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XP Sentiment Index: Speedometer

XP Sentiment Index Speedometer

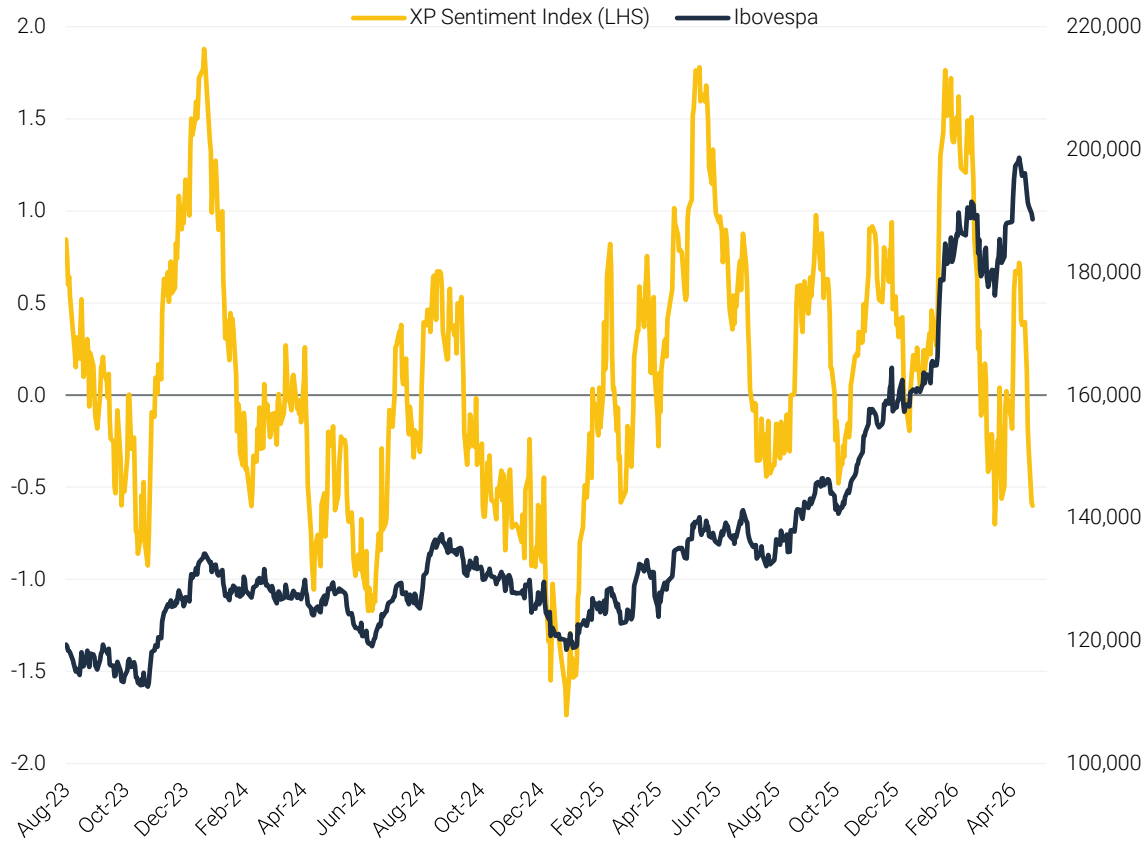
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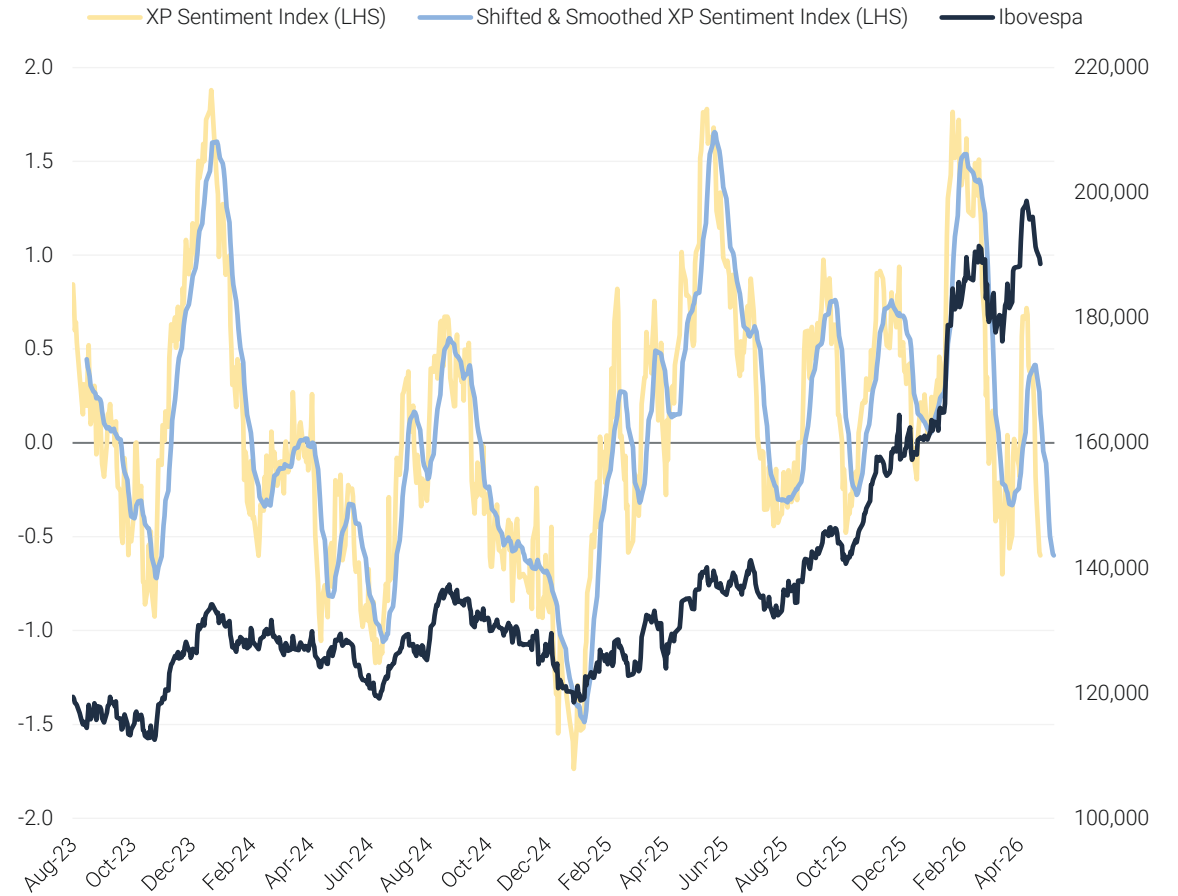
# XP Sentiment Index

XP Sentiment Index: Composite

### XP Sentiment Index vs. Brazilian equities (Ibovespa)



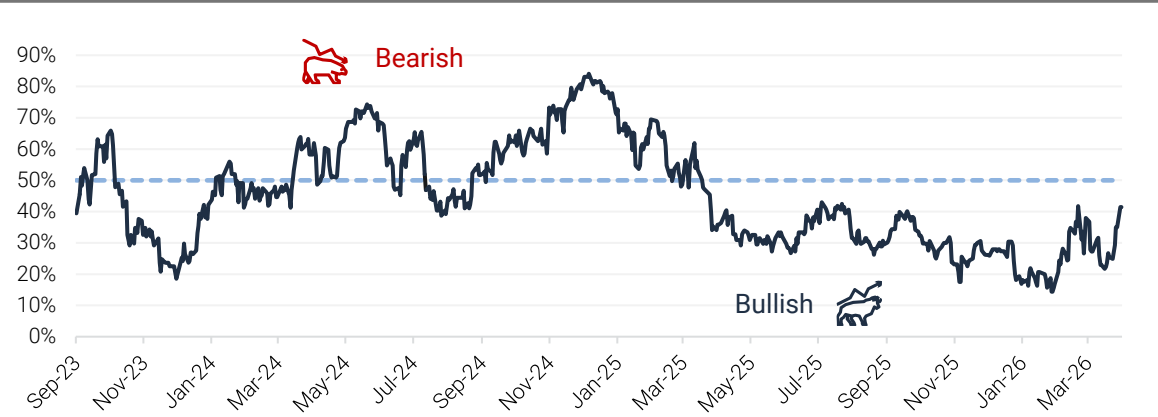
### Shifted and Smoothed XP Sentiment Index vs. Brazilian equities (Ibovespa)



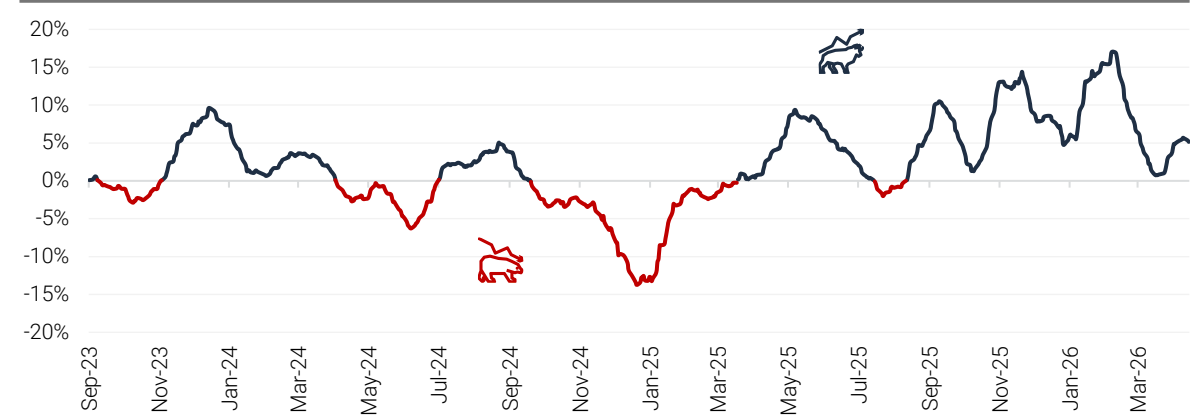
# XP Sentiment Index

## XP Sentiment Index: Components

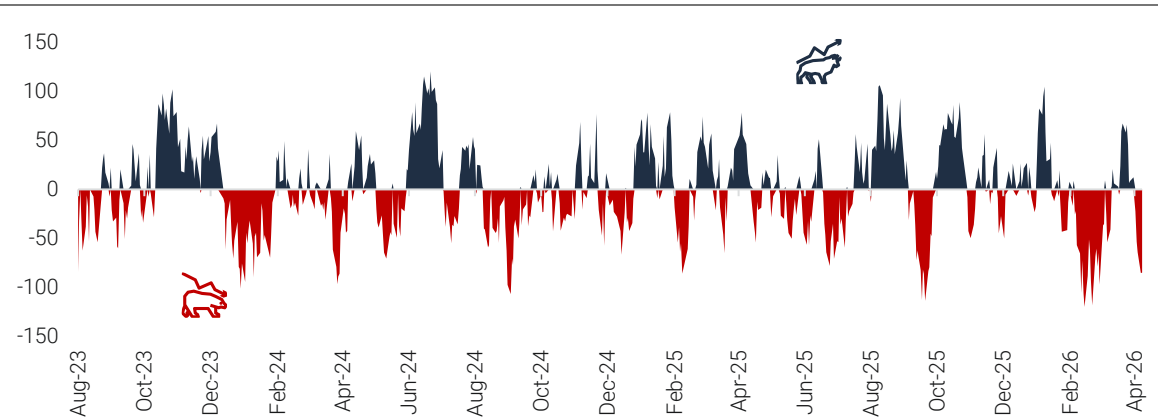
### % stocks below 200d moving average



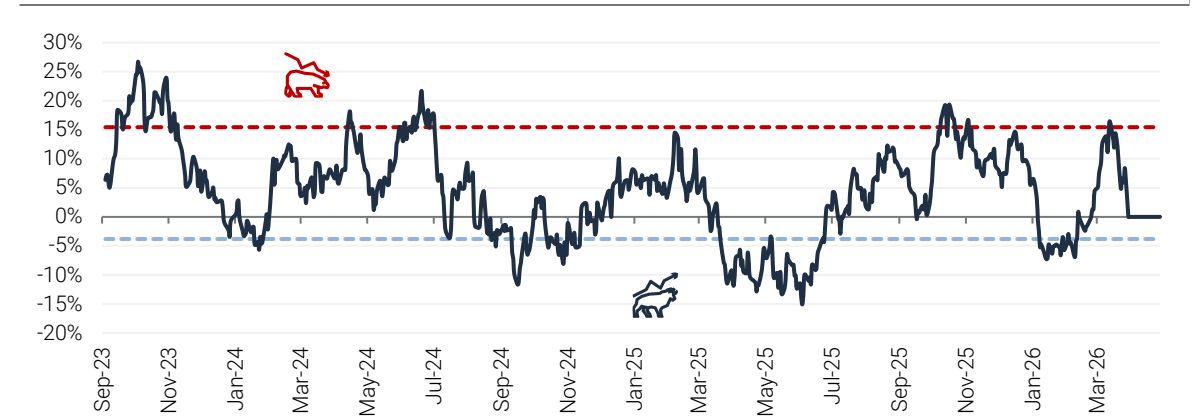
### Net new highs vs. lows (%)



### McClellan Volume Sentiment Index



### Low Risk factor 3-month returns



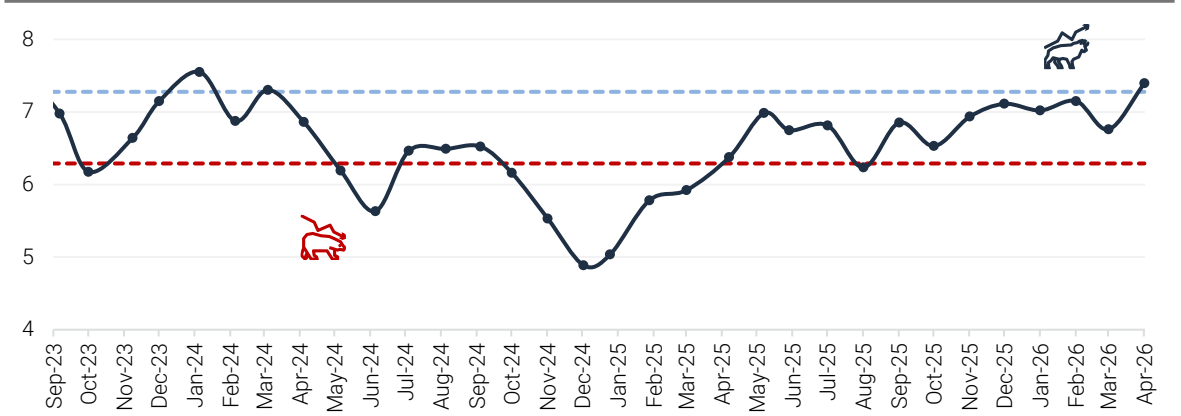
# XP Sentiment Index

## XP Sentiment Index: Components

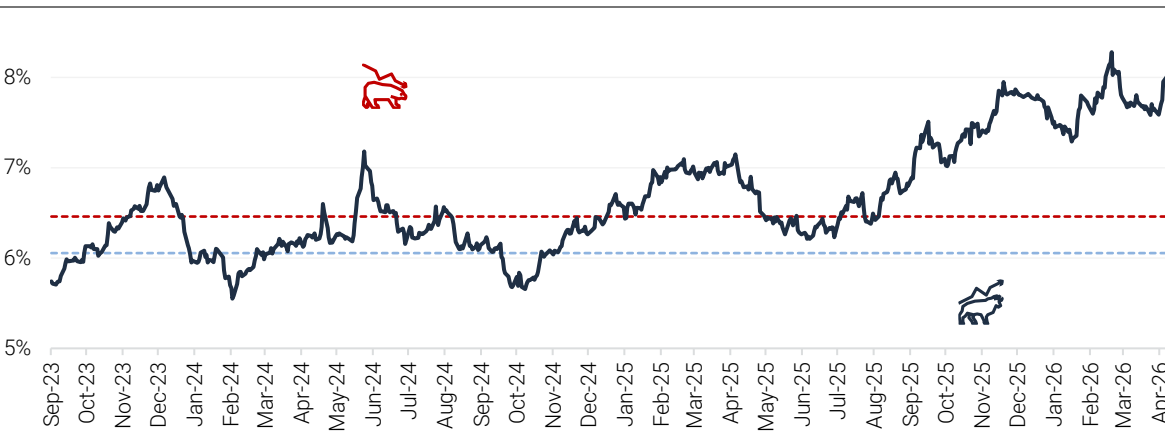
Foreign Investors' 30d avg flows (R\$ mn)



Average IFAs' sentiment score



% of borrowed stocks relative to free float



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Equity Strategy

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15. Equity investments available are portion a company's capital that is traded on the market. Stock is a variable financial investment (i.e. an investment in which profitability is not pre-established and varies depending on market quotations). Investment in stock is a high-risk investment and past performance is not necessarily indicative of future results and no statement or warranty, expressed or implied, is made in this material in relation to future performance. Market conditions, macroeconomic scenario, company and sector specific events can affect investment performance and may even result in significant asset losses. The recommended duration for equity investments is medium-long term. There is no guarantee of investment return for customers' investments in stock.
16. Investment in options is the purchase or sale rights of a good shall be negotiated at a price fixed at a future date, and the purchaser of the negotiated duty should pay a premium to the seller as in a secure agreement. Operations with these derivatives are considered very high risk for presenting high risk and return relationships and some positions present the possibility of losses higher than the capital invested. The recommended duration for the investment is short-term and the customer's assets are not guaranteed in this type of product.
17. Investment in terms are contracts for the purchase or sale of a certain number of shares at a fixed price for settlement within a specified period. The term of the contract is freely chosen by the investors, complying with the minimum period of 16 days and a maximum of 999 days. The price will be the value of the added share of a portion corresponding to the interest-which are set freely on the market, depending on the term of the contract. Every transaction in the term requires a guarantee deposit. These guarantees are provided in two forms: coverage or margin.
18. Investments in futures markets are subject to significant loss of principal. a commodity is an object or price determinant of a future contract or other derivative instrument, which may substantiate an index, a fee, a movable value or a physical product. Commodities are considered high risk investments, which include the possibility of price fluctuation due to the use of financial leverage. The recommended duration for commodity investments is short-term and customers' assets are not guaranteed in this type of product. Market conditions and the macroeconomic scenario can affect the performance investments.
19. This institution is adhering ANBIMA Code of Regulation and best practices for the distribution activity of retail investment products.
20. XP Investments US, LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission, has assumed responsibility for this research for purposes of U.S. law. All transactions arising from this research should be directed to XP Investments US, LLC, at +1 646-664-0525.
21. XP Investimentos (a) managed or co-managed a public offering of securities for the subject company in the past 12 months, or (b) received compensation for investment banking services from the subject company in the past 12 months; or (c) expects to receive or intends to seek compensation for investment banking services from the subject company in the next 3 months.

