

FUNDAÇÃO GETULIO VARGAS
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Gustavo Luna de Melo Jorge

**WEALTHTECHS:
the Brazilian market**

SÃO PAULO
2025

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Master Thesis presented to the Escola de Administração de Empresas de São Paulo da Fundação Getulio Vargas, as a requirement for obtaining a master's degree in International Management.

Advisor: Prof^a. Dr. Luis Henrique Pereira
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SÃO PAULO
2025

*À Celia,
Emília,
Paulo
&
Samyra*

Dê a quem você ama: asas para voar, raízes para voltar e motivos para ficar.
Dalai Lama

ABSTRACT

The wealth management sector has undergone significant transformations with the rise of Wealthtechs, which integrate technology into financial services to optimize asset management, investment advisory, and personalized service offerings for clients. This study explores the Brazilian Wealthtech market, contextualizing its emergence within the global fintech landscape and identifying key players, market trends, and regulatory frameworks. By analyzing the evolution of wealth management, the study highlights how Brazilian firms are adapting to technological innovations to meet the increasing demand for digital financial solutions. Furthermore, the research conducts an exhaustive exploration of all players utilizing Wealthtechs, including asset managers, private banks, independent advisors, and financial institutions. The study also draws comparisons with other international markets, such as India and Africa, to understand the growth trajectories and unique challenges of Wealthtechs in emerging economies. Findings indicate that Brazil's financial ecosystem presents both opportunities and regulatory challenges for Wealthtech expansion, with increasing adoption among independent wealth managers and private banking institutions. The study concludes by proposing future perspectives on the role of Wealthtechs in reshaping investment strategies and financial advisory services in Brazil. Practically, this study provides strategic guidelines for market players and regulators by mapping the competitive landscape, identifying key adoption trends, and highlighting the necessary regulatory adjustments for the continued growth of digital financial advisory in Brazil.

Key-Words: Wealthtech; Brazilian Financial Market; Wealth Management.

RESUMO

O setor de gestão de patrimônio passou por transformações significativas com o surgimento das Wealthtechs, que integram tecnologia aos serviços financeiros para otimizar a gestão de ativos, assessoria de investimentos e a oferta de serviços personalizados para os clientes. Este estudo explora o mercado brasileiro de Wealthtechs, contextualizando seu surgimento no cenário global de fintechs e identificando os principais players, tendências de mercado e marcos regulatórios. Ao analisar a evolução da gestão de patrimônio, a pesquisa destaca como as empresas brasileiras estão se adaptando às inovações tecnológicas para atender à crescente demanda por soluções financeiras digitais. Além disso, o estudo realiza uma exploração exhaustiva de todos os players que utilizam as Wealthtechs, incluindo gestores de ativos, bancos privados, assessores independentes e instituições financeiras. Também são traçadas comparações com outros mercados internacionais, como Índia e África, para compreender as trajetórias de crescimento e os desafios específicos das Wealthtechs em economias emergentes. Os resultados indicam que o ecossistema financeiro brasileiro apresenta tanto oportunidades quanto desafios regulatórios para a expansão das Wealthtechs, com adoção crescente entre gestores de patrimônio independentes e instituições de private banking. O estudo conclui propondo perspectivas futuras sobre o papel das Wealthtechs na remodelação das estratégias de investimento e da assessoria financeira no Brasil. Na prática, este estudo oferece diretrizes estratégicas para players de mercado e reguladores, ao mapear o cenário competitivo, identificar tendências de adoção e destacar os ajustes regulatórios necessários para o crescimento contínuo da assessoria financeira digital no Brasil.

Palavras-chave: Wealthtech; Mercado Financeiro Brasileiro; Gestão de Patrimônio.

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1 INTRODUCTION

The main objective of this thesis is to explore the Brazilian players by presenting the wealthtechs concepts. The specific objectives of this thesis are: to examine the evolution and ecosystem of the financial market by analyzing the development of the financial market in relation to wealth management to better understand the context in which wealthtechs emerged; to position fintechs as the fundamental pillar of technological innovation within the financial sector, with a focus on smart systems for wealth management; to define wealthtechs by clarifying the scope of wealthtechs, focusing on the specific demands they serve, their target audience and the range of products and services they offer within the wealth management space; and to present the Brazilian market players – from demand – financial market and wealth managers (software buyers) and the tech providers exploring the technological offerings and how it meets current market demands.

In a study published by KPMG in 2023, the global wealthtechs market has seen significant venture capital investment, with funding levels increasing sevenfold from 2017 to 2021 in major financial hubs such as Singapore. In this regard, a broader trend towards digitalization in wealth management is notable, as more investors seek scalable, technology-enhanced platforms to manage their assets (KPMG, 2023). As an example of this, Deloitte showed that family offices, which are responsible for managing the assets of the world's richest families, are expected to handle US\$9.5 trillion in assets by 2030, an increase of 73% from 2023 levels (Deloitte, 2024). This increase demonstrates the need for modern systems that differentiate themselves from traditional management and can meet the unique and varied demands of Ultra High Net Worth Individuals (UHNWIs) (Wealth Management, 2024).

The wealth increase identified by Capgemini also sees the changing wealth landscape through the increase in the number of UHNWIs. Globally, the UHNWI population grew by 5.1% in 2023, reaching more than 22.8 million individuals (Capgemini, 2023). This data reinforces the increasing demand for advanced and personalized financial solutions that can offer efficiency, transparency, and flexibility in managing their complex portfolios. In this sense, products included in the wealthtech definition, with their ability to integrate real-time data analysis, cross-jurisdictional compliance, and personalized financial strategies, are uniquely positioned to meet this demand (McKinsey, 2023).

Brazil presents a compelling case for studying the wealthtech market due to its rapidly expanding financial sector, increasing high-net-worth population, and evolving regulatory landscape. The country holds over R\$9 trillion in assets under management (AUM), supported by 1,036 asset management firms and a growing network of family offices and independent wealth managers (ANBIMA, 2024). Additionally, Brazil's financial ecosystem is highly concentrated, with major banks such as Itaú, Bradesco, and BTG Pactual dominating the market while independent firms continue to gain traction. The rise of structured investment vehicles, such as FIDCs and alternative funds, reflects the increasing complexity of the market, demanding advanced digital solutions for portfolio management, compliance, and analytics. As regulatory bodies like CVM and ANBIMA implement stricter governance standards, wealthtech solutions play a crucial role in enhancing transparency, automation, and efficiency across investment management processes. Given Brazil's position as the largest wealth management market in Latin America, its ongoing digital transformation and increasing investor sophistication create an ideal environment for wealthtech innovations to thrive.

2 LITERATURE REVIEW

2.1 Financial Market Revolution and Emerging Investments Ecosystem on Wealth Management

2.1.1 Private Banks and Wealth Management Beginnings

Traditional banks have faced multiple changes in how wealth is attended. That way, two main factors radically changed the way wealth was managed: advancement of the economic environment and technological innovation. Globally, significant accumulation of wealth among high-net-worth individuals has catalyzed the emergence of the private banking market, which has become increasingly linked with what became wealth management. The wealth management industry is experiencing rapid development, driven by hard competition and client diversification. (Wei, Veronika, & Yuliia, 2016).

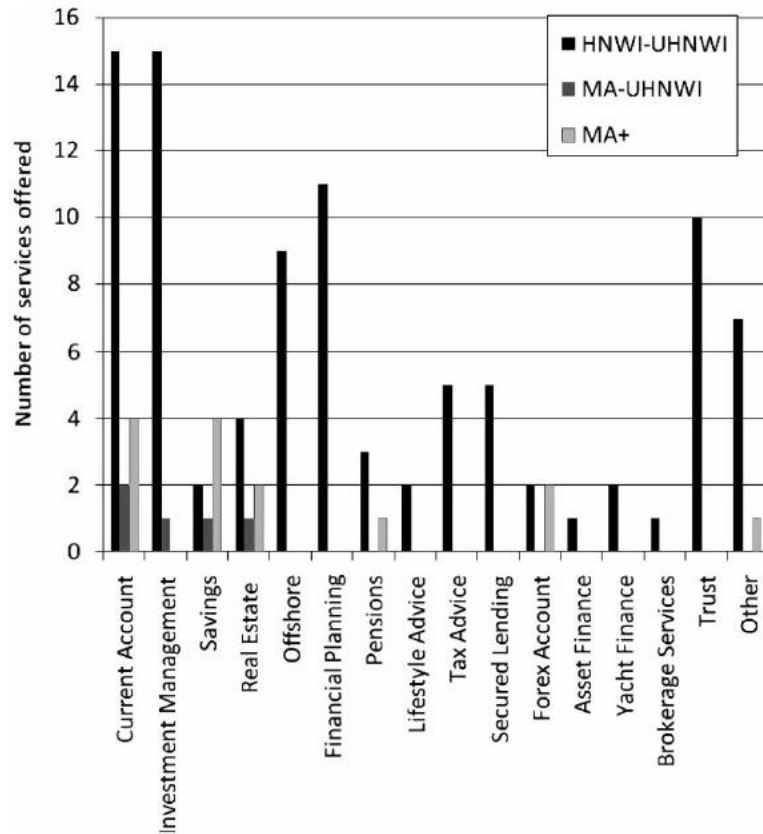
Beaverstock, Hall, and Wainwright (2012) discuss the evolution of private banks, precursors to the wealth management industry, focusing on how they have adapted to meet the needs of wealthy clients in a changing financial environment. Historically, this

industry was dominated by private banks that served mainly families with long-established wealth, inherited fortunes, and managed on the same terms. However, there has been a notable shift toward serving new financial elites composed of high-income professionals and executives from the financial services industry and related sectors. Thus, this new profile of clients, who have recently accumulated wealth, sought different objectives in managing their investments, which led to a reassessment of wealth management strategies and services.

Beaverstock, Hall, and Wainwright (2011) also highlight the role of new financial elites, driven by the rise of financial services, in reshaping wealth management industries. The authors argue that the ecology of wealth management now transcends traditional private banking to include a broader range of financial services, leveraging advanced classification technologies to offer personalized products tailored to varying levels of wealth. The study emphasizes the geographical and income-based segmentation of financial elites and how it has influenced the global expansion of wealth management services, especially in regions like the UK, where London serves as a key hub for both domestic and international financial elites.

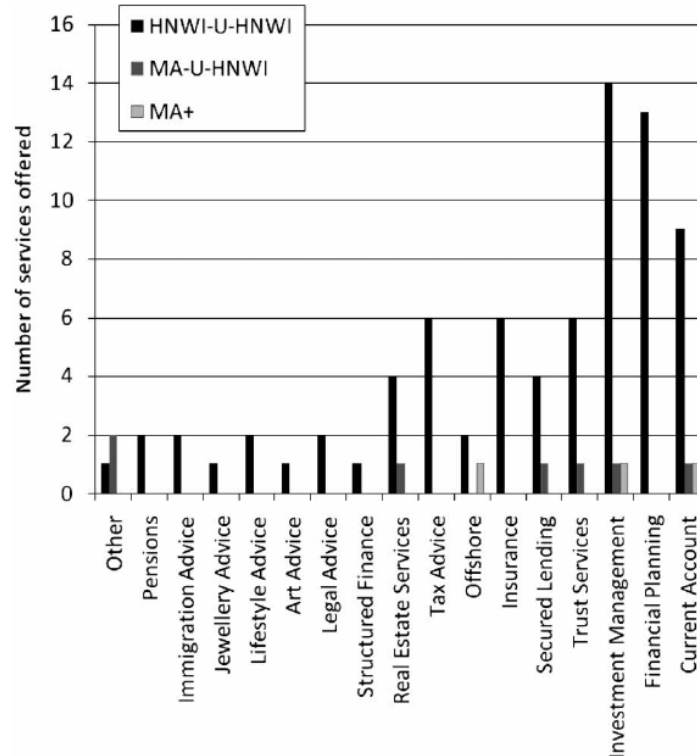
The authors suggest that this shift is a response to broader changes in the composition and distribution of financial elites, influenced by globalization, the expansion of financial markets, and the emergence of new wealth centers. As a result, the private wealth management sector has become more diverse and competitive, with traditional private banks now competing with wealth management divisions of investment banks and other financial institutions. This evolution has led to the creation of more advanced financial products and services to meet the varied needs of this new and diverse clientele, demonstrating the sector's ability to adapt to the changing demands and locations of financial elites. Figure 1 and Figure 2 illustrates how private banks have a large offering and how wealth requires a much more complete financial product/service mix (Beaverstock, Hall, and Wainwright, 2012).

Figure 1 – Products and services offered by private banks



Source: Beaverstock, Hall, and Wainwright (2012, p. 843-844).

Figure 2 – Products and services offered by the wealth management arms (WMAs) of investment banks



Source: Beaverstock, Hall, and Wainwright (2012, p. 843-844).

Driga, Niță and Cucu (2009) in their study attempted to identify the distinctive features of private banking, particularly the ways in which it adapts to changing market conditions. The research highlights the significant growth in the private banking sector, largely driven by commercial banks expanding their services to high-net-worth individuals. This new understanding and objective of expansion has led to the creation of specialized services that go beyond traditional banking, such as personalized financial advice and personalized investment strategies. As the financial landscape evolves, private banking is increasingly emphasizing the provision of personalized services designed to meet the complex and sophisticated financial needs of wealthy clients.

“Private banking services take into account each client’s unique financial needs. In order to build a coherent and tailored private banking portfolio, the selection and allocation of products takes into account the client’s risk appetite, investment objectives and horizon and also the desired structure. Investment objectives relate to what the client wants to accomplish with the portfolio. Objectives are mainly concerned with risk and return consideration” (Drigă, Niță, & Cucu, 2009, p. 232).

With a history of being a product-based service and general service provider, wealth management has, however, gradually shifted to offering personalized advisory services tailored to specific client groups, highlighting the growing importance of client segmentation and the need for more adaptive marketing strategies. In addition, there has been a greater emphasis on intergenerational wealth management, as wealth managers recognize the value of building long-term relationships that span multiple generations (Wei, Veronika, & Yuliia, 2016).

Another categorization in investment management was categorized by Muade, 2006. In his book that divided the early stages of private banking and wealth management, the distinction between onshore and offshore management became a critical aspect of the industry. Thus, onshore wealth management, which is conducted in the client’s home country, contrasts with offshore services, where assets are managed in foreign jurisdictions. This difference is often leveraged for reasons such as tax optimization, confidentiality, and the desire to diversify risks across different regions.

Wealth management institutions, including private banks, have increasingly focused on establishing long-term relationships with clients while adapting to their evolving financial needs. Institutions are now expanding into these emerging markets to capitalize on growth opportunities and adapt their services to the local context. These changes indicate a trend

toward financial institutions needing to offer tailored, region-specific solutions as they explore alternative investments and financial products suited to the demands of diverse markets (Horn & Rudolf, 2011).

2.1.2 Wealth Management by Advisory

The term Wealth Management has its origins in the early 20th century and was first defined in Fowler's Dictionary in 1933. Its definition encompasses a range of services, including discretionary investment management, financial and tax advice, and sometimes additional banking or concierge services. Although it is sometimes used to refer to "money management" or "asset management," wealth management typically involves the oversight of multiple managers and is generally geared toward clients with assets in excess of \$5 million (Traff, 2016).

The industry's roots date back to the 1970s, when firms such as Goldman Sachs and Morgan Stanley began offering more personalized services to wealthy individuals, a trend that has since grown to encompass private banking and family office services for clients with \$10 million or more in assets (Traff, 2016).

Traff (2016) notes that the wealth management industry has increasingly moved toward independent registered investment advisors (RIAs), which have emerged as the fastest-growing segment, expanding at an annual rate of 6.8 percent and managing over \$2.4 trillion through 2013. In contrast, traditional players such as Merrill Lynch and Morgan Stanley have seen a decline in their market share.

RIAs, operating independently of banks and financial institutions, provide fiduciary-based advice, meaning they are legally required to prioritize the interests of their clients. This fiduciary responsibility often leads to a perception of greater trustworthiness as it reduces potential conflicts of interest. The growing preference for RIAs reflects a desire for personalized, unbiased financial advice, with these advisors playing multiple roles in their clients' lives, such as expert, independent voice, listener, teacher, architect, coach, and guardian (Dimensional Fund Advisors; Traff, 2016).

According to recent data, the wealth management industry has seen significant changes since Traff's 2016 study. The RIA segment has continued its growth trajectory, now managing \$7.8 trillion in assets by 2023, despite a slight decline to \$8.4 trillion in 2022, primarily due to broader market conditions (Schwab Benchmarking, 2024; Investment Adviser Association, 2024). This marks a substantial increase compared to 2013 figures,

when RIAs managed over \$2.4 trillion (Traff, 2016). The number of RIA firms also reached a record 15,396 in 2023, serving over 64 million clients, reflecting sustained demand for personalized, fiduciary-based financial advice (Investment Adviser Association, 2024).

This growth aligns with the broader trend of clients seeking more independent and conflict-free financial services, as RIAs operate independently of traditional financial institutions, offering advice based on fiduciary duty (Schwab Benchmarking, 2024). As the wealth management landscape continues to evolve, these independent advisors are expected to capture an even larger market share, building on their established reputation for trust and personalized service (Traff, 2016).

In terms of the technological requirements for Wealth Management, investment advisors use a variety of technology tools to enhance portfolio management, improve client interactions, and maintain regulatory compliance. These tools have evolved from simple spreadsheets to advanced software that increases efficiency and effectiveness. By combining these technologies with their expertise, advisors deliver superior results by balancing automation with human judgment. Table 1 highlights the top tools, their key functions, and their role in delivering compliant, client-centric financial services.

Table 1 – Advisory tools

Tool	Description	Key Features	Importance
Financial Planning	Essential for providing comprehensive financial advice beyond investment management.	Account Aggregation and Integration, Reporting and Analysis, Client Portal	Enhances accuracy in financial assessments, allows real-time financial views, and promotes client engagement.
Marketing and Lead Generation	Helps attract new clients and maintain a competitive edge.	Website Builders, Marketing Automation	Builds online presence, nurtures leads and enables efficient client communication.
Online Archiving	Critical for regulatory compliance, particularly for retaining digital communication records.	Data Collection and Retention, Data Integrity	Ensures compliance with regulatory requirements and protects against legal risks.
Customer Relationship	Enhance client relationship management	Tracking Client Interactions, Integration with Other Tools	Streamline operations, personalizes client

Tool	Description	Key Features	Importance
Management (CRM)	by organizing customer data and interactions.		services, and maintains consistent communication.
Online Document Storage and Management	Facilitates secure storage and management of sensitive documents.	Enhanced Security, Regulatory Compliance	Improves document accessibility and collaboration while ensuring data protection and compliance.
Portfolio Risk Analysis	Evaluates risk and return characteristics of client portfolios to align with client goals.	Comprehensive Risk Assessment, Scenario Analysis and Stress Testing	Maintains portfolio balance and prepares for potential market risks.
Portfolio Rebalancing Tools	Automates portfolio adjustments to maintain desired asset allocations.	Automated Rebalancing, Integration with Other Systems	Ensures portfolios remain aligned with strategies, reduces manual oversight, and enhances efficiency.
Portfolio Management and Reporting (PMR)	Central to client portfolio management, offering comprehensive features supporting various aspects of portfolio management.	Fee Calculation, Client and Advisor Reporting, Data Aggregation and Reconciliation	Simplifies billing, provides detailed performance reports, and consolidates client data for accurate management.

Source: Elaborated by the author based on Traff, 2016.

2.1.3 Family Office and Multi Family Office

Park (2020) examines the significant growth of family offices as investment structures that support wealth management for individuals and families. They can be structured as single-family offices (SFOs) serving one family or multi-family offices (MFOs) serving multiple families, offering an alternative to traditional wealth management institutions such as private banks and registered investment managers. As family offices continue to play an expanding role in intergenerational wealth management and alternative investments, recent studies highlight recurring themes such as wealth preservation and succession planning. Park's research also explores these topics, addressing both the similarities and inconsistencies in definitions across various studies.

Table 2 outlines several definitions of family offices, demonstrating the large range and diverse goals of them. From managing the financial needs of a single wealthy family to serving multiple families with a wide portfolio of services, FOs play a crucial role in wealth management. The definitions highlight key functions such as overseeing financial, wealth and tax management, as well as providing a holistic approach to managing family wealth. This comprehensive support ensures that family offices meet not only the financial goals, but also the broader personal and legacy needs of wealthy families.

Table 2 – Family office definitions

Source	Definition
FOX (2018)	An organization a family creates, often after the sale of a family business or another realization of significant liquidity, to support the financial needs of a specific family.
van Bueren (2016)	A single-family office is a privately controlled (group of) staff employed within or outside a dedicated structure that supports an affluent family with the organization, management, and maintenance of all or parts of their assets, needs, and wishes.
Rosplock (2014)	An organization dedicated to serving wealthy individuals and/or families on a diverse range of financial, estate, tax, accounting, and personal family needs. A multi-family office is a privately controlled and commercially operated organization that employs staff to support a number of affluent families with the organization, management, and maintenance of parts of their assets, needs, and wishes.
Zeuner et al. (2014)	A team of advisors that exclusively serves and represents the interests and the agenda—broadly defined—of the family.
Wilson (2014)	A holistic, full-balance-sheet wealth management solution for an affluent individual or family.

Source: Park, 2020.

The number of family offices, particularly SFOs, has seen significant growth over the years, reflecting the increasing complexity of managing family wealth. Exhibit presents the FO amount from various sources over the years, both in the United States and around the world.

Table 3 – Family office amount

Year	Source	Estimated Number of SFO
2001	Hauser (2001)	4,000 FOs in the US
2007	Gorman et al. (2007) as cited in MacDonald (2014)	11,000 FOs globally
2007	FOX (2007) as cited in Decker and Lange (2013)	3,500–5,000 FOs in the US

2010	Family Wealth Alliance (2010) as cited in Rosplock and Hauser (2014), Family Offices Group (2012)	2,500–3,000 FOs in the US
2012	Capgemini (2012) as cited in INSEAD (2014)	3,000 FOs in the US
2014	Eigenheer (2014), MacDonald (2014)	6,000–9,000 SFOs in the US
2014	Wilson (2014)	7,000–10,000 SFOs globally
2015	FOX (2015) as cited in Rosplock (2015)	3,000 FOs and 6,000 embedded FOs in the US
2015	EY (2013, 2015)	3,000 SFOs globally
2016	EY (2016) as cited in Bloomberg (2017)	10,000 SFOs globally
2016	WEF (2016)	3,000 FOs globally
2017	FOX (2016) as cited Rivo-Lopez et al. (2017)	2,500–5,000 FOs in the US

Source: Park, 2020.

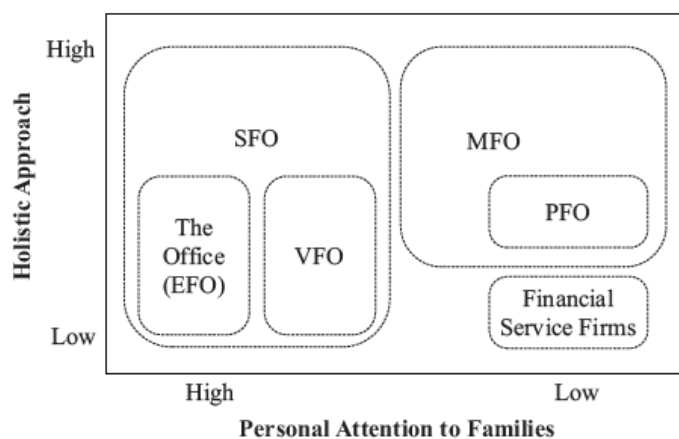
Updating these tables, the number of SFOs has grown substantially in recent years. By 2024, there were approximately 8,030 SFOs globally, up from 6,130 in 2019, with projections indicating an increase to over 10,700 by 2030. This growth is driven by factors such as increased concentration of wealth, successful generational wealth transfers, and private equity investments. North America and Asia-Pacific are key regions, with North America having approximately 3,180 SFOs in 2024 and expected to exceed 4,000 by 2030 (Deloitte, 2024; Introspective Market Research, 2023).

Structurally, SFOs are tailored to the specific needs of a family, offering personalized services at higher costs, while MFOs offer a more cost-effective alternative, but with reduced privacy (EY, 2016). Despite the differences, both types of FOs offer a wide range of services, including investment management, governance, and risk management, all catering to the specific needs of wealthy families (Rosplock, 2014).

Figure 3 illustrates the diversity of family office models by plotting them along two key dimensions: the level of personal attention provided to families and the comprehensiveness of their services. SFOs are positioned high in both categories, as they focus exclusively on one family, offering personalized attention and holistic service. In contrast, MFOs, which serve multiple families, provide a broader but less individualized service. Other models, such as Professional Family Offices (PFOs), Embedded Family

Offices (EFOs), and Virtual Family Offices (VFOs), vary in their approach, balancing privacy, flexibility, and integration with the family's business or outsourced services. The diagram's overlapping categories reflect the evolving nature of these offices as they adapt to meet the specific needs of affluent families.

Figure 3 – Family office characteristics



Notes: SFO = single-family office; MFO = multi-family office; EFO = embedded family office; VFO = virtual family office; PFO = professional family office.

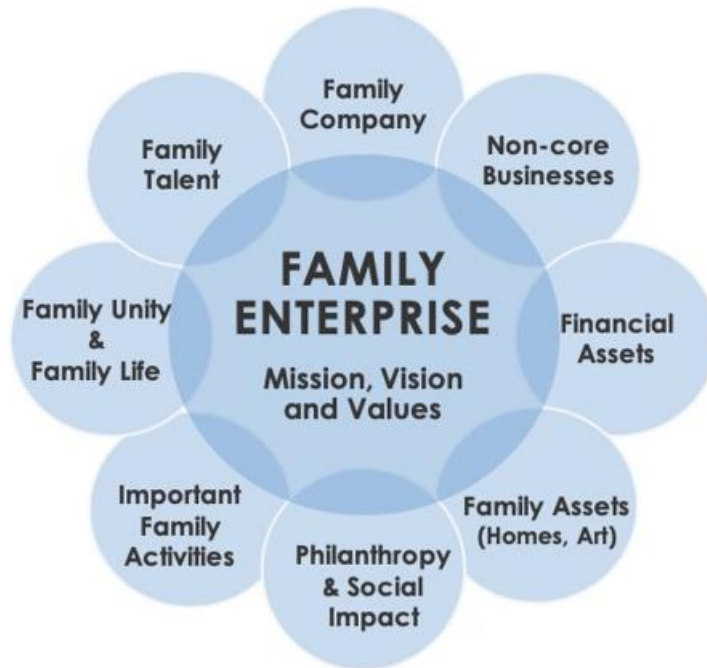
Source: Rosplock, 2014.

Family offices have evolved from simply managing wealth to incorporating non-financial objectives such as educating future generations and fostering family unity. A guide published by EY (2016) exposes a growing trend in which families invest in non-financial activities to ensure multigenerational continuity. These offices offer educational programs, often collaborating with external institutions or providing internships in family businesses to develop future leadership skills.

In addition, pooling resources allows families to achieve economies of scale, access high-quality advisors and manage costs effectively. The importance of family unity and succession planning in family offices is also emphasized, showing that non-financial objectives are essential for long-term success (CFEG, 2020). Significant financial events, such as the death of a founder or the sale of business assets, often trigger the establishment of a family office. In studying such events, Scherer (2018) explains that situations of increased liquidity require careful management to avoid family conflicts.

Family offices provide the governance structure for managing wealth in these circumstances, helping families maintain harmony while achieving their financial goals. In some cases, tax incentives play a role in the decision, as demonstrated by George Soros converting his hedge fund into a family office in 2011 to circumvent new regulations (McDermott, 2011).

Figure 4 – Family office mission, vision, and values



Source: CFEG, 2020.

Figure 4 outlines the required amount of assets under management (AUM) to set up a Single-Family Office. Table 4 reveals that the financial limit varies greatly, depending on the structure and scope of services offered by the SFO. The table also notes how the fixed cost structure and the increase in minimum AUM over time reflects the growing complexity and expense of running these offices (Park, 2020).

Table 4 – Required Amount of Assets Under Management to Set up a Single-Family Office

AUM Criteria for SFO (USD)	Source
\$20 million for VFO	Wilson (2014)

\$50 million, less in some countries	Curtis (2001) as cited in MacDonald (2014)
\$50 million–\$100 million for admin	CCC Alliance (2006) as cited in Capgemini (2012) and Pompian (2009)
\$100 million–\$1 billion for hybrid	Pompian (2009)
\$1 billion + for fully integrated type	Capgemini (2012)
\$100 million	Capgemini (2012)
\$100 million–\$500 million	EY (2016)
\$200 million–\$300 million	Rosplock (2014)
\$500 million–\$1 billion, increased from \$50–\$250 million 15 years ago	Rosplock (2014)
(Fixed cost) (Asset-based fee – Asset-based fee of benchmark)	Scherer (2018)

Source: Park, 2020.

Table 5 provides a categorization of family office services based on motivation and time orientation. It highlights how these offices are structured to handle both financial and socio-emotional wealth (SEW) across short-term and long-term perspectives. In the short term, services focus on accounting, compliance, and advisory tasks for financial wealth, and activities such as organizing family events for SEW and cohesion. Long-term services, however,

emphasize more strategic goals like real estate investment, philanthropy, and succession planning, reflecting the broader and more enduring objectives of family offices (Park, 2020).

Table 5 – Family Office Services Categorized by Motivation and Time Orientation

Motivation	Short-term	Long-term
Financial wealth	Accounting, reporting, tax, legal, compliance, advisory, short-term investment	Real estate, long-term investment, strategy, governance
Social-emotional wealth (SEW)	Public relations, political involvement	Philanthropy, impact investment, art collection
Family cohesion	Concierge, organizing family reunion	Education of next generation, succession planning

Source: Park, 2020

Table 6 discusses the distinct characteristics that differentiate family offices from other service firms. These include a holistic approach that aligns financial and non-financial goals, personalized attention to privacy and confidentiality, and a strong focus on family involvement in governance and operations. The flexibility of family offices is also key, as they need to continuously adapt to evolving family needs and regulatory environments, making them unique in their ability to provide both operational and strategic support over generations (Park, 2020).

Table 6 – Characteristic Distinctions of Family Offices versus Other Service Firms

Features	Selected Comments	Key Sources
Holistic approach	Central to the family's wealth, financial and non-financial objectives, social-emotional wealth, long-term vision, overall liquidity needs	Archer (2015), Family Offices Group (2012), Wilson (2014, 2016)
Personal attention	Unique situations, privacy and confidentiality, recruiting and marketing through referral, keeping family values	Capgemini (2012), Pompian (2009), Rosplock (2014), Schwass et al. (2011)

Family involvement	Family dynamics, more in-house activities for better performance, hiring process, the degree of separation between family owners and assets, active retirement, trust	Faktor (2013), Keynon-Rouvinez (2014), Leleux et al. (2007)
Adjustable structure	Keep the structure under constant review to adapt to the family's needs and the changing regulatory environment	EY (2016), Schwass et al. (2011), Wilson (2014, 2016)

Source: Park, 2020

“With regard to the operation of a family office, the use of digital technology is a necessity, as in other industries. In particular, advanced technical infrastructure and useful applications are required for family offices. However, advances in mobile and cloud technologies have had an adverse impact on data security. Family office IT staff and principals should, therefore, be careful when designing policies regarding the use of these new technologies to reduce the risk of an unauthorized person gaining access to sensitive information or creating an opportunity for fraud.” (Park, 2020).

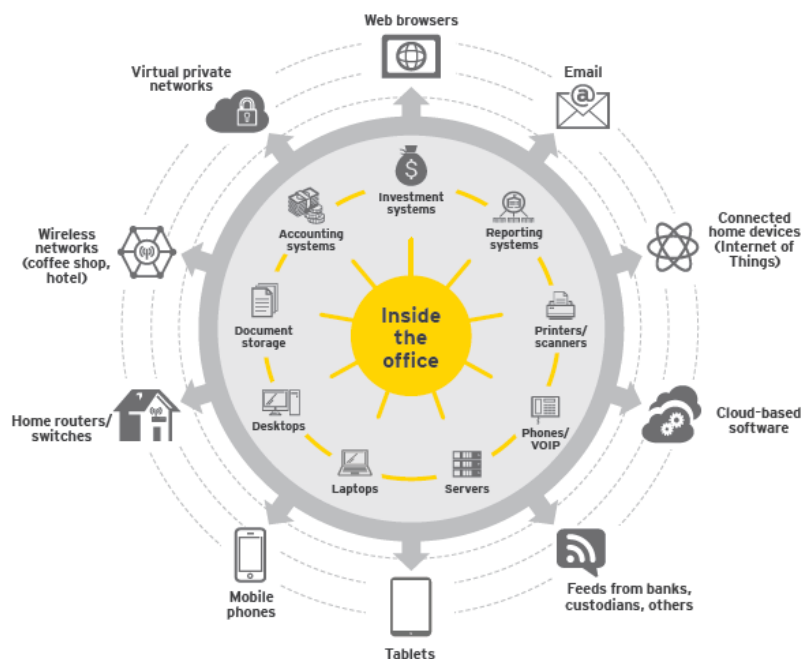
Following the definition of the Family Office structure, this study further details the scope of services provided by these entities. The distinctions are based on the core motivation and time horizon, demonstrating the highly customized nature of their offerings, as illustrated in the tables below.

Figure 5 – Family office ownership wealth transition



Source: EY, 2020.

Figure 6 – Family office environment



Source: EY, 2020.

Ernst & Young or EY (2020) published a Family Office (FO) report which presents the complexities and challenges associated with implementing technology in family offices. Unlike other organizations, family offices are highly diverse in how they are structured, do their investment, and support their operational needs, which makes finding a single technology solution difficult. Additionally, the technology landscape for family offices is fragmented, creating risks in both internal operations and external engagements, such as cybersecurity threats. The document also emphasizes the importance of a well-integrated technology system that can simplify processes by ensuring data flow through multiple platforms, as shown in Figure 6. EY suggests a personalized approach to technology integration where the specific needs of the family office, from investment systems to reporting and accounting systems, are carefully evaluated and addressed. The report also provides insights into the importance of integrating accounting and portfolio management systems, and the need to maintain a balance between robust technology and ease of use, as shown in Figure 5.

2.1.3.1 Ultra-High Net Worth Population

Global wealth is changing, and the richest individuals are knowledgeable about location and growth as the Global UHNW Population. The global UHNW population increased by 7.6% in

2023, reaching 426,330 individuals. These individuals hold a collective net worth of \$49.2 trillion (Altrata, 2023). UHNW divided by Regional Growth:

- a) North America continues to lead, experiencing faster growth than Europe and Asia, with the United States seeing double-digit growth in its UHNW population. North America now accounts for 142,990 individuals with a combined wealth of \$18.6 trillion (Altrata, 2023).
- b) Asia has seen mixed outcomes, with 108,370 individuals collectively holding \$12.4 trillion in wealth. Notably, China experienced its second consecutive annual decline in UHNW numbers, while other countries in the region showed more stable growth (Altrata, 2023).
- c) Europe follows with 100,370 UHNW individuals, holding \$11.9 trillion in assets, reflecting more modest growth compared to North America (Altrata, 2023).
- d) The Middle East has 8,350 UHNW individuals, with a collective wealth of \$1.5 trillion, showing growth due to geopolitical and economic developments in the region (Altrata, 2023).
- e) Latin America holds 13,150 UHNW individuals, managing \$2.2 trillion in wealth, showing a slight recovery after a previous decline (Altrata, 2023).
- f) Africa continues to grow, particularly in sectors like natural resources, now with 4,250 UHNW individuals and wealth totaling \$500 billion (Altrata, 2023).
- g) Oceania has 4,900 UHNW individuals with a total wealth of \$750 billion, showing sustained growth as investment opportunities expand in Australia and New Zealand (Altrata, 2023).

Although the UHNW population represents only 1.1% of the global high-net-worth population (those with wealth over \$1 million), they control a substantial 32% of the wealth held by all high-net-worth individuals globally (Altrata, 2023). In terms of projection, India is expected to play an increasingly significant role in the coming years, with cities like Bengaluru, Hyderabad, and Delhi forecasted to see UHNW population growth of 14-16% annually over the next five years, highlighting India's growing importance in the global wealth landscape (Altrata, 2023).

Rosplock and Houser (2014) observed trends and made predictions about the UHNW. Table 7 and Table 8 summarize how those individuals will redesign the ultra-wealth financial market.

Table 7 – UHNW trends

Trend	Description
Increase in the Global Population of Ultra-High-Net-Worth Individuals	Approximately 199,000 UHNW individuals globally, with a rise in the number of Single Family Offices (SFOs) and Multi-Family Offices (MFOs) due to increased wealth and regulatory changes.
Blurring Lines in Banking, Investment Services, and Professional Services	Distinction between family offices and other financial services is becoming less clear, with more firms branding themselves as offering "family office services" or becoming MFOs.
Investment Management Viewed as a Commodity	Family offices are expanding beyond investment management to offer a variety of lifestyle and concierge services, reflecting a shift in focus towards comprehensive wealth management.
More Families Looking at Succession and Sustainability	Wealth transfer and succession planning have become critical issues, with increasing focus on managing generational wealth transfer effectively.
More Family Offices Functioning as Global Entities	Family offices are becoming global, requiring multi-jurisdictional networks of collaborators and partners to manage wealth across different regions.

Source: Rosplock and Houser, 2014.

Table 8 – UHNW predictions

Prediction	Description
Increase in SFOs and MFOs	There will be a continued rise in the number of Single Family Offices (SFOs) and Multi-Family Offices (MFOs) due to growing interest from ultra-high-net-worth families.
Migration of Talent and Professional Designations	Talent will increasingly migrate to the family office sector from various industries, and there will be a rise in certification programs and educational events tailored to family offices.
Non-Investment Services as a Differentiator	Family offices will prioritize non-investment services, such as education of the next generation and lifestyle management, as a key differentiator from other financial service providers.
Contingency Planning for Succession and Exit	More family offices will develop contingency plans for succession and potential exits, focusing on the long-term sustainability of the family office.
Multi-Jurisdictional MFOs Becoming the Norm	Multi-jurisdictional operations will become standard for family offices, with a need for global networks to manage wealth across different regions and adhere to various regulations.

Source: Rosplock and Houser, 2014

2.1.4 Asset Management

In their 2019 study, Petchrompo and Parlikad explain asset management through ISO 55000 definition that classifies it as an integrated approach to maximizing the value of asset systems. Unlike the traditional model of investment, where the focus is primarily on improving system reliability and reducing costs, asset management takes a broader view. It emphasizes not only system safety and cost reduction, but also performance benefits for organizations and their stakeholders. This integrated approach involves decisions about which assets to improve based on multiple output metrics, with the goal of maximizing the utility of system reliability.

Asset management can be carried out through two main vehicles: managed portfolios or accounts and pooled investment vehicles, or mutual funds. Each approach offers unique benefits and is suited to different investor profiles and objectives.

In managed accounts, asset managers provide personalized portfolio management, tailoring the strategy to the investor's individual needs. This allows for greater customization in terms of asset allocation, tax management, and investment preferences. Managed accounts are generally preferred by high-net-worth individuals or institutional investors seeking personalized investment solutions (McKinsey, 2023).

In contrast, mutual funds pool capital from multiple investors and invest in a diversified portfolio of assets according to a pre-established strategy. These vehicles offer broader market access, liquidity, and lower management fees compared to custom accounts. They are particularly popular with retail investors seeking a diversified and cost-effective way to invest (PwC, 2023; BCG, 2023).

2.1.5 Investment Funds, Management and Administration

Investment funds are a very used approach in asset allocation through clustering the personal values, risks, and expectations. "An investment fund is a pool of resources, constituted in the form of a condominium, intended for investment in financial assets" (CVM, 2016, p.5).

2.1.5.1 Investment Funds Administration

An investment fund is constituted by an administrator, usually a financial institution, which formally creates the fund and defines its objectives, investment strategy, categories of financial assets in which it can invest, fees charged for services and other rules regarding participation, operation and organization. Once the fund has been established and authorized to operate, the

distribution process begins, in which banks, distributors, brokers or other financial institutions, whether or not linked to the administrator, present it to clients (CVM, 2016).

The fund administrator is responsible for establishing the fund, defining its objectives, investment policy, operating rules, and preparing its regulations. In Brazil, the administrator assumes legal obligations to investors and the CVM (Brazilian Securities and Exchange Commission) and ensures the fund's operation and maintenance. Some services, such as portfolio management, investment consulting, and asset custody, can be outsourced to qualified third parties. The administrator also manages the disclosure of information and must hire an independent auditor registered with the CVM for annual audits. Only CVM-authorized entities can act as fund administrators. Additionally, the administrator must maintain a customer service channel and is prohibited from guaranteeing predetermined returns to investors (CVM, 2016).

Fund management practices differ worldwide based on financial market maturity and regulations. In the U.S. and Europe, fund administrators manage accounting, compliance, and investor communications, allowing fund managers to focus on investment strategies. These administrators are responsible for regulatory compliance, preparing financial statements, and managing investor relations, ensuring operational efficiency and risk management (Murray, 2024). In Asia, particularly Singapore and Hong Kong, technology plays a growing role in fund management, with automation and AI optimizing investment strategies and reducing operational costs. Despite regional variations, portfolio diversification, risk management, and compliance remain central to fund management across all markets (Market Business News, 2023; Investopedia, 2024).

2.1.5.2 Investment Funds Management

Fund management refers to the oversight and handling of a financial institution's cash flow, ensuring that the maturity schedules of deposits are aligned with the demand for loans. This process involves a careful analysis of both liabilities and assets to maintain the institution's credit-issuing capabilities. More broadly, fund management encompasses the systematic management of assets, including their operation, deployment, maintenance, disposal, and upgrading, with the goal of maximizing cost efficiency and profitability (Kenton, 2024). Within the financial industry, particularly in investment management, fund managers play a critical role by analyzing clients' financial goals, developing investment strategies, and executing plans

to achieve those objectives. By optimizing asset performance, fund managers ensure that institutions and individual clients alike meet their financial goals effectively and efficiently.

Investment funds, which are central to funds management, can be classified based on their investment strategy and the type of assets they hold. These classifications help investors understand the risks and benefits associated with different types of funds, allowing them to choose the most appropriate option based on their goals and risk tolerance (Banco Santander, 2024). The main types of investment funds include:

- a) **Monetary Funds:** These funds invest in the monetary market, dealing primarily with cash and other assets like government debt. They are considered low risk and highly liquid, with short portfolio terms averaging six months or less.
- b) **Fixed-Income Funds:** These funds focus on fixed-income assets such as bonds and government securities. The risk and return potential of these funds are influenced by interest rate changes and the maturity term of the assets, with shorter-term investments generally presenting lower risk.
- c) **Equity Funds:** Equity funds invest a significant portion of their capital (at least 75%) in shares, offering a range of options based on geographic area, sector, and company size. While these funds provide higher potential returns, they also come with increased risk compared to fixed-income funds.
- d) **Mixed Funds:** These funds combine investments in both fixed income and equity assets. The balance between these two asset types varies, influencing the fund's risk and return profile. For instance, mixed fixed-income funds have a lower equity exposure (less than 30%), while mixed equity funds have a higher exposure (30% to 75%).
- e) **Global Funds:** Global funds invest in a broad range of assets without fixed percentages, providing flexibility in geographic distribution and asset selection. However, this flexibility comes with higher risk due to the lack of a defined investment policy.
- f) **Absolute Return Funds:** These funds aim to achieve specific returns within a certain period, without guarantees, while adhering to a predefined risk level.
- g) **Guaranteed Funds:** These funds promise the recovery of a certain percentage of the capital invested upon maturity, which can be fully or partially guaranteed. They are further categorized into guaranteed fixed-income funds and guaranteed equity funds.
- h) **Target Date or Passively Managed Funds:** These funds target a specific return or seek to mimic a stock market index, often without guarantees.

In addition to these standard types, there are other investment funds with non-standard trading characteristics, such as exchange-traded funds (ETFs), hedge funds, funds of funds, and real estate funds. These funds often involve higher risk due to their unique legal forms, liquidity issues, and investment strategies (Banco Santander, 2024).

An investment fund manager plays a crucial role in overseeing the investment strategy and the daily management of a portfolio within a mutual fund, hedge fund, pension fund, or other types of investment vehicles. Their responsibilities include developing and implementing strategies to meet the financial objectives of the fund, which involves asset allocation, risk management, and adjusting the portfolio in response to market changes.

A key part of their job is conducting detailed market research and financial analysis to identify investment opportunities. This can include evaluating individual stocks, bonds, or other assets, as well as monitoring macroeconomic trends. Fund managers also handle buying and selling of assets to optimize returns while keeping risks in check. In larger funds, they work closely with teams of analysts and traders to make informed decisions (Investopedia, 2023; CareerExplorer, 2023).

Another important responsibility is performance monitoring, where fund managers continuously track the fund's performance against benchmark indices and make adjustments as needed. In addition to managing investments, they maintain communication with clients, providing updates on the fund's performance and explaining changes in strategy when necessary (Accountend, 2023).

Investment fund managers must also ensure that their activities comply with legal and regulatory standards, adhering to the relevant financial regulations in their jurisdiction. This involves reporting to clients and regulatory bodies, ensuring transparency in their operations.

Fund managers can specialize in different types of funds, such as mutual funds, hedge funds, private equity, or venture capital. Each of these funds has unique characteristics and objectives, requiring different management approaches. For example, mutual fund managers typically focus on diversified portfolios, while hedge fund managers might use more aggressive strategies, such as leveraging or short selling (Investopedia, 2023; Accountend, 2023).

2.1.5.3 Managed Portfolio

A managed portfolio is a professional asset management service regulated by the CVM under Resolution CVM 21 in Brazil, aimed primarily at professional investors. This service provides personalized investment strategies through active management, with a focus on optimizing returns, ensuring stability, and achieving diversification.

Managed portfolios are regulated differently across jurisdictions, but all aim to provide transparency, risk management, and investor protection. In the UK, the Financial Conduct Authority (FCA) governs managed portfolio services (MPS), enforcing climate-related disclosures and performance transparency (Kirkland & Ellis, 2021). In the EU, the Alternative Investment Fund Managers Directive (AIFMD) regulates portfolio managers with requirements on leverage, risk retention, and reporting standards (Travers Smith, 2023). In Brazil, the Securities and Exchange Commission (CVM) enforces regulations ensuring compliance with investor mandates, with classifications handled by ANBIMA (ANBIMA, 2020). In the U.S., the Securities and Exchange Commission (SEC) monitors managed portfolios under the Investment Advisers Act, emphasizing fiduciary responsibility and client-first actions (SEC, 2023).

Investors engage professional managers to select, allocate, and monitor their assets based on individual financial goals and risk profiles. Unlike passive strategies, managed portfolios require continuous oversight and market adjustments. Internationally, institutions like JPMorgan offer similar services, providing strategic diversification and active risk management across global markets. Managed portfolios are particularly suitable for affluent individuals seeking tailored investment solutions, as they provide flexibility, customization, and active involvement in the decision-making process (JPMorgan, 2023).

2.1.6 Broker-Dealers

A broker-dealer is a financial entity that engages in the purchase and sale of securities for its own account or on behalf of its clients. The term “broker-dealer” is widely used in U.S. securities regulation to describe securities brokerage firms that act as both agents (brokers) and principals (dealers). When acting as a broker, the firm executes orders on behalf of clients; when acting as a dealer, it trades securities for its own account (Hayes, 2024).

Broker-dealers play a crucial role in the financial industry, facilitating trading activities, providing investment advice, ensuring market liquidity, publishing investment research, and raising capital for companies. They can vary greatly in size, ranging from small independent firms to large subsidiaries of commercial and investment banks. Generally, broker-dealers fall into two categories: wirehouses, which sell their own products, and independent broker-dealers, which offer products from outside sources (Hayes, 2024).

The dual role of broker-dealers is essential to the smooth operation of financial markets. As broker dealers, they buy and sell securities for the firm's own account, thereby supporting the firm's trading activities. As broker-dealers, they execute transactions on behalf of their clients, facilitating the purchase and sale of securities in the open market. This dual role helps maintain market liquidity and enables clients to trade securities efficiently. Broker-dealers are compensated for their services through fees, which can be earned on both sides of a securities transaction (Hayes, 2024). In addition to their trading activities, broker-dealers are often involved in the underwriting of securities offerings, especially when they are directly linked to investment banking operations. In this role, broker-dealers may act as agents for issuing companies, assuming the responsibility of distributing a specific amount of securities to the public in exchange for an underwriting fee. This process may also involve the broker-dealer purchasing a portion of the securities offering for its own account if it is unable to sell all of the securities to the public. Once underwriting is complete, the broker-dealer transitions to a distribution role, where financial advisors can recommend the purchase of these securities to their clients (Hayes, 2024).

2.1.7 Third-Party Distributors

The distribution of shares, or third-party distributors, in open-end or closed-end funds must be carried out by institutions authorized to act as members of the distribution system (brokers, distributors, certain types of banks, etc.). Distributors provide advertising materials and other mandatory documents, such as the regulations and the essential information sheet, so that potential investors are aware of the characteristics of the fund offered. Interested investors sign the adhesion and risk acknowledgment form, in which they formalize their participation, contribute the resources they wish to invest and become shareholders of the fund (CVM, 2016).

A third-party distributor is an institution that sells or distributes mutual funds on behalf of fund management companies. These entities operate independently of fund management companies, allowing them to provide theoretically unbiased advice to investors. The independence of third-party distributors is a key advantage, as it allows them to recommend a variety of investment products without being influenced by the specific interests of any one mutual fund company (Chen, 2023).

Third-party distributors often partner with investment firms to manage the distribution of mutual funds, leveraging their extensive domestic and international sales networks. These partnerships come with various fees, including sales commissions, trailer fees, marketing expenses, and other administrative costs. While these fees can increase the overall cost of investing for mutual funds, the benefits of accessing a broad sales network and eliminating the need to maintain an in-house sales team often outweigh the costs (Chen, 2023).

In the mutual fund industry, companies such as Eaton Vance and Vanguard have developed their own third-party distribution units, such as Eaton Vance Distributors and Vanguard Marketing Corporation, to manage the distribution of their products. Additionally, independent distributors such as ALPS Distributors provide a wide range of distribution and brokerage services to various mutual fund companies, offering expertise in distributing different types of funds, including open-end funds, closed-end funds, ETFs, and private placements (Chen, 2023).

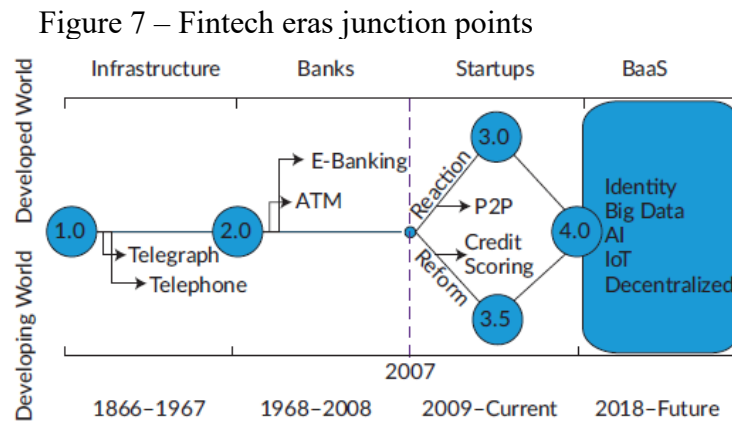
The role of third-party distributors goes beyond mere sales; they often collaborate with investment firms to develop marketing strategies, support distribution efforts through global networks, and ensure that mutual funds are available through electronic brokerage platforms. This comprehensive service offering makes third-party distributors an essential component of the mutual fund distribution process, despite the higher fees.

2.2 Fintech

Fintechs have been rapidly expanding in the digital era as finance-related startups. The rapid advancement of fintech is expected to significantly improve the efficiency of traditional financial systems, although developments in different fintech sectors have varied considerably. Ghazinoory, Shirkhodaie, and Pahlavanian (2023) dedicated to identifying the key factors influencing the transition revealing several factors that determine their success by including availability of infrastructure, support from key industry players, effective policy formulation, public acceptance, increased knowledge and expertise, legal reforms, and the introduction of innovative services. Furthermore, the study highlights rapid technological progress and continuous innovation, unlike traditional models that emphasize longer transitions.

To illustrate the evolution of fintechs, Figure 7 depicts four distinct phases of development, starting with basic communication technologies such as the telegraph and telephone (1.0), followed by the rise of electronic banking and ATMs (2.0). The third phase (3.0) is

characterized by the growth of startups offering peer-to-peer (P2P) lending and credit scoring services, highlighting a shift toward more decentralized financial services. The final phase (4.0) represents the integration of emerging technologies such as AI, big data, IoT, and decentralized systems, positioning the industry for the future of financial services (Arner, Barberis, and Buckley, 2017).



AI = artificial intelligence; IoT = internet of things.

Source: Arner, Barberis, and Buckley, 2017.

2.2.1 Fintech Waves

The evolution of financial technology, or Fintech, has undergone significant transformation, particularly in response to regulatory and technological developments that have reshaped financial markets, services, and institutions since the 2008 global financial crisis. Fintech refers to the application of technology to deliver financial solutions, and its development can be divided into three distinct stages (Arner, Barberis, and Buckley, 2017).

The spread of fintechs can be categorized into three distinct waves of technological change, each representing significant advancements in financial technology and their implications for the financial industry.

2.2.1.1 Wave 1: Electronic Payments

The first wave of fintech innovation, which began in the late 1990s and continued into the 2000s, was driven primarily by the rapid adoption of the Internet, smartphones, and digital technology. During this period, electronic payments were a *hot innovation* that transformed the way consumers and businesses transacted. Online banking systems, such

as Wells Fargo's first online banking service in 1995, and mobile payment apps like PayPal, founded in 1998, were among the first fintech solutions to revolutionize financial interactions by making payments faster, more convenient, and more secure (Arner, Barberis, & Buckley, 2017). As digital technologies became more integrated into daily life, consumers increasingly relied on these systems to pay for goods and services, such as public transportation, e-commerce purchases, and restaurant bills.

2.2.1.2 Wave 2: Blockchain and Cryptocurrency

The second wave of fintech innovation, which began around 2009, is characterized by the introduction of blockchain technology and cryptocurrencies. This period started with the creation of Bitcoin in 2009. Bitcoin was the first cryptocurrency to use blockchain technology, a decentralized, distributed ledger system that records transactions across multiple computers securely and transparently. While Bitcoin was initially used primarily by tech enthusiasts, blockchain technology quickly gained attention from the broader financial industry due to its potential for securing transactions without the need for intermediaries (Glazer, 2016).

By 2013, blockchain had become a foundational technology for a growing number of cryptocurrencies and related services, such as mining operations, trading platforms, and digital wallets. Ethereum, introduced in 2015, expanded the use of blockchain beyond simple financial transactions by enabling decentralized applications (DApps) to run on its network (Arner, Barberis, and Buckley, 2017). However, the adoption of cryptocurrencies has been relatively modest compared to traditional financial products, partly due to concerns about volatility, security, and regulatory issues. Despite these challenges, investments in blockchain-related technology have continued to grow, with financial institutions and tech companies exploring its potential to streamline cross-border payments, improve transaction security, and reduce operational costs (Arner, Barberis, and Buckley, 2017). For example, JP Morgan's Quorum blockchain initiative demonstrates the increasing interest from established financial institutions in leveraging blockchain for operational efficiencies (Glazer, 2016).

2.2.1.3 Wave 3: Artificial Intelligence

The third wave, beginning in the late 2010s and continuing into the 2020s, is defined by the integration of artificial intelligence (AI) and machine learning into financial services. AI has rapidly gained prominence in the fintech industry, with applications ranging from robo-advisors to automated trading systems. AI-driven solutions are capable of processing large volumes of data in real time, enabling companies to optimize decision-making processes and offer personalized financial advice to consumers at lower costs (Hussain et al., 2019). For instance, robo-advisory platforms such as Betterment and Wealthfront leverage AI algorithms to create and manage investment portfolios tailored to individual investor profiles, making wealth management services more accessible to a broader audience.

This wave has also introduced significant advancements in RegTech (regulatory technology), where AI is employed to streamline compliance processes, monitor transactions for fraud, and reduce the complexity of adhering to regulatory requirements. AI's ability to automate routine tasks, such as reporting and auditing, has allowed financial institutions to reduce costs and improve operational efficiency (Ghazinoory et al., 2023). Moreover, AI plays a key role in the wealth management sector, where AI-powered tools assist financial advisors in managing client portfolios, identifying new investment opportunities, and offering personal recommendations. By 2020, AI had become central to many fintech applications, transforming both customer experience and back-office operations into financial services.

AI's continued evolution is expected to further disrupt traditional banking models, as consumers increasingly demand more personalized and real-time financial services. Companies are now investing heavily in AI research and development, with the aim of improving customer experience, enhancing risk management, and boosting profitability. The integration of AI is not only enhancing efficiency but also reshaping the entire financial ecosystem, laying the groundwork for future innovation in fintech (Ghazinoory et al., 2023).

2.2.2 *Types of Fintechs*

Palmié, Wincent, Parida, and Caglar (2019) analyze different types of transitions in Iran's FinTech industry, focusing on Paytech, Wealthtech, and Insurtech. They understand that these

changes are not happening only in Iran, but across the entire market. Therefore, it is important to understand the challenges and factors that affect success or failure in each sector.

In the Paytech sector, transitions usually begin with initiatives by central banks, which initially face resistance from traditional banks. These banks, being slower to adopt new electronic payment systems, are eventually forced to adapt due to competition and demand from digital customers. Startups that introduce innovations such as digital wallets also face opposition at first, but as they gain public acceptance, traditional banks are forced to incorporate these new technologies, driven by changes in regulations.

In the case of Wealthtech, transitions tend to be more cooperative. Traditional financial institutions generally embrace technological advances, which allows startups to offer services such as portfolio management and digital brokerage. This collaboration helps digitize the sector, increases public interest in investing in the stock market, and promotes important institutional changes.

The Insurtech sector is following a similar path. Despite initial resistance from traditional insurers, the demand for customer-facing innovations, such as digital insurance platforms, is forcing these companies to adopt solutions created by startups. However, institutional changes occur more slowly, as old rules and systems hinder rapid transformation.

These sectors share some factors that drive transitions, such as improvements in technological infrastructure, favorable regulations, and public acceptance. However, the speed and quality of these transitions vary depending on the experience of policymakers and the level of innovation in each region (Palmié, Wincent, Parida, & Caglar, 2019).

Table 9 – Fintech sub-branches infrastructure supply

Paytech	<ul style="list-style-type: none"> - Security is one of the most important requirements of the payment system. Action should be taken to set up a fraud detection system at a global level. - Technical and hardware infrastructures must be transformed to adapt to international standards. - It is necessary to pay special attention to the development of hardware and software infrastructure and its maintenance. - Technological developments should be followed up and implemented at the international level, especially in Iran.
Wealthtech	<ul style="list-style-type: none"> - Infrastructures, especially APIs, should be increased to allow more technological companies to enter the capital market. One should plan for the correct direction and application of technology. - By localizing wealthtech services, we can provide solutions that fit the challenges and risks of the market.

Insurtech	<ul style="list-style-type: none"> - The lack of expertise in artificial intelligence, machine learning, and other areas has resulted in the backwardness of the insurance industry. Automation of human activities, as one of the pillars of insurance development, has not been considered, and technology in insurance has not reached maturity. - There is no integrated insurance management platform to manage all individual insurances, and the industry still relies on manual processes and paper contracts. - The necessary technological infrastructure has been implemented for driver-oriented third-party insurance, but access to records of accidents and driving offenses is unavailable. - There is no data analysis in the insurance industry, and there are no valid, reliable, and complete data from policyholders.
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Source: Ghazinoory et al. (2023).

Cao, Yang, and Yu (2021) explore the transformative role of financial technology (FinTech), highlighting how it is increasingly being driven by data science and artificial intelligence (DSAI). They introduce the concept of “Smart FinTech,” a new generation of FinTech that leverages DSAI techniques to create intelligent, automated, and personalized financial services and systems. This evolution represents a breakthrough in several financial domains, such as BankingTech, TradeTech, LendTech, InsurTech, WealthTech, PayTech, and RiskTech.

The study shows how DSAI techniques are being integrated into these domains, enabling advances such as smart identification, autonomous interactions, and deep learning. These innovations are essential to deal with the increasing complexity and volume of financial data. The authors highlight that Smart FinTech is not only transforming financial businesses but also becoming a fundamental pillar for modern economies and societies.

In addition, the paper discusses the opportunities for the DSAI community as FinTech continues to evolve. These opportunities include creating intelligent, data-driven financial recommendations, supporting seamless transactions and access across multiple platforms, and offering privacy-preserving global financial services. The authors also highlight the importance of understanding users’ preferences and emotions to improve customer experience and automate various financial processes.

2.3 Wealthtech

Since 2015, the emergence and rapid development of wealthtech startups has had a significant impact on the asset management industry, initially focused on the stock exchange sector. These startups began by offering advisory and portfolio management services, which were quickly accepted by both experienced investors and newcomers to the financial market. This initial success served as a basis for these companies to expand their operations in 2016, entering the

field of algorithmic trading. More recently, wealthtechs have launched digital brokerage services, providing investors with a more practical and accessible experience.

This development demonstrates the dynamic nature of fintech innovations in the financial sector, with wealthtechs leading the digital transformation of financial services that were previously more complex and restricted to large institutions. The evolution of these companies reflects not only a technological shift, but also a change in investor behavior, who are seeking more agile, personalized, and technology-based solutions to manage their finances (Ghazinoory, Shirkhodaie, & Pahlavanian, 2023).

2.3.1 Definitions of Wealthtech

Windmill (2022) looks at the origins of wealthtech, tracing its development back to the late 1990s when services of advisory based on software like Edelman Financial Engines first appeared. The real shift, though, came in 2008 with the launch of Betterment. This was a pivotal moment, occurring during the global financial crisis, which fueled the rise of robo-advisors. From that point on, wealthtechs saw remarkable growth, along with significant consolidations, including major acquisitions like Nutmeg by JPMorgan and Wealthfront by UBS during the 2020s (Nucoro, 2021; UBS Wealth Management, 2022).

Wealthtech, as a branch of Fintech, focuses on providing digital wealth management services. Windmill (2022) highlights how these solutions have democratized access to wealth management, making services that were once reserved for high-net-worth individuals more accessible to a broader range of people. In addition to serving clients directly, wealthtech tools also empower wealth managers to handle a larger number of clients more efficiently. This evolution has also given rise to the term "Advicetech," referring to technology-driven solutions that enhance financial advisory processes (Citi Ventures, 2022).

2.3.2 Wealthtech development and challenges

Dziawgo (2021) offers a detailed exploration of how the wealth management industry is evolving, especially in the face of major global financial shifts and the rapid growth of wealthtech. Over the last two decades, global wealth has surged from \$80 trillion to an astounding \$220 trillion. This remarkable increase has happened despite facing several major

crises, such as the dot-com bubble, the subprime mortgage crash, and the COVID-19 pandemic. As a result, the wealth management sector has been under increasing pressure to keep pace with this rapidly changing environment.

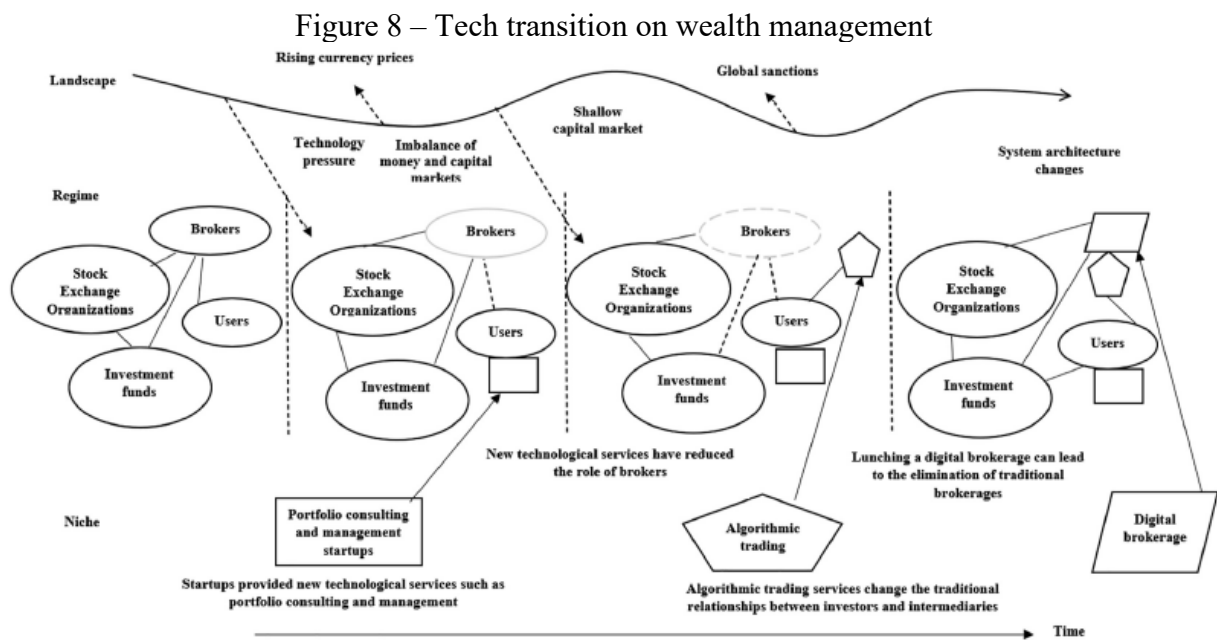
Several factors are driving this transformation, including digitalization, the need for better cost management, the transfer of wealth between generations, and the entrance of Big Tech into financial services. At the same time, political instability and economic crises are playing a significant role in reshaping the landscape.

In response to these challenges, wealthtech has emerged as a crucial player in the industry. By using advanced digital technologies, wealthtech is revolutionizing how investment strategies are managed, and client portfolios are optimized. In 2020 alone, wealthtech companies raised over \$3.5 billion, a notable 30% jump from the previous year. The sector's growth has been closely tied to the wider digital transformation in finance, which accelerated during the pandemic. Key technologies like artificial intelligence, blockchain, and robo-advisors are leading this change by cutting costs, improving accuracy, and giving clients round-the-clock access to financial services.

Also, Dziawgo (2021), highlights several leading companies in the wealthtech category, including Avaloq, Addepar, and eToro, which are driving innovation in wealth management. These companies aren't just changing how traditional financial services are delivered, they're also broadening access to a larger pool of clients, including those with smaller investment amounts. As the wealth management industry continues to evolve, wealthtech is expected to play an even bigger role, particularly as wealth managers adapt to meet the needs of a new generation of clients who have different expectations and preferences.

In a related study on Iran, Ghazinoory et al. (2023) emphasize how critical the support of key industry players, including policymakers, has been to the success of wealthtech startups. These policymakers have provided essential access to data and infrastructure, which has allowed these startups to integrate seamlessly into the existing financial system and rapidly expand their service offerings. While traditional brokers were initially hesitant to embrace new technologies, strong support from industry stakeholders and a positive reception from the public have accelerated the adoption of wealthtech solutions. This has led to the rapid growth of innovative services and a significant increase in market share within a short time.

Ghazinoory et al. (2023) also describe this transition in Iran as a process of "reconfiguration," where collaboration between wealthtechs and established financial institutions has been key as described in Figure 8. By providing technical infrastructure and expanding services such as algorithmic trading and digital brokerage, these collaborations have not only enhanced the range of available financial services but also increased public participation in the stock market. This collaborative approach is helping to fuel further digitalization and innovation across the industry.



Jisham, Vanitha, and John (2024) identify India as a leading example of how wealthtechs are democratizing access to financial markets. The rise of user-friendly digital platforms and robot-advisors in India has empowered retail investors, particularly from remote and underserved regions, to engage in wealth management with minimal capital. This trend, marked by the availability of low-cost and often commission-free investment tools, is not exclusive to India but reflects a global pattern.

Across the world, wealthtech is transforming the financial services industry in similar ways. Countries in Europe, North America, and parts of Asia have experienced a surge in wealthtech adoption, driven by technologies such as AI and machine learning. These technologies enable personalized, data-driven wealth management solutions, improving efficiency and reducing costs for investors. The global trend follows India's example of increasing transparency, enhancing portfolio performance, and reducing fees through digital solutions. This global shift

underscores the growing influence of wealthtech on financial inclusion and wealth management optimization, reshaping the industry worldwide.

The Asia-Pacific region is emerging as a major player in the global wealth management space, due to the rapid uptake of wealthtech solutions. By 2027, personal financial assets (PFA) in the region are expected to achieve \$81 trillion, with cross-border wealth flows reaching \$3.5 trillion (McKinsey & Company, 2023). Despite historically low wealth management penetration rates—currently estimated at just 15-20%—the region is prepared for substantial growth, especially among affluent segments, with an expected annual growth rate of 8% between 2022 and 2027.

Alongside this growth, mutual fund assets under management (AuM) are also projected to expand significantly, with countries like India, Indonesia, and Vietnam likely to benefit the most (McKinsey & Company, 2023). However, this growth comes with challenges. Wealthtechs face high customer acquisition costs, particularly in areas with lower financial literacy, which means they need to invest heavily in education and onboarding. Payback periods for these efforts can range from 12 to 24 months. Additionally, operating across different countries in Asia-Pacific brings regulatory hurdles, as each market has its own set of rules and conditions.

Despite these challenges, the potential for wealthtech growth in Asia-Pacific is immense. The market is expected to grow by 25-30% annually, with assets under management potentially tripling or even quadrupling by 2027 (McKinsey & Company, 2023). Companies that focus on personalizing their services, adapting to regulations, and managing cross-border operations effectively will be well-positioned to tap into the increasing demand for digital financial solutions.

A recent study from the Inter-American Development Bank (IDB) and Finnovista highlight the significant growth of the fintech ecosystem in Latin America, which has expanded by over 340% in the past six years. Wealthtech has played a vital role in this growth, particularly in promoting financial inclusion through the provision of digital financial services to underserved populations. Countries such as Brazil, Mexico, and Colombia are the leaders of fintech activity in the region. Regulatory innovations have been key drivers in fostering the development of wealthtech, especially in countries like Chile and Colombia (Inter-American Development Bank, 2023; Latam Fintech Hub, 2023).

Additionally, Latin American governments have taken proactive measures to create a conducive environment for wealth management and fintech growth, despite the persistent challenges of regulatory hurdles and underdeveloped infrastructure. Countries such as Colombia and Peru have implemented reforms aimed at attracting investment in the Wealthtech sector. These reforms are fostering the growth of digital financial solutions and enhancing the accessibility of wealth management services (Econ Americas LLC, 2023).

2.3.3 *Wealthtechs General Capabilities*

The Windmill (2022) editorial offers an insightful analysis of wealthtech, addressing how the wealth management industry, traditionally slow to adopt digitalization, has evolved through the introduction of digital tools. These innovations, termed wealthtech, are redefining wealth management by making services more accessible and efficient. The key wealthtech innovations are identified in seven critical verticals points that are transforming the wealth management industry:

- a) **Robo-Advisors:** Algorithm-driven platforms that provide scalable and cost-effective investment services. These platforms automate portfolio management and asset allocation, making investment strategies accessible to a broader audience.
- b) **Robo-Retirement:** Automated retirement planning services that focus on long-term financial goals. These solutions help individuals plan for retirement through algorithm-based financial advice tailored to their needs.
- c) **Micro-Investing:** Platforms enabling users to make small, incremental investments, often tied to their daily spending habits. These platforms lower the entry barrier for investing by allowing users to invest small amounts regularly.
- d) **Digital Brokers:** Tools that automate the brokerage of investments, insurance, and mortgages, providing users with a more seamless and efficient financial transaction experience.
- e) **Account Aggregators:** Application Programming Interfaces (APIs) that consolidate and provide a unified view of an individual's financial accounts, helping users manage their wealth more holistically and with greater transparency.

- f) **Private Banking Solutions:** Advanced, tech-driven tools tailored to the ultra-wealthy, offering a blend of automation and personalized advisory services. These solutions enable high-net-worth clients to manage complex financial portfolios more effectively.
- g) **Advicetech:** Software solutions designed to assist wealth management firms in optimizing their operations and improving client services. These tools enhance advisory processes by providing real-time data and insights, improving both the client experience and operational efficiency.

Appinventiv (2023) also pointed out others wealthtech offerings:

- h) **Automated Portfolio Management:** These platforms help investors manage their portfolios with minimal manual input by employing AI-driven strategies.
- i) **Financial Planning:** Users receive personalized financial plans that align with their investment goals and risk tolerance.
- j) **Data Security:** Advanced encryption and cybersecurity measures ensure the protection of users' financial data.
- k) **Goal Setting and Monitoring:** Applications track progress towards financial goals in real time, enhancing user engagement and decision-making.

WealthTech can be categorized into three primary architectures (McKinsey & Company, 2023):

- a) **Direct-to-Consumer (D2C) WealthTechs:** Platforms that provide personalized investment advice directly to retail investors, democratizing access to financial services.
- b) **WealthTech Solution Providers to Financial Institutions (B2FI):** These solutions help traditional financial institutions modernize their wealth management systems by integrating client portals and automating back-office functions.
- c) **WealthTech Solution Providers to Financial Advisors (B2FA):** Digital tools empower financial advisors to automate administrative tasks and enhance the quality of their services, improving client satisfaction and operational efficiency.

2.3.4 *Wealthtech Phases*

The consultancy Windmill (2022) addressed the development of Wealthtech can be divided into three main phases, each representing key milestones in the evolution of digital wealth management solutions.

2.3.4.1 Phase 1: Origin of Wealthtech (Pre-2008)

This phase marks the early, foundational stage of Wealthtech, where precursor companies and technologies laid the groundwork for digital wealth management solutions. Before 2008, there were a few notable players, such as Edelman Financial Engines, which launched in 1998 offering retirement planning and fund-picking software. During this time, the concept of using software to support wealth managers began to take shape, primarily focusing on tools for wealth management professionals, but not yet fully democratizing access to wealth management for a broader audience. This era saw early attempts at automating parts of financial advisory services, though these were relatively limited in scope.

2.3.4.2 Phase 2: Growth of Wealthtech (2008–2020)

The true rise of Wealthtech began around 2008, coinciding with the global financial crisis. This period is often seen as the "adolescent" stage of Wealthtech, driven by the need for individuals to regain control over their financial lives in a turbulent time. The launch of Betterment in 2008, widely regarded as the first robo-advisor, marked the formal beginning of the Wealthtech movement. At the same time, other notable companies like Wealthfront (2008) and Nutmeg (2011) entered the market. This phase was characterized by significant innovation, particularly in robo-advisory services, micro-investing platforms (e.g., Acorns and Stash), and digital brokers. The proliferation of mobile technology, notably the iPhone, further accelerated the adoption of Wealthtech services. By the mid-2010s, the sector had expanded globally, with platforms emerging in Europe, Asia-Pacific, and North America.

2.3.4.3 Phase 3: Consolidation of Wealthtech (2020s Onward)

As Wealthtech matured, the industry began to consolidate. Major financial institutions recognized the value of Wealthtech innovations and started acquiring some of the most successful platforms. For instance, JPMorgan's acquisition of Nutmeg in 2021 and UBS's acquisition of Wealthfront in 2022 highlight this trend. The consolidation phase is driven by a few factors: (1) proven business models with substantial assets under management (AUM); (2) the integration of sophisticated analytics and AI into traditional financial services; and (3) the growing demand for hybrid advisory models, where automation complements personalized,

human-based financial advice. This phase also sees the increasing sophistication of digital wealth solutions, including advancements in artificial intelligence (AI), machine learning (ML), and natural language processing (NLP), which enable robo-advisors to provide more personalized and nuanced advice. The consolidation phase marks a time when Wealthtech becomes more widely accepted and integrated into the broader financial services industry.

2.3.4.4 Current Expectations

Wealthtech companies in 2024 are focused on leveraging cloud computing, API integration, and big data analytics to enhance key features such as automated portfolio management, financial planning, and client engagement. The industry's growth, driven by the increasing demand for scalable and personalized investment solutions, is reflected in the projected global assets under management reaching \$145.4 trillion by 2025. Market trends point toward automation, efficiency, and data-driven decision-making, enabling financial institutions to deliver client-centric services with enhanced advisor productivity (The Financial Technology Report, 2024).

The WealthTech100 list for 2024 showcases the most innovative Wealthtech companies driving digital transformation in wealth management. These companies are recognized for their ability to streamline portfolio management, improve client engagement, and integrate advanced technologies like AI, big data, and cloud computing. Trends indicate a focus on efficiency, scalability, and personalized financial solutions. Wealthtech firms are enabling cost savings and enhancing decision-making processes for asset managers, financial advisors, and private banking through automation and data-driven insights (FinTech Global, 2024).

Wealthtech is gaining momentum globally, with the most exciting regions for growth in 2024 being Brazil, Southeast Asia, and the Middle East and North Africa (MENA). Brazil's expanding middle class and regulatory reforms, Southeast Asia's digital-native population, and the MENA region's transformation through petro-dollar reinvestment offer massive opportunities for wealthtech adoption. Africa and Latin America also present significant potential, with projected growth rates of 12.5x and 13x in FinTech revenues, respectively, by 2030 (FinTech Global, 2024).

Generative AI is revolutionizing wealthtech by automating tasks, improving efficiency, and enhancing client engagement. Major firms like Morgan Stanley and BlackRock have integrated generative AI assistants to streamline workflows and provide actionable insights. These AI tools help financial advisors focus on value-added tasks while attracting younger, tech-savvy investors. However, risks such as bias, data privacy issues, and regulatory compliance remain

challenges that need addressing. Despite these concerns, generative AI is expected to transform wealth management in the coming years (FinTech Global, 2024).

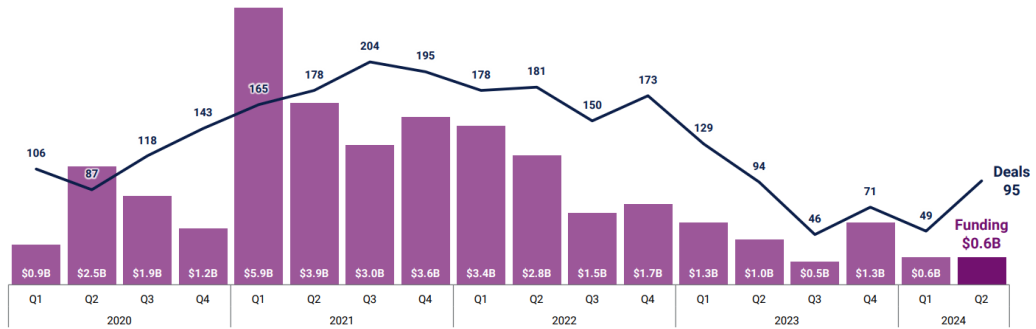
Looking forward, Wealthtech solutions are projected to grow from \$4.8 billion in 2021 to \$18.6 billion by 2031, with a compound annual growth rate (CAGR) of 14.8%. This rapid expansion is driven by the increasing adoption of digital financial tools and the shift towards automated, data-driven financial management solutions (Allied Market Research, 2021).

Wealthtech is expected to experience significant shifts due to the integration of emerging technologies:

- a) Hyper-Personalization through AI: AI will continue to revolutionize wealth management by providing tailored investment strategies based on individual preferences and real-time data analysis.
- b) Democratization of Investing: The accessibility of investment opportunities will increase, allowing a broader demographic to engage in wealth management.
- c) Expansion of Alternative Investments: Blockchain technology is enabling the growth of tokenized assets, offering new forms of investment.
- d) Open Finance and Embedded Wealth: Collaboration between financial institutions through open banking APIs will provide seamless integration and data sharing.
- e) RegTech Integration: Regulatory technologies (RegTech) will become integral in ensuring compliance, particularly as the industry continues to grow and evolve (Appinventiv, 2023; Allied Market Research, 2021).

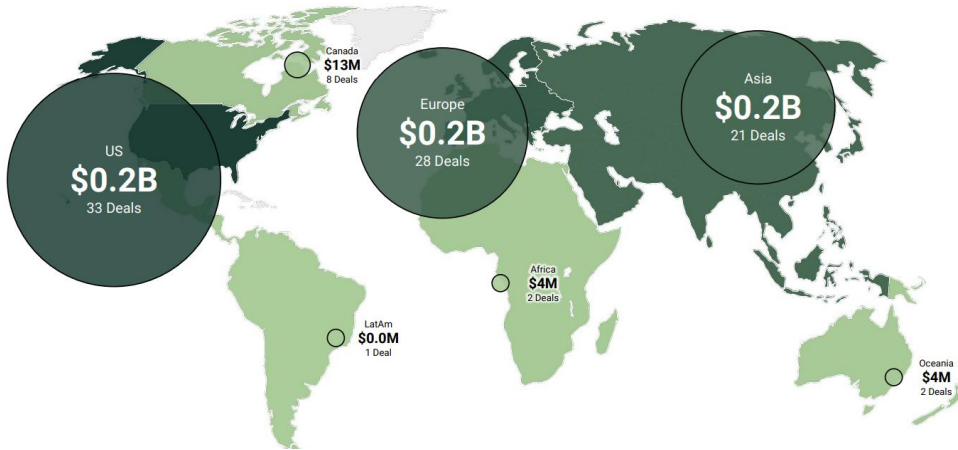
The *CB Insights Q2 2024 Fintech Report*, represented in Figure 9, 10, and 11, highlights the state of fintech globally, with a particular focus on the WealthTech sector. In Q2 2024, Wealthtech equity funding reached \$0.6 billion, marking a significant milestone despite a decline in deal volume. The United States, Europe, and Asia led the market, each contributing \$0.2 billion in funding across 33, 28, and 21 deals, respectively. The report notes that Wealthtech is revolutionizing wealth management by providing digital solutions, improving accessibility, and enabling personalized investment strategies. Companies such as Altruist, FINBOURNE Technology, and Midas raised substantial investments, with Altruist securing \$169 million in Series E funding (CB Insights, 2024).

Figure 9 – Quarterly equity funding and deals



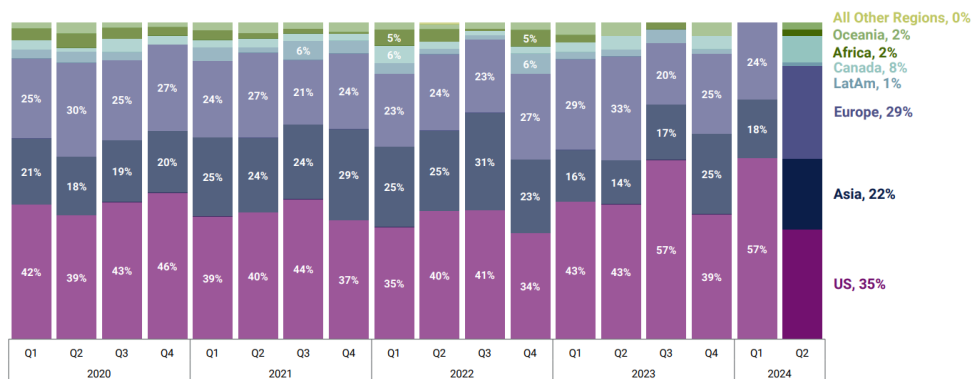
Source: CB Insights, 2024.

Figure 10 – Funding and deals by global region in Q2'24



Source: CB Insights, 2024.

Figure 11 – Quarterly funding by global region



Source: CB Insights, 2024.

3 METHODOLOGY

The descriptive market analysis in this study follows the methodological principles outlined by Gil (2008), which emphasize a structured approach to understanding economic and business phenomena through systematic data collection, classification, and interpretation. This method is particularly suitable for examining the Brazilian wealthtech sector, as it enables a comprehensive assessment of its key players, financial instruments, regulatory environment, and market trends.

The objective of exploratory research is to provide a deeper understanding of the issues at hand (Malhotra, 2001). This approach was chosen due to the need to assess the role of technology, legal concerns and market trends in the wealthtech industry and to understand how Brazil is leading this fast-changing scenario. The research is qualitative in nature, aiming to provide a more comprehensive view of the problem and offer direct insights into the industry operations in Brazil.

This study is divided between supply and demand in order to indicate the wealthtechs in Brazil and their services provided. Such as described the Brazilian financial market and their players – the wealthtech consumers. The supply side is summarized into the companies that offer technology and software services for wealth management. The demand side is divided into Private Banks, Advisory, Family Office and Multi Family Office, Asset Management, Investment Funds, Management and Administration, Broker-Dealers, and Third-Party Distributors. Presenting their big numbers and particularities inside the Brazilian market.

The analysis is based on secondary data sources, including wealthtech companies' websites and reports, press content about Brazilian wealthtechs, reports from regulatory bodies such as the Central Bank of Brazil (BACEN), the Brazilian Securities and Exchange Commission (CVM), and the Brazilian Financial and Capital Markets Association (ANBIMA). Additionally, data from industry reports, financial institutions, and publicly available corporate disclosures are utilized to map the structure and evolution of the sector. The study categorizes wealthtech companies according to their market function—whether in wealth management, investment advisory, asset management, or fund distribution—allowing for a clear segmentation of their role in the financial ecosystem.

Quantitative indicators such as assets under management (AUM), number of active market participants, volume of financial transactions, and market share of wealthtech solutions provide an objective foundation for assessing industry growth and competitiveness. Additionally,

qualitative insights derived from expert opinions, case studies, and policy reviews contribute to a nuanced understanding of the market's regulatory challenges and technological advancements.

4 BRAZILIAN MARKET

The Brazilian wealthtech market has experienced significant growth in recent years, driven by digital transformation, regulatory advances, and the growing demand for innovative financial solutions. As technology reshapes wealth management, investment advisory, and asset management, Brazilian wealthtech companies have emerged to serve institutional and individual investors. This section explores the landscape of wealthtech companies operating in Brazil, analyzing their offerings, market positioning, and strategic developments. I also examines the demand dynamics within the Brazilian financial sector, highlighting the evolving needs of investors, the impact of financial inclusion, and the role of regulatory frameworks in shaping the sector. By understanding the interplay between supply and demand, we gain insights into the factors driving the expansion of wealthtech solutions in Brazil.

4.1 Wealthtech Players – Supply

The Brazilian wealthtech sector has gained significant traction in recent years, driven by the digital transformation of the financial industry and the increasing demand for technology-driven investment solutions. As wealth management becomes more complex, financial institutions, asset managers, family offices, and independent advisors increasingly rely on software solutions to optimize portfolio management, improve compliance, and enhance client interactions. Wealthtech companies in Brazil have responded to this demand by developing sophisticated, cloud-based platforms that integrate automation, data analytics, and artificial intelligence to streamline financial decision-making.

This section explores leading wealthtech companies in Brazil, analyzing their business models, technological capabilities, product offerings, and market positioning. By examining the strategies and solutions developed by these firms, this study aims to provide insights into the competitive landscape of the Brazilian wealthtech industry and its role in shaping the future of wealth management.

This section will explore key Brazilian wealthtech companies, including BRITech, SmartBrain, ComDinheiro, Maravi, Inoa, IT4 Finance, Sinqia, Dimensa, and Gorila, analyzing their foundations, products, and contributions to the financial technology landscape.

- BRITech: Founded in 2014, headquartered in São Paulo, Brazil, with an additional office in London, United Kingdom.
- SmartBrain: Founded in 2004, headquartered in São Paulo, Brazil.
- ComDinheiro: Founded in 2012, headquartered in São Paulo, Brazil.
- Maravi: Founded in 2015, headquartered in Rio de Janeiro, Brazil.
- Inoa: Founded in 2008, headquartered in Rio de Janeiro, Brazil.
- IT4 Finance: Founded in 2012, headquartered in São Paulo, Brazil.
- Sinqia: Founded in 1996, headquartered in São Paulo, Brazil.
- Dimensa: Founded in 2021, headquartered in São Paulo, Brazil.
- Gorila: Founded in 2016, headquartered in São Paulo, Brazil.

4.1.1 BRITech

BRITech is a financial technology company specializing in software solutions for investment management. Established in 2014, the company provides a comprehensive suite of cloud-based tools that serve wealth managers, asset managers, family offices, fund administrators, and financial intermediaries. Through its scalable Software-as-a-Service (SaaS) model, BRITech delivers technology-driven solutions that enhance investment operations, regulatory compliance, and portfolio management efficiency (BRITech, 2025).

The company has experienced consistent growth, expanding internationally and securing a strong market presence across Latin America and Europe. With headquarters in São Paulo and London, BRITech operates in over 20 countries, serving more than 480 clients and managing approximately USD 600 billion in assets under management (AUM) (BRITech, 2025).

A key milestone in BRITech's expansion was the 2015 investment by Oria Capital, a private equity firm specializing in technology-driven companies. This funding allowed BRITech to accelerate product development, improve its SaaS solutions, and expand its international

footprint. Additionally, in 2022, the company acquired Asset Banking System (ABS), a financial technology firm specializing in banking infrastructure, further strengthening its product offerings and enhancing its competitive position (De Luca & Ramiro, 2021; BRITech, 2025).

BRITech's target market segments include:

- Asset Management Firms
- Wealth Management Providers
- Family Offices
- Broker-Dealers and Investment Advisors
- Fund Administrators and Custodians

Each of these segment's benefit from BRITech's modular and customizable platform, which integrates portfolio management, risk assessment, investor reporting, and regulatory compliance tools (BRITech, 2025).

BRITech's technological infrastructure is based on cloud computing, offering API integrations that connect financial institutions with custodians, brokers, and service providers. The platform processes over two million positions daily, ensuring high availability and data security. Automation plays a crucial role in its architecture, reducing operational risks and enabling real-time investment tracking (BRITech, 2025).

BRITech's platform is structured into multiple software modules designed to address the specific needs of investment professionals and financial institutions.

Portfolio Management System

The portfolio management module provides a centralized view of all investments across onshore and offshore accounts, allowing financial professionals to track and manage multiple asset classes in real-time. The system includes:

- Automated portfolio rebalancing to maintain target asset allocations
- Real-time valuation of securities and alternative investments
- Corporate event processing for dividends, stock splits, and capital gains

- Multi-currency support with exchange rate tracking (BRITech, 2025)

Risk Evaluation and Liquidity Management

The risk assessment tools include:

- Parametric and non-parametric Value at Risk (VaR) models
- Stress testing simulations to evaluate portfolio exposure
- Liquidity risk analysis to assess asset convertibility in volatile market conditions
- Compliance monitoring to ensure alignment with internal investment policies and regulatory standards (BRITech, 2025)

Investor Relationship and CRM

BRITech's investor management solutions are designed for:

- Wealth managers
- Family offices
- Fund administrators

This module enables:

- Automated investor reporting with custom dashboards
- Investor suitability assessments to align portfolio strategies with risk tolerance
- White-label customization for branding financial reports
- Client interaction tracking, enhancing engagement and retention (BRITech, 2025)

Fund Administration and Custody Solutions

The fund administration module assists custodians and fund managers with:

- Automated net asset value (NAV) calculations
- Regulatory reporting for local and international compliance (CVM, ANBIMA, SEC)
- Fee and rebate management for fund distributors
- Tax withholding calculations based on different asset classes (BRITech, 2025)

Brokerage and Investment Advisory Tools

BRITech provides specialized tools for brokerages, investment advisors, and financial intermediaries to:

- Manage client orders and transactions across different asset classes
- Facilitate fixed income and structured product distributions
- Generate compliance reports aligned with regulatory frameworks
- Perform trade execution analytics to enhance decision-making (BRITech, 2025)

4.1.2 *SmartBrain*

SmartBrain is a platform specialized in investment control and consolidation. Founded in 2004, the company provides systems and tools that generate qualified information for comprehensive wealth management, serving wealth managers, family offices, independent consultants, and financial planners (SmartBrain, 2025).

In 2022, SmartBrain received a US\$ 10 million investments from Bradesco Private Equity & Venture Capital, aimed at improving its technological infrastructure, expanding its product offerings, enhancing marketing efforts, and supporting strategic acquisitions. At that time, the platform consolidated over R\$ 210 billion in assets and processed more than 300,000 investment statements daily (Startupi, 2022).

The company offers different solutions tailored to the financial market. Advisor Enterprise is a customized platform designed for wealth managers and family offices. Prospect is a client prospecting tool that provides diagnostics and suggestions for allocations, products, and investment strategies. Advisor PRO is recommended for independent consultants, financial planners, and portfolio administrators. Additionally, AppConnect enhances client relationships by providing portfolio performance reports through an integrated application (SmartBrain, 2025).

In 2021, SmartBrain expanded its services with the launch of the Advisor SmartBrain application, allowing users to consolidate investments, monitor portfolio performance, and generate detailed reports on mobile devices. The app includes both Basic and Pro versions, enabling informed decision-making based on consolidated financial data (Barbosa, 2021).

SmartBrain's Timeline

The development of SmartBrain has been marked by strategic milestones over the years, as detailed in the following timeline:

- 1990: Family offices professionalize the investment sector.
- 1998: Creation of InvestTracker, the first company in Brazil focused on investment analysis and ranking.
- 2000: Thomson Reuters acquires a minority stake in InvestTracker.
- 2005: Sale of InvestTracker to Thomson Reuters and the foundation of SmartBrain Financial Systems.
- 2006 to 2008: Development of the first investment consolidation system in Brazil, featuring portfolio calculation and valuation for Family & Friends clients.
- 2008 to 2010: Migration to cloud computing, launch of the Revenue Control module, and introduction of the Client Prospecting System.
- 2010 to 2014: Expansion of the commercial sector, introduction of the Fixed Income Calculator (CRI, CRA, and Debentures), and growth of offshore operations and Gross Up processes.
- 2015 to 2017: Development of API integration, introduction of the Suitability and Investment Policy modules, and launch of the Asset Comparator tool.
- 2018 to 2019: Implementation of Big Data, API integration, development of the Portfolio Simulator, and release of the SmartBrain app.
- 2020 to 2021: Launch of Advisor PRO, expansion into real estate investment, and new integration projects.
- 2022 to 2023: Introduction of Advisor AppConnect, enhancing client experience through an advanced application.
- 2024: Implementation of Open Finance, increasing connectivity and data integration among financial institutions.

Through these innovations, SmartBrain has positioned itself as a leader in investment consolidation in Brazil, continuously evolving to meet the demands of financial professionals and their clients (SmartBrain, 2025).

4.1.3 *ComDinheiro*

Comdinheiro is a platform specializing in financial market analysis and investment consolidation. Established in 2012 by finance professor Rafael Paschoarelli, it was initially developed for academic purposes but later expanded its services to institutions such as banks, insurers, and asset managers. The platform offers comprehensive tools for analyzing equities, funds, fixed income, and asset consolidation.

In 2022, Comdinheiro was acquired by Nelogica, an investech company providing advanced technology solutions for the financial market. This acquisition aimed to enhance the development of new products tailored to the Brazilian financial sector. Despite the change in ownership, Comdinheiro continues to operate as a distinct business unit under the leadership of its founder, Rafael Paschoarelli.

Comdinheiro offers various solutions to meet the diverse needs of financial professionals:

- **Comdinheiro PRO:** Designed for banks, insurers, asset managers, wealth managers, pension funds, and large corporations, this solution provides a comprehensive analysis of the financial market, including equities, funds, fixed income, and asset consolidation.
- **Comdinheiro PREV:** Aimed at professionals seeking to save time and enhance sales, this platform allows for personalized monitoring and precise comparisons of investment products.
- **Comdinheiro BASIC:** An accessible version of the platform, offering essential tools for individuals to analyze their investments effectively.

The platform is entirely online, secure, and accessible across multiple devices, ensuring that users have the most recent market data available at any time. With over 300 tools at their disposal, teams can analyze and consolidate portfolios containing both domestic and international assets.

4.1.4 *Maravi*

Maravi is a financial technology company specializing in investment consolidation and wealth management solutions. Established in 2015, the company offers a comprehensive platform designed to assist financial advisors, asset managers, and individual investors in effectively managing and consolidating diverse investment portfolio (MARAVI, 2024).

The Maravi platform provides tools for real-time portfolio tracking, performance analytics, and reporting, enabling users to gain a holistic view of their investments across various asset classes and financial institutions. Its user-friendly interface and advanced analytics facilitate informed decision-making and efficient portfolio management (MARAVI, 2024)..

In 2020, Maravi introduced an AI-driven advisory feature that offers personalized investment recommendations based on individual risk profiles and market trends. This innovation aims to enhance the decision-making process for investors by leveraging artificial intelligence to analyze vast amounts of financial data (MARAVI, 2024).

4.1.5 *Inoa*

Inoa is a financial technology company specializing in high-performance software solutions for capital markets. Established in 2008 by three developers with prior experience in financial systems, the company initially focused on the development of a low-latency market data platform. Over time, Inoa expanded its portfolio to offer a comprehensive suite of solutions aimed at enhancing operational efficiency, automating financial processes, and mitigating risks for asset managers, brokerage firms, and institutional investors (Inoa, 2025).

By adopting a modular and scalable approach, Inoa has developed tailored technological solutions for financial institutions, ensuring greater flexibility and interoperability with market participants. The company's software suite is structured into three primary categories, each addressing specific market needs: BuySide, SellSide, and Vendors. Additionally, Inoa provides corporate enterprise solutions designed to optimize financial and operational workflows across institutions (Inoa, 2025).

For asset managers, investment funds, and treasury departments, Inoa offers AlphaTools, a comprehensive platform designed to optimize financial decision-making, automate trade execution, and enhance operational security. By integrating front, middle, and back-office

functionalities, AlphaTools facilitates seamless asset management, risk assessment, and post-trade reconciliation (Inoa, 2025).

Key functionalities of AlphaTools include:

- Quotations: Real-time market data acquisition and analysis for asset pricing and valuation.
- Engine FIX®/FAST®: High-speed, standardized financial messaging system for electronic trading.
- Orders: Advanced order management system to optimize trade execution strategies.
- Post-Trade: Automation of settlement processes, reconciliations, and reporting for regulatory compliance.
- Risk Engine: Pre-trade and post-trade risk management framework, integrating portfolio monitoring and exposure assessment.

AlphaTools is designed to address the complex requirements of institutional investors, offering real-time integration with brokers, custodians, and market data providers. By ensuring a high degree of automation, the solution minimizes manual interventions, enhances data accuracy, and strengthens compliance with regulatory frameworks. The flexibility of AlphaTools also allows for seamless connectivity with external financial systems, ensuring adaptability in a constantly evolving investment landscape.

For brokerage firms and trading desks, Inoa developed BrokerTools, a suite of automation solutions for trade execution, risk management, and post-trade reconciliation. This system is specifically designed to increase efficiency in sell-side operations while ensuring regulatory adherence (Inoa, 2025).

Core functionalities of BrokerTools include:

- Securities Lending (Aluguel de Ações): Automated management of securities lending transactions, improving liquidity and transparency.
- Quotations: Real-time aggregation of market data to enhance decision-making for brokers and traders.

- Engine FIX®/FAST®: Ultra-low latency order routing and execution via secure electronic trading protocols.
- Risk Management: Monitoring of market exposure and transaction compliance for trade risk mitigation.
- Orders: Streamlined trade execution processes with intelligent order routing mechanisms.
- Post-Trade: Optimization of clearing, settlement, and reconciliation processes, ensuring accuracy and compliance.
- Risk Engine: Comprehensive risk assessment module to prevent financial and operational losses.

By automating back-office and middle-office functions, BrokerTools significantly reduces operational bottlenecks, allowing brokerage firms to handle larger transaction volumes with greater efficiency. The integration with FIX®/FAST® protocols enhances trade execution speed while maintaining compliance with domestic and international financial regulations. Additionally, BrokerTools' real-time risk assessment capabilities ensure that trading desks can proactively manage exposures and adhere to evolving regulatory standards.

For financial infrastructure providers, including exchanges, clearinghouses, and market data vendors, Inoa offers a high-performance connectivity framework, allowing seamless integration with multiple financial entities. The Vendors framework ensures interoperability, enabling institutions to enhance data transmission, trade execution, and operational oversight (Inoa, 2025).

The Vendors platform provides:

- Quotations: Ultra-low latency market data solutions, delivering real-time price feeds.
- Engine FIX®/FAST®: Robust connectivity tools for integrating with major financial networks and liquidity providers.
- Orders: Multi-asset order execution automation, enhancing transaction efficiency.
- Post-Trade: Automated reconciliation, clearing, and risk monitoring for institutional transactions.

- Risk Engine: Customizable risk management modules to ensure compliance with market regulations.

By offering high-performance connectivity solutions, Inoa strengthens market infrastructure, allowing financial institutions to improve operational resilience, enhance market transparency, and streamline transaction processing. The adaptability of its solutions ensures that financial infrastructure providers can scale their systems as market demands evolve.

In addition to its financial market offerings, Inoa develops customized enterprise solutions designed to optimize institutional workflows, automate operations, and enhance data security. These corporate solutions leverage reusable modular components, enabling financial institutions to tailor technology infrastructure to their specific needs (Inoa, 2025).

By integrating scalable and adaptable software architectures, corporate clients can leverage Inoa's expertise to build fully customized financial solutions, ensuring efficiency, cost-effectiveness, and regulatory compliance. The company's solutions are designed to integrate seamlessly into existing financial ecosystems, ensuring minimal disruption during implementation and maximum compatibility with third-party financial systems.

4.1.6 IT4

IT4 Finance is a company specializing in Information Technology services tailored to the financial market. Founded in 2012, the company develops solutions that simplify the control and management of financial operations, focusing on middle and back-office processes, fund accounting, and managed portfolios. In February 2025, IT4 Finance was acquired by BRITech, a move aimed at strengthening BRITech's product and service offerings in the financial technology sector (IT4; BRITECH, 2024).

The company's expertise lies in creating systems that enhance operational efficiency and reduce risks for financial institutions. By leveraging advanced technologies, IT4 Finance provides tools that facilitate the automation of financial processes, ensuring accuracy and compliance with regulatory standards (IT4, 2024).

4.1.7 Sinqia

Sinqia is a financial technology company specializing in software solutions for banks, asset managers, pension funds, and consortia operators. Founded in 1996 under the name Senior Solution, the company initially focused on financial software development and later expanded its operations through strategic acquisitions. With over 27 years of experience, Sinqia has established itself as a key player in financial technology innovation, process automation, and digital transformation in Latin America (Sinqia, 2025).

In 2013, the company went public on the Brazilian stock exchange (B3), reinforcing its ability to invest in technological advancements and corporate acquisitions. Since then, Sinqia has successfully acquired 12 companies, significantly expanding its product portfolio and market presence. The company's four main vertical banking, funds, pensions, and consortia—offer fully integrated platforms designed to enhance operational efficiency, regulatory compliance, and customer experience (Sinqia, 2025).

Banking solutions

Sinqia provides core banking solutions that enable financial institutions to modernize their operations, automate processes, and comply with regulatory requirements. Its banking suite includes digital banking platforms, lending solutions, and treasury management systems, ensuring secure and scalable financial transactions (Sinqia, 2025).

Key features of Sinqia's banking solutions include:

- core banking systems: comprehensive digital infrastructure for banks and financial institutions
- risk and compliance management: automated tools for regulatory compliance and risk mitigation
- payment solutions: real-time payment processing and open banking integration
- digital transformation platforms: end-to-end automation for customer onboarding and service customization

Through API-based architecture and cloud-native solutions, Sinqia ensures seamless integration between financial institutions, enabling them to adapt to rapidly evolving market trends and regulatory frameworks.

Asset and fund management solutions

Sinqia's funds vertical is dedicated to asset managers, hedge funds, and investment firms, providing advanced tools for portfolio management, compliance automation, and performance monitoring (Sinqia, 2025).

Key functionalities of Sinqia's fund management solutions include:

- multi-asset portfolio consolidation: real-time tracking of investments across multiple asset classes
- regulatory compliance automation: tools to ensure adherence to local and international financial regulations
- performance and risk analysis: advanced analytics for risk-adjusted returns and investment decision-making
- investor relations and reporting: automated reporting and communication tools for fund managers and clients

By integrating fund management platforms with banking and financial ecosystems, Sinqia enhances operational agility and transparency, supporting the growth of Brazil's investment industry.

Pension fund solutions

Sinqia's pensions vertical caters to pension funds and retirement plan administrators, offering technology solutions that enable the efficient management of pension plans, regulatory compliance, and actuarial calculations (Sinqia, 2025).

Key features of Sinqia's pension fund solutions include:

- actuarial modeling: advanced pension forecasting and financial planning tools
- contribution and benefit management: automated contribution tracking and payout processing
- regulatory reporting: compliance-focused reporting solutions for pension administrators
- participant engagement platforms: digital tools for pension plan members to manage their investments and benefits

With Brazil's pension reform increasing demand for digital pension solutions, Sinqia's modular, cloud-based technology ensures scalability and regulatory compliance, enabling pension funds to adapt to evolving financial regulations.

Consortia solutions

Sinqia also provides specialized technology for consortia management, a unique financial segment in Brazil. This platform enables administrators to automate operations, track participant contributions, and ensure compliance with financial regulations (Sinqia, 2025).

Core functionalities of Sinqia's consortia solutions include:

- automated quota management: efficient allocation and management of consortia participants
- bidding and credit allocation: intelligent credit distribution mechanisms based on predefined criteria
- regulatory compliance: automated reporting and documentation processing for regulatory adherence
- customer relationship management (CRM): digital engagement tools for consortia participants

Sinqia Digital and open innovation

In 2021, Sinqia launched Sinqia Digital, a division dedicated to developing innovative and scalable financial solutions for multiple industries, including banking, insurance, credit unions, foreign exchange, and healthcare (Sinqia Digital, 2025).

Sinqia Digital was established following the acquisition of three technological firms:

- Simply: a digital workflow automation platform
- QuiteJá: a fintech specializing in real-time digital lending solutions
- FEPWeb: a digital document management and compliance platform

By incorporating Sinqia Digital into its core offerings, the company has reinforced its position as a leader in cloud-based financial solutions, API-driven ecosystems, and digital financial transformation.

Acquisition by Evertec

In 2023, Sinqia announced a strategic merger with Evertec, a leading financial services and payment processing company in Latin America and the Caribbean. Headquarters in Puerto Rico, Evertec specializes in real-time payments, open banking solutions, and financial infrastructure modernization. The merger aims to expand both companies' market reach and technology offerings, reinforcing their commitment to democratizing financial services in the region (Evertec, 2023).

Through this acquisition, Sinqia is expected to accelerate its expansion beyond Brazil, leveraging Evertec's expertise in cross-border payments and financial technology innovation.

Sinqia has emerged as one of the most influential financial technology providers in Brazil, offering cutting-edge solutions for banks, asset managers, pension funds, and consortia administrators. Through a combination of strategic acquisitions, cloud-based platforms, and API-driven technology, the company has positioned itself as a key enabler of digital transformation in the financial sector (Sinqia, 2025).

The acquisition by Evertec further strengthens Sinqia's global presence, allowing the company to expand its services beyond Brazil and enhance its position as a leader in Latin American financial technology innovation.

4.1.8 Dimensa

Dimensa is a Brazilian financial technology company specializing in providing comprehensive solutions for financial institutions, fintechs, retailers, and the insurance sector. Established in 2021 through a partnership between TOTVS and B3, Dimensa aims to deliver innovative B2B technologies tailored to the financial market's evolving needs.

The company's product portfolio encompasses a wide range of services designed to enhance operational efficiency, ensure regulatory compliance, and foster digital transformation within financial operations. Key offerings include:

- **Core Banking Solutions:** Dimensa provides robust core banking systems that support the fundamental operations of financial institutions, including account management, transaction processing, and customer relationship management.

- **Digital Banking Platforms:** The company offers digital platforms that enable financial institutions to provide online and mobile banking services, enhancing customer engagement and accessibility.
- **Investment Management Solutions:** Dimensa delivers tools for managing investment funds, supporting portfolio management, compliance, and performance analytics.
- **Credit and Risk Management:** The company offers solutions for credit analysis, risk assessment, and management, aiding institutions in making informed lending decisions and maintaining financial stability.
- **Receivables Management:** Dimensa provides systems to manage accounts receivable, helping organizations optimize cash flow and reduce the risk of bad debts.
- **Insurance Solutions:** Following the acquisition of Quiver in February 2024, Dimensa expanded into the insurance sector, offering specialized platforms for insurance brokers and related entities.

4.1.9 Gorila

Gorila is a fintech company founded in 2016, specializing in the consolidation and monitoring of investments for both individual investors and financial professionals. The platform enables users to integrate and track their investment portfolios centrally, regardless of the financial institutions they utilize (Gorila, 2025).

Products and Features

Gorila offers a suite of products tailored to different investment needs, ranging from individual portfolio management to advanced professional tools:

- **GorilaAPP:** Designed for individual investors, this application allows detailed tracking of portfolio profitability, comparison with benchmarks such as the CDI and Ibovespa, and access to up-to-date information on corporate events, including dividend payments and interest on equity (Gorila, 2025).

- GorilaPRO: Aimed at professionals like investment advisors and family offices, this platform offers advanced tools for managing multiple client portfolios, generating personalized reports, and providing detailed performance metrics (Gorila, 2025).
- GorilaCORE: An API that facilitates the integration of Gorila's investment consolidation technology into other platforms, enabling financial institutions and fintechs to develop customized solutions (Gorila, 2025).

Platform Differentiators

Gorila stands out for its ability to integrate data from various sources, including brokerages, banks, and the Open Finance system, consolidating transactional and market information to provide a comprehensive view of positions and metrics for each portfolio. Additionally, the platform offers features such as interactive dashboards, PDF reports, and an Excel add-in, allowing for in-depth and personalized investment analysis (Gorila, 2025).

Expansion and Investments

In December 2021, Gorila secured a funding round of \$17.7 million, led by investors including Iporanga Ventures, Ribbit Capital, Apis Partners, 2TM, and Monashees. Part of this investment was allocated to acquiring minority stakes in investment firms, aiming to strengthen strategic partnerships and expand its market presence (Tracxn, 2025).

With a user base exceeding 500,000 individual investors and partnerships with approximately 100 investment firms, Gorila continues to expand its operations, aiming to double its individual client base and triple the number of partner firms in the coming years (Tracxn, 2025).

4.2 Wealthtech Players – Demand

The demand side of the Brazilian Wealthtech market encompasses a diverse range of institutional and independent financial entities that utilize technological solutions to manage assets, enhance client services, and ensure regulatory compliance. The main players explored in this section include traditional financial powerhouses such as Private Banks, Asset Management Firms, and Fund Administrators, as well as fast-growing segments like Independent Investment Advisors, specialized Broker-Dealers/Distributors, and bespoke Family Offices. Understanding the dynamics and digital needs of these key consumers is crucial for analyzing the trajectory of the Wealthtech sector in Brazil.

4.2.1 Financial Sector Big Numbers

The numbers from the financial sector point to the direction in which the market is heading in terms of technological transition and the emergence of new business models. Table 10 contains a summary of Brazil's performance in recent years, revealing trends and scenarios.

Table 10 - Number of Authorized Institutions by Segment

Traditional Banks												
Segment	Acronym	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Multiple Bank	BM	132	130	132	133	132	131	132	137	137	137	135
Commercial Bank ^{1/}	BC	23	22	21	21	21	20	20	20	20	19	19
Development Bank	BD	4	4	4	4	4	4	4	4	4	4	4
State/Federal Savings Banks	CE	1	1	1	1	1	1	1	1	1	1	1
Investment Bank	BI	14	14	13	14	13	12	11	10	10	10	10
New Financial Models												
Segment	Acronym	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct Credit Company	SCD	-	-	-	-	-	1	11	41	64	98	116
Peer-to-Peer Lending Company	SEP	-	-	-	-	-	-	4	9	10	11	12
Payment Institution	IP	-	-	-	1	6	10	19	26	37	74	115
Financial Intermediaries												
Segment	Acronym	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Credit, Financing, and Investment Company	CFI	58	55	53	53	56	58	59	60	61	64	65
Securities Brokerage Firm	CTVM	93	92	87	79	75	68	67	64	66	62	66
Securities and Exchange Brokerage Firm	CC	62	66	63	63	61	63	55	53	54	55	55
Securities and Bond Distributing Company	DTVM	116	108	102	101	95	94	94	96	99	102	106
Credit Unions	COOP	1209	1163	1113	1078	1023	973	920	886	860	834	803
Other Institutions												
Segment	Acronym	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Leasing Company	SAM	29	27	27	25	24	21	21	19	18	18	17

Mortgage Company	CH	8	7	8	9	7	6	6	6	5	6	5
Real Estate Credit Company and Savings and Loan Association ^{2/}	SCI e APE	11	9	8	4	3	3	3	3	2	2	2
Microcredit Company	SCM	38	40	40	38	38	36	33	31	30	26	26
Development Agency	AG FOM	16	16	16	16	16	16	16	16	16	16	16
Consortium Management Company	CONS	199	186	172	166	156	152	148	144	142	141	136
Total Institutions		2016	1943	1863	1809	1734	1673	1629	1631	1641	1685	1714

Source: Unacad, 2024.

The data provided by the Central Bank of Brazil for December 2023 offer a comprehensive overview of the evolution of the number of authorized financial institutions in the country over the past decade. The analysis of these figures reflects structural transformations in the Brazilian banking sector, including the rise of fintechs, regulatory impacts, and the evolution of traditional financial services models.

4.2.1.1 Reduction in the Number of Traditional Banks

- Multiple banks have remained relatively stable, with 132 institutions in 2013 and 135 in 2023, indicating consistency in this segment (Banco Central do Brasil, 2023).
- Commercial banks have decreased significantly, from 23 in 2013 to 19 in 2023, reflecting a trend of mergers, acquisitions, and digital transformation in banking services (Banco Central do Brasil, 2023).
- The number of investment banks also declined from 14 to 10 in the same period, indicating possible restructuring in the capital market and changes in service strategies (Banco Central do Brasil, 2023).

4.2.1.2 The Rise of Fintechs and New Financial Models

- The most significant growth has been in payment institutions, which increased from only 1 in 2016 to 115 in 2023. This expansion is driven by regulatory incentives from the Central Bank, promoting digital payments and new financial players such as fintechs and big techs (Banco Central do Brasil, 2023).

- Direct credit companies (SCDs) and peer-to-peer lending companies (SEPs), which have recently been regulated, have also experienced remarkable growth. SCDs rose from 1 institution in 2018 to 116 in 2023, while SEPs grew from 4 to 12 in the same period, demonstrating increased adoption of digital credit solutions (Banco Central do Brasil, 2023).

4.2.1.3 Decline in the Number of Credit Cooperatives

- Credit cooperatives, which play a crucial role in financial inclusion in underserved regions, have been decreasing, from 1,209 in 2013 to 803 in 2023. This decline may be linked to increased competition from fintechs, regulatory pressures, and sector consolidation (Banco Central do Brasil, 2023).

4.2.1.4 Decline in Other Traditional Financial Segments

- Credit, financing, and investment companies (CFIs) had moderate growth, increasing from 58 in 2013 to 65 in 2023, showing that there is still demand for specialized credit services (Banco Central do Brasil, 2023).
- Real estate credit companies (SCI) and savings and loan associations (APE) dropped significantly, from 11 to just 2, indicating a sharp decline in their relevance for housing finance (Banco Central do Brasil, 2023).
- The number of consortium management companies decreased from 199 in 2013 to 136 in 2023, possibly due to the modernization of credit installment models and digital solutions (Banco Central do Brasil, 2023).

4.2.1.5 Stability in Other Segments

- Some financial institutions, such as exchange banks, development banks, development agencies, and mortgage companies, have remained stable over the years, indicating a resilient sector with steady demand for these financial services (Banco Central do Brasil, 2023).

The analysis of data from the Central Bank of Brazil highlights a major structural transformation in the financial sector, characterized by:

- a) Decline of traditional banks and increased digitalization: Fintechs and payment institutions are gradually replacing traditional banks in several financial services, particularly in payments and credit distribution.
- b) Expansion of digital credit solutions: The significant growth of direct credit and peer-to-peer lending companies demonstrates the increasing adoption of flexible financial technologies.
- c) Market consolidation: Some financial segments, such as credit cooperatives and consortium managers, are shrinking, possibly due to mergers, acquisitions, and technological advancements.
- d) Regulatory and financial inclusion challenges: While fintechs are expanding rapidly, the decline in credit cooperatives raises concerns about financial inclusion, particularly in rural and underserved areas. The Central Bank of Brazil will play a critical role in balancing financial innovation with market stability.

Given this scenario, the sector is expected to continue evolving with the expansion of Open Finance, the development of new credit and investment models, and an increasingly favorable regulatory environment for financial digitalization in Brazil.

4.2.2 Private Banking, Advisory, and Wealth Management in Brazil

Private banking in Brazil has evolved significantly over the past two decades, driven by the increasing concentration of wealth, regulatory developments, and the growing sophistication of high-net-worth individuals (HNWIs). As of 2024, Brazil's private banking sector manages approximately R\$ 1.9 trillion in assets under management (AUM), marking a steady expansion in response to the country's rising wealth class (ANBIMA, 2024).

The sector primarily caters to individuals with investable assets exceeding R\$ 3 million, offering highly personalized financial services, including investment strategies, tax planning, estate structuring, and international asset allocation. The leading players in this market include traditional financial institutions such as Itaú Private Bank, Bradesco Private Bank, Santander Private Banking, and BTG Pactual Wealth Management, which collectively account for over 75% of the industry's AUM (ANBIMA, 2024).

One of the defining characteristics of Brazilian private banking is the increasing demand for offshore investments, particularly in jurisdictions such as the United States, Switzerland, and Portugal. Given the volatility of the Brazilian economy, private banking clients have sought greater diversification through international portfolios, including exposure to hedge funds, structured products, and global real estate investments (ANBIMA, 2024).

The investment advisory segment in Brazil has experienced accelerated growth, particularly following regulatory changes introduced by the Comissão de Valores Mobiliários (CVM). As of 2023, there were approximately 26,735 registered investment advisors in the country, a significant increase from 9,000 in 2018 (CVM, 2024).

Investment advisors, previously known as Autonomous Investment Agents (Agentes Autônomos de Investimentos – AAIs), have transitioned towards an open architecture model, allowing them to offer clients products from multiple financial institutions rather than being tied to a single bank. This shift has been driven by changes in CVM Resolution 19/2021, which facilitated the independence of advisory services, further aligning Brazil with global wealth management best practices.

Notably, XP Investimentos, BTG Pactual, and Guide Investimentos have played a pivotal role in expanding the independent advisory model, allowing HNWIs and mass-affluent clients to access a broader range of investment solutions beyond traditional banking platforms (CVM, 2024).

One of the key challenges faced by investment advisors is client retention, as increasing competition among advisory firms has pressured them to provide more sophisticated financial planning, wealth structuring, and tax optimization services. Additionally, the growth of financial technology (wealthtechs) has enabled advisors to leverage AI-driven portfolio management tools, robo-advisory platforms, and real-time analytics to enhance client engagement.

Wealth management in Brazil has expanded beyond traditional asset management, incorporating holistic financial solutions that address succession planning, philanthropy, alternative investments, and ESG (Environmental, Social, and Governance) strategies.

Brazilian HNWIs are increasingly adopting multi-family offices (MFOs) and independent wealth management firms to gain access to highly customized services that go beyond

investment allocation. In 2023, there were approximately 146 family offices in Brazil, a significant rise from 80 in 2020, reflecting a growing demand for sophisticated financial planning and intergenerational wealth transfer strategies (ANBIMA, 2024).

The wealth management market in Brazil is characterized by:

- a) Increasing demand for alternative investments, including private equity, venture capital, and structured products, as investors seek higher returns amid volatile macroeconomic conditions.
- b) Integration of digital platforms, with major institutions adopting Open Finance initiatives to provide seamless access to real-time financial data and portfolio management tools.
- c) A strong focus on ESG investing, with wealth managers incorporating sustainability criteria into client portfolios, aligning with global investment trends.

Moreover, Brazilian wealth managers are expanding their offshore service offerings, particularly in response to capital outflows and the growing internationalization of HNWI's investment strategies. The United States, Portugal, and the Caribbean remain preferred destinations for Brazilian wealth planning, with an increasing number of firms providing cross-border tax structuring and international estate planning solutions (Family Office Report Brasil, 2023).

Despite its growth, the Brazilian private banking, advisory, and wealth management sector faces several challenges:

- a) Regulatory uncertainty, particularly regarding taxation on international assets and the evolving CVM regulations governing investment advisors.
- b) Currency volatility and macroeconomic instability, which influence investment strategies and client risk appetite.
- c) Talent acquisition, as the demand for highly skilled financial professionals continues to rise.

However, the sector also presents significant opportunities, particularly with the increasing digitalization of financial services and the adoption of AI-driven wealth management platforms.

The rise of independent investment firms and the continued growth of open architecture models indicate that Brazilian wealth management is poised for further expansion, catering to an increasingly sophisticated client base.

The Brazilian private banking, investment advisory, and wealth management industries are undergoing profound transformations, driven by regulatory changes, digital innovation, and a growing demand for diversified investment strategies. With R\$ 1.9 trillion in AUM under private banking alone and an expanding network of investment advisors and family offices, the sector continues to evolve, adapting to both local and global financial trends.

As wealthtech solutions, AI-driven platforms, and alternative investments become more prominent, Brazil's wealth management market is expected to align more closely with global standards, ensuring greater efficiency, transparency, and accessibility for high-net-worth individuals and affluent investors.

4.2.3 Brokers and Distributors in Brazil

The National Association of Brokers and Distributors of Securities, Foreign Exchange, and Commodities (ANCORD) is a key entity in the Brazilian financial market, representing brokerage firms, distributors, and other financial institutions. Established in 1973, ANCORD plays a fundamental role in strengthening Brazil's capital, foreign exchange, and commodity markets by promoting professional training, self-regulation, and institutional representation for its members (ANCORD, 2025).

Associated Financial Institutions

ANCORD brings together a wide range of financial institutions that operate in capital markets and foreign exchange services. Some of its most notable members include:

- ABC Brasil DTVM Ltda
- Ágora CTVM S/A
- Banco BTG Pactual S/A
- Banco Safra S.A.

- Caixa Econômica Federal
- XP Investimentos CCTVM S/A

These institutions, among others, collaborate under ANCORD's regulatory framework to promote best practices and contribute to the overall development of Brazil's financial sector (ANCORD, 2025).

Investment Advisors (Formerly Autonomous Investment Agents - AAI's)

Investment advisors, previously known as Autonomous Investment Agents (AAIs), are professionals responsible for guiding investors in making informed financial decisions. They act as intermediaries between clients and a range of investment products and services available in the market (CVM, 2025).

As of November 2023, Brazil had approximately 26,735 investment advisors, reflecting substantial growth in recent years. This expansion aligns with the broader development of the Brazilian financial sector and the increasing number of individuals seeking professional investment guidance (CVM, 2025).

The regional distribution of these professionals is as follows:

- Southeast: 16,477 advisors
- South: 6,330 advisors
- Northeast: 1,943 advisors
- Central-West: 1,472 advisors
- North: 356 advisors

This data indicates a strong concentration of investment advisors in the Southeast and South regions, where Brazil's major financial centers, such as São Paulo and Rio de Janeiro, are located (CVM, 2025).

Growth and Market Impact of Investment Advisors

The number of investment advisors in Brazil has tripled over the past four years, as reported by the Brazilian Securities and Exchange Commission (CVM). This growth is a direct result of

increased investor awareness, the expansion of financial markets, and technological advancements that facilitate investment advisory services (CVM, 2025).

ANCORD is responsible for the certification and accreditation of these professionals, ensuring they meet the required qualifications and comply with regulatory standards. The certification process includes rigorous exams and ongoing professional training, ensuring that advisors maintain high levels of competence and ethical conduct (ANCORD, 2025).

The expansion of Open Finance and digital investment platforms is expected to further increase the demand for investment advisory services, as more Brazilians seek professional financial guidance in an increasingly complex market.

ANCORD plays a vital role in regulating and developing the Brazilian financial market, particularly in capital markets and investment advisory services. Its associated financial institutions represent some of the most influential players in the industry, contributing to market liquidity and investor confidence.

The rapid growth of investment advisors highlights the increasing demand for personalized financial guidance, driven by the digital transformation of financial services. As Brazil continues to modernize its financial sector, ANCORD remains a key institution in ensuring market integrity, investor protection, and professional excellence.

4.2.4 Asset Management and Fund Administration in Brazil

The Brazilian asset management industry is one of the largest and most sophisticated in Latin America, playing a crucial role in capital allocation, investment strategies, and financial market development. As of 2024, total assets under management (AUM) in Brazil exceed R\$ 12.67 trillion, distributed among 1,036 asset management firms, including traditional investment firms, banks, and pension fund foundations (ANBIMA, 2024).

Brazil's asset management sector consists of firms of varying sizes, ranging from large institutions managing over R\$ 500 billion to smaller boutique firms handling less than R\$ 100 billion in AUM. The breakdown of asset managers by size is as follows (ANBIMA, 2024):

- Large asset managers (> R\$ 500 billion in AUM): 4 institutions
- Medium-sized managers (R\$ 100-500 billion in AUM): 9 institutions

- Small asset managers (< R\$ 100 billion in AUM): 1,023 institutions

On average, each asset manager in Brazil oversees approximately R\$ 12.2 billion in assets, reflecting the presence of both large institutional players and specialized investment firms (ANBIMA, 2024).

A specific segment within the asset management industry is foundations, which manage investment funds for pension plans, social security, and institutional investment purposes. These entities play a significant role in long-term financial sustainability and typically invest in:

- Fixed-income instruments
- Pension and retirement-focused investment vehicles
- Structured products and multimarket funds

The presence of institutional investors, such as pension funds and social security organizations, highlights the importance of long-term, stable capital flows within the Brazilian financial system (ANBIMA, 2024).

Brazilian asset managers operate across a broad range of investment categories, catering to different investor profiles and market conditions. The primary categories include:

- Equity Funds: Focused on publicly traded stocks, providing exposure to the Brazilian and global equity markets.
- Fixed Income Funds: Primarily investing in government bonds, corporate debt, and other fixed-income instruments.
- Multimarket Funds: Offering diversified exposure to multiple asset classes, including derivatives, foreign exchange, and alternative strategies.
- Private Equity: Targeting investments in private companies, venture capital, and infrastructure projects.
- Real Estate Funds: Focused on commercial and residential real estate assets, including Real Estate Investment Trusts (REITs).

- Infrastructure Funds: Investing in long-term infrastructure development projects, contributing to economic growth and financial stability.

The Brazilian asset management industry is undergoing structural transformations, driven by regulatory changes, digitalization, and shifting investor preferences. Some key trends include:

1. Growth of Multimarket and Hedge Funds
 - Investors are seeking diversified strategies as economic volatility increases.
 - Alternative assets and hedge fund strategies are gaining popularity (ANBIMA, 2024).
2. Increased Focus on ESG (Environmental, Social, and Governance) Investments
 - Asset managers are integrating sustainability metrics into investment decisions.
 - ESG-themed funds are gaining traction, with higher investor demand (CVM, 2024).
3. Rise of Digital Asset Management Platforms
 - Fintechs and digital platforms are reshaping the investment landscape.
 - More investors are using automated and AI-driven portfolio management solutions (ANBIMA, 2024).
4. Expansion of Pension Funds into Alternative Assets
 - Institutional investors are diversifying into infrastructure, private equity, and hedge funds. (ANBIMA, 2024).
5. Regulatory Changes and Open Finance
 - The Banco Central do Brasil (BACEN) is promoting Open Finance, which is expected to enhance data sharing, transparency, and competition in the asset management industry (BACEN, 2024).
 - The CVM 175 regulation is restructuring fund governance and transparency, aligning Brazil's investment industry with global financial standards (CVM, 2024).

The Brazilian asset management market is highly diverse, encompassing large institutional firms, mid-sized asset managers, independent investment firms, and foundations managing pension funds. With over R\$ 12.67 trillion in assets under management, the industry continues to evolve through regulatory changes, digital transformation, and shifting investor preferences.

As Brazil integrates global investment trends such as passive investing, ESG considerations, and fintech innovations, asset managers must adapt their strategies to remain competitive in an increasingly dynamic financial landscape.

In Brazil, fund administration is a highly regulated and essential function within the financial market, responsible for ensuring operational efficiency, regulatory compliance, and risk management in investment funds. The Brazilian Securities and Exchange Commission (CVM) plays a central role in overseeing this sector, particularly under CVM Resolution 175, which consolidates and modernizes rules governing fund structures, transparency, risk management, and investor protection (CVM, 2023). Additionally, the Brazilian Association of Financial and Capital Market Entities (ANBIMA) establishes self-regulatory frameworks and best practices to enhance governance and operational standards (ANBIMA, 2024).

Fund administrators are entrusted with a wide range of responsibilities, including asset valuation, financial transaction monitoring, investor reporting, tax compliance, and regulatory filings, ensuring that funds adhere to both local and international financial regulations (BACEN, 2024). As the industry evolves, the integration of financial technology (fintech), automation, and digital platforms has transformed fund administration, increasing efficiency while reducing operational risks (McKinsey, 2023). With the continued expansion of the Brazilian investment fund industry—driven by demand for fixed-income, multimarket, private equity, and real estate funds—the role of fund administration remains critical in maintaining market stability and investor confidence (ANBIMA, 2024).

The Brazilian investment fund industry has undergone significant transformations in recent years, reflecting the evolving preferences of investors and macroeconomic conditions. According to data from the Brazilian Financial and Capital Markets Association (ANBIMA), the total number of investment funds increased from 26,085 in 2021 to 28,866 in 2022, representing a growth of 10.7% (ANBIMA, 2023a). This expansion was accompanied by an increase in the number of investor accounts, rising from 30.8 million in 2021 to 34.5 million by November 2022, reflecting an 11.9% growth over the period (ANBIMA, 2023b).

Among fund categories, fixed-income funds have led in net inflows, recording R\$ 312.4 billion in net subscriptions between January and October 2024, in contrast to net redemptions of R\$ 41.5 billion during the same period in the previous year. This trend was primarily driven by investments in private credit fixed-income funds (ANBIMA, 2024a). Conversely, multimarket funds faced significant challenges, with net outflows of R\$ 235.6 billion in the same period, exacerbating the R\$ 69.5 billion in redemptions observed in 2023 (ANBIMA, 2024b).

Additionally, investor behavior in Brazil has shown a growing diversification trend. While savings accounts remain the most widely used financial product, preferred by 26% of investors, there has been a marked increase in the allocation of funds to other asset classes, including investment funds, private securities, digital currencies, and private pension plans (ANBIMA, 2023c). Compared to 2021, a larger proportion of investors reported diversifying into these products in 2022, suggesting an increasing level of sophistication and awareness of risk-adjusted returns (ANBIMA, 2023d).

These developments indicate an evolving investment landscape in Brazil, where investors are progressively seeking diversified opportunities across multiple fund categories while balancing security and profitability in their financial strategies.

4.2.5 Analysis of the Family Office Market in Brazil

In recent years, the Family Office sector in Brazil has experienced significant growth, driven by changes in investor profiles and a more favorable regulatory environment. According to data from the Brazilian Association of Financial and Capital Market Entities (ANBIMA), the number of Family Offices in the country increased from 80 in 2020 to 146 in 2023, representing an 82.5% growth during this period (ANBIMA, 2024).

This expansion reflects the increasing demand from high-net-worth families for dedicated wealth management structures, which go beyond investment management to include succession planning, family governance, and philanthropy (Capital Aberto, 2024). The professionalization of wealth management has become a priority for these families, aiming to preserve and grow their assets across generations (Family Office Report Brasil, 2023).

A study conducted by the Family Office Report Brazil in 2023 revealed that 79.2% of families who built their wealth through a family business remain as controllers of the business today, while 12.5% have sold their entire stake. Additionally, 74.3% of families have already

undergone at least one succession in wealth management, highlighting the importance of succession planning in these structures (Family Office Report Brasil, 2023).

The growth of Family Offices in Brazil is also related to the pursuit of greater control and efficiency in wealth management, access to exclusive investment opportunities, and the need for a holistic approach that considers financial, legal, and emotional aspects involved in preserving family wealth (Exame, 2024).

According to PitchBook (2024), the Latin American Family Office market, including Brazil, has shown a shift toward alternative investments, such as private equity, venture capital, and infrastructure projects. This trend aligns with global investment patterns, where institutional investors seek long-term value generation and diversification beyond traditional fixed-income products (PitchBook, 2024).

Despite its rapid growth, the Family Office sector in Brazil faces several challenges. One of the main concerns is regulatory adaptation, as authorities tighten compliance requirements and demand greater transparency in wealth structuring and international investments (CVM, 2024).

Additionally, talent acquisition and governance structures have become critical factors for the sustainability of these offices. The need for specialized professionals, who understand global wealth management trends, tax efficiency, and intergenerational wealth transfer, has increased significantly (ANBIMA, 2024).

Furthermore, family conflicts and governance issues remain significant concerns. Many high-net-worth families struggle with aligning investment philosophies across generations, requiring the implementation of structured governance models to avoid disruptions in wealth preservation (Exame, 2024).

The Brazilian Family Office market is undergoing rapid expansion, driven by the evolving investor profile, regulatory shifts, and increasing demand for sophisticated financial solutions. As Brazil integrates into global financial markets, wealth preservation strategies are becoming more complex, requiring structured governance, digital solutions, and highly specialized professionals.

With the rise of alternative investments, ESG-oriented portfolios, and institutionalized governance frameworks, the Family Office market in Brazil is expected to continue evolving,

aligning with international best practices while addressing the unique challenges of Latin American wealth management.

4.2.6 Fund Distribution in Brazil

The Brazilian fund distribution market plays a crucial role in capital allocation and investment accessibility, offering investors a diverse range of financial products tailored to different risk profiles and objectives. The distribution process occurs primarily through public offerings, allowing fund managers to raise capital from individual and institutional investors. These funds can be traded on stock exchanges or directly via public offerings, in accordance with the regulatory frameworks established by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Financial and Capital Markets Association (ANBIMA).

With total investments surpassing R\$ 7.22 trillion in 2024, reflecting an 11.5% annual increase (ANBIMA, 2024), the fund distribution segment has evolved significantly, driven by regulatory advancements, financial innovation, and increased investor participation in capital markets.

The distribution of investment funds in Brazil follows a structured process that ensures transparency, regulatory compliance, and broad market accessibility. This structure is essential in a market where over 22 million investors (B3, 2024) are engaging in financial products, with an increasing share of retail investors entering capital markets.

Brazil differs from more mature financial markets, such as the U.S. or Europe, due to its concentration of fund distribution in major banking institutions. While fintechs and independent platforms have grown rapidly, 75% of fund distribution is still controlled by large banks (ANBIMA, 2024). This concentration presents both a challenge and an opportunity: while banks maintain dominance, digital platforms are expanding the accessibility of investment funds to a broader audience.

The key steps in public offerings of investment funds include:

1. Fund Presentation:

- Fund administrators introduce the investment vehicle to potential investors, outlining its objectives, structure, and expected returns.

- Brazilian funds are required to comply with CVM 555 regulations, ensuring full disclosure of investment risks and structures.

2. Market Demand Assessment:

- Investor sentiment and demand for the offered securities are evaluated to gauge market interest.
- In 2023, multimarket funds attracted the highest inflows, surpassing R\$ 2 trillion in AUM due to their flexibility in investment strategies (ANBIMA, 2024).

3. Subscription Period Disclosure:

- The timeframe for investor participation is announced, along with fund details such as minimum investment amounts and applicable fees.
- Brazilian funds often have higher minimum investment requirements than their international counterparts, which limits access for retail investors.

4. Public Sale of Securities:

- Securities or investment units are made available for purchase, enabling investor participation in the fund.
- The adoption of Open Finance solutions is expected to streamline fund subscriptions and enable investors to compare products across multiple platforms.

The Brazilian fund distribution model requires robust technological infrastructure due to the high demand for security, compliance, and automated reporting. Fund distributors and platforms must integrate anti-money laundering (AML) protocols, real-time market data feeds, and investor protection mechanisms to comply with CVM and ANBIMA regulations.

Brazil's investment fund industry is one of the most developed and diverse in Latin America, offering a range of vehicles across various asset classes. The total fund industry in Brazil accounts for more than R\$ 12.67 trillion in assets under management (AUM) as of 2024 (ANBIMA, 2024), making it one of the most significant capital markets in emerging economies.

Below are the main categories of investment funds in Brazil, along with their respective market sizes and relevance:

a) **Credit Rights Investment Funds (FIDCs)**

- Market Size: Over R\$ 300 billion in assets under management (ANBIMA, 2024).
- These funds securitize receivables, commonly used by businesses to convert outstanding debts into tradable securities.
- Technology Needs: Advanced risk-scoring models and AI-driven credit risk assessment tools are increasingly used for efficient receivable pricing.

b) **Real Estate Receivables Certificates (CRIs) & Agribusiness Receivables Certificates (CRAs)**

- Market Size: R\$ 200 billion combined (ANBIMA, 2024).
- CRIs finance real estate developments, while CRAs provide funding for agricultural businesses.
- **Regulatory Advantages:** These instruments offer tax exemptions for individual investors, making them highly attractive.

c) **Real Estate Investment Funds (FIIs)**

- Market Size: R\$ 250 billion in market capitalization (B3, 2024).
- FIIs allow investors to access commercial and residential properties without direct ownership.
- **Distribution Growth: Over 2 million investors now participate in FIIs, a figure that has doubled since 2021 (B3, 2024).**

d) **Multimarket Funds**

- Market Size: Largest category, exceeding R\$ 2 trillion in AUM (ANBIMA, 2024).
- These funds blend equities, fixed income, derivatives, and foreign investments.

- Market Growth: The demand for these funds has risen due to lower fixed income returns, as investors seek higher yield opportunities.

e) **Fixed Income Funds**

- Market Size: Approximately R\$ 4 trillion in AUM (ANBIMA, 2024).
- Traditionally favored by Brazilian investors, these funds allocate capital to government and corporate bonds.
- Impact of Interest Rates: The decrease in the SELIC rate (Brazil's benchmark interest rate) has shifted investor interest from fixed income to riskier assets.

f) **Exchange-Traded Funds (ETFs)**

- Market Size: Growing sector with R\$ 80 billion in AUM (B3, 2024).
- Brazil's ETF market is still relatively underdeveloped compared to the U.S., where ETFs dominate.
- Growth Opportunity: The implementation of Open Finance could increase ETF accessibility among retail investors.

g) **Structured Operations Certificates (COEs)**

- Market Size: R\$ 50 billion in outstanding volume (ANBIMA, 2024).
- These hybrid securities offer exposure to customized investment strategies combining fixed income and derivatives.
- Regulatory Complexity: Unlike ETFs, COEs require sophisticated structuring and higher compliance demands.

The Role of the Brazilian Stock Exchange (B3)

The B3 (Brasil, Bolsa, Balcão) is the sole stock exchange in Brazil, formed through the merger of BM&F Bovespa and Cetip. It plays a pivotal role in the distribution of investment funds, providing a regulated and transparent environment for trading financial instruments.

a) **Fund Trading Volumes:**

- B3 hosts more than 500 publicly traded FIIs and ETFs, facilitating secondary market liquidity.
- In 2023, FIIs represented over R\$ 20 billion in traded volume, highlighting their growing investor base (B3, 2024).

b) **Technology & Innovation:**

- The exchange has expanded digital distribution channels, integrating robo-advisors, blockchain-based settlements, and automated trading systems.
- **Cybersecurity & Compliance:** Due to Brazil's high fraud rates in financial transactions, B3 has strengthened fraud detection and investor protection mechanisms.

Growth and Trends in Fund Distribution

The fund distribution market in Brazil has experienced rapid expansion, driven by factors such as increased retail investor participation, regulatory advancements, and financial digitalization. Some key trends include:

- a) **Rising Investment Volumes:** Total investments in Brazil exceeded R\$ 7.22 trillion in 2024, marking an 11.5% growth from the previous year (ANBIMA, 2024).
- b) **Increased Adoption of Digital Investment Platforms:** Fintechs are challenging traditional bank dominance, offering lower fees and more transparency.
- c) **Regulatory Enhancements:** The CVM 175 regulation aims to modernize fund governance, improve investor protection, and standardize risk disclosures.

The Brazilian fund distribution market is undergoing a significant transformation, fueled by financial innovation, increasing digitalization, and changing investor behavior. While traditional banks dominate fund distribution, fintechs and independent platforms are reshaping access to investment funds.

With regulatory developments, such as Open Finance and CVM 175, and an expanding retail investor base, Brazil's fund distribution market is positioned for sustained technological evolution and increased investor participation.

4.2.7 Regulatory Framework in Brazil

The financial market in Brazil operates under a complex regulatory structure that ensures compliance, transparency, and investor protection across various sectors, including investment funds, wealth management, banking, financial advisory, and capital distribution. The Brazilian Central Bank (BACEN), the Securities and Exchange Commission (CVM), and the National Monetary Council (CMN) are the primary regulatory bodies overseeing these segments. Over the years, key regulatory milestones have shaped industry, fostering the growth of fintechs, wealthtechs, and independent advisory services while reinforcing governance standards.

Investment funds in Brazil are subject to stringent regulatory oversight to ensure transparency and investor protection. The Comissão de Valores Mobiliários (CVM) is the primary regulatory body for funds, with additional supervision by the National Monetary Council (CMN).

CVM Resolution 175/2023 – New Regulatory Framework for Investment Funds

One of the most significant changes in Brazil's investment fund landscape came with CVM Resolution 175, which entered into effect in 2023. This new regulation replaced multiple fragmented rules and introduced a single regulatory framework that applies to various fund types, including:

- Mutual Funds
- Private Equity Funds (FIPs)
- Real Estate Funds (FIIs)
- Credit Receivables Funds (FIDCs)
- Exchange-Traded Funds (ETFs)

Key changes introduced by CVM 175:

- a) **Limited Liability for Investors:** Previously, investment fund shareholders could be liable for fund losses exceeding their investment. CVM 175 introduced limited liability, ensuring investors are not held responsible beyond their capital contribution.
- b) **Fund Subclass Structure:** The regulation allows funds to create multiple subclasses within a single structure, enhancing investment flexibility.
- c) **New Governance and Risk Management Requirements:** Stricter compliance measures were introduced, including risk management guidelines and transparency obligations.

This reform aligned Brazil's investment fund regulations with international standards, making the market more attractive to foreign institutional investors (CVM, 2024).

Regulatory Framework for Wealth Management and Family Offices

Wealth management and family offices in Brazil operate in a relatively nascent but rapidly growing regulatory environment. Unlike other financial entities, family offices do not have a specific regulatory framework but fall under broader financial market regulations.

Family Offices – Lack of Specific Regulation

Unlike the U.S. or European models, family offices in Brazil are not directly regulated by BACEN or CVM. Instead, they operate under general financial and tax laws, and depending on their structure, they may be subject to:

- CVM regulations if they manage third-party investments.
- Banco Central do Brasil oversight if structured as financial institutions.
- Tax regulations by the Receita Federal regarding offshore structures and international wealth transfers.

The absence of a defined regulatory framework has led to an increase in multi-family offices (MFOs) operating under wealth management licenses to provide financial services legally.

Fiduciary Responsibility and Governance

Wealth management firms in Brazil must adhere to Resolution 4,661/2018, which governs asset allocation for institutional investors such as pension funds. The regulation places restrictions

on risk exposure, governance structures, and investment diversification, impacting how wealth managers structure portfolios.

Additionally, CMN Resolution 4,994/2022 enhanced fiduciary responsibilities, imposing stricter obligations on wealth managers to prevent conflicts of interest and ensure client-centric investment strategies.

Banking Regulations

The Banco Central do Brasil (BACEN) is responsible for regulating the banking sector, ensuring financial stability, compliance with Basel III capital requirements, and fostering competition.

Open Finance – Resolutions 80, 81, and 82/2021

Brazil has been at the forefront of financial innovation with Open Finance, an expansion of Open Banking regulations. Introduced through BACEN Resolutions 80, 81, and 82 of 2021, Open Finance mandates that banks, wealth managers, and fintechs share customer financial data with consent, enabling personalized financial services.

- Resolution 80/2021: Establishes technical and security standards for Open Finance operations.
- Resolution 81/2021: Regulates payment initiation services, allowing third-party providers to process payments without intermediaries.
- Resolution 82/2021: Expands Open Finance to include investment funds, insurance, and pension plans.

Open Finance has transformed wealth management, allowing private banks and fintechs to offer highly tailored financial products based on clients' financial behavior.

Regulation of Digital Banks

The emergence of digital banks and neobanks (such as Nubank, C6 Bank, and Banco Inter) has led to regulatory adaptations. CMN Resolution 4,656/2018 created two new banking categories:

- Sociedade de Crédito Direto (SCD): Direct credit companies that operate exclusively online, issuing loans with their own capital.

- Sociedade de Empréstimo entre Pessoas (SEP): Peer-to-peer lending platforms connecting investors with borrowers.

These regulations enabled the rapid expansion of fintech banks while maintaining risk control mechanisms.

Regulatory Framework for Financial Advisory and Distributors

Investment advisory and financial product distribution have evolved significantly, leading to regulatory updates to enhance transparency and reduce conflicts of interest.

CVM Resolution 19/2021 – New Framework for Investment Advisors

Previously, investment advisors operated under CVM Instruction 497, which classified them as "Agentes Autônomos de Investimento" (AAIs) tied to financial institutions. With CVM Resolution 19/2021, Brazil transitioned to a more independent advisory model.

Key changes:

- Investment advisors can now act as independent fiduciaries rather than being exclusively linked to a bank or broker.
- Advisors must register directly with CVM and adhere to stricter fiduciary responsibilities.
- Stronger transparency requirements regarding fee structures and commissions.

This regulation aligned Brazil's advisory market more closely with U.S. and European models, reducing conflicts of interest and enhancing investor protection.

Regulation of Fund Distribution

Investment funds are distributed through public offerings and private placements, regulated by:

- CVM Resolution 160/2022 (which replaced Instruction 400/2003): Governs public offerings, requiring fund managers to disclose investment risks and financial information.
- CVM Resolution 161/2022: Streamlines private placements, reducing bureaucracy for professional investors.

These changes modernized capital distribution while ensuring compliance with investor protection laws.

Compliance, Taxation, and AML Regulations

Anti-Money Laundering (AML) Laws – Law 9,613/1998 and BACEN Circular 3,978/2020

Brazil has strengthened anti-money laundering (AML) and counter-terrorism financing (CTF) regulations through:

- Law 9,613/1998, updated by Law 13,974/2020, establishing stricter AML reporting obligations for financial institutions.
- BACEN Circular 3,978/2020, mandating financial entities to adopt risk-based AML policies and implement real-time transaction monitoring.

Taxation of Offshore Investments – Normative Instruction 1,037/2010

Brazilian investors with offshore accounts and trusts must comply with Normative Instruction 1,037/2010, which outlines reporting obligations for foreign-held assets.

Additionally, the government has proposed new tax reforms to increase taxation on foreign-held investment vehicles, a major concern for HNWIs and wealth managers.

Brazil's regulatory framework for funds, wealth management, banks, investment advisory, and financial distribution has undergone significant modernization, aligning the country with international financial standards. The implementation of Open Finance, CVM 175, and BACEN resolutions on fintechs has transformed the investment landscape, improving market transparency and investor protection.

Looking ahead, regulatory challenges remain, particularly concerning family office governance, taxation of offshore wealth, and data privacy within Open Finance. However, Brazil's robust regulatory advancements position it as a leading emerging market for financial services innovation.

5 RESULTS

The results of this research are divided by each category already explored in theoretical and market terms. The results also dedicate to benchmark, to different countries which economies are very similar to Brazil.

5.1 Private Banks

The private banking sector is a pioneer consumer of wealthtechs. They are placed in a paradoxical position: even being the major consumer, they can also play a competitor role when they develop systems internally. That is, the major competitors in this market for the major players are often their own technology sectors. High costs for contracting external solutions, regulatory compliance requirements, and the need for customization frequently encourage the internal development of proprietary systems.

This dynamic is not exclusive to private banking; it extends to wealth management and asset management as well. Many institutions weigh the trade-off between adopting third-party solutions—benefiting from cutting-edge innovation and rapid deployment—and investing in internal development to maintain control over data security, integration, and cost management. Additionally, as wealthtech solutions evolve with artificial intelligence, automation, and advanced analytics, private banks must balance between leveraging these advancements and protecting their competitive edge, reinforcing the dual role of both client and competitor in the wealthtech ecosystem.

5.2 Asset and Funds

The growing number of funds is a result of the regulation of the financial system, the increase in the amount of money invested, and the education of the population regarding financial products. In other words, the expansion of investment funds represents an attempt at financial innovation, previously hindered by lack of awareness, regulatory limitations, or a general aversion to more sophisticated financial instruments. This shift reflects both a structural evolution in the Brazilian market and a broader global trend of increased investor participation, facilitated by digitalization and improved financial literacy.

The Brazilian market has been experiencing a prolonged period of high interest rates (2020: 3.00%; 2021: 4.67%; 2022: 11.83%; 2023: 13.25%; 2024: 11.00%), making fixed income investments particularly attractive. As a result, fixed income funds have gained prominence, marking a clear trend in the demand for technology that caters specifically to the complexities of fixed income bookkeeping and reporting. This shift underscores a growing necessity for wealthtech solutions that provide automation, compliance monitoring, and real-time analytics to optimize investment management in a high-rate environment.

Additionally, investments targeted at specific sectors and the increasing emphasis on ESG (Environmental, Social, and Governance) policies have reshaped the landscape of differentiated funds. The demand for wealthtech systems has evolved alongside this movement. Companies seeking capital must now demonstrate adherence to ESG principles, not only for regulatory compliance but also to align with investor preferences. Consequently, wealthtech platforms have integrated mechanisms that enable investors to filter, receive alerts, or even block investments that do not align with their ethical or sustainability criteria, ensuring that financial strategies reflect personal values.

The diversification of investment modalities also drives the need for more sophisticated systems. Wealth funds, for example, present increasingly complex structures. Even if a portfolio is predominantly composed of real estate receivables, it may still be categorized as a real estate fund due to regulatory definitions. This evolving complexity creates a demand for highly adaptive and customizable digital solutions capable of managing multi-asset portfolios and dynamic investment classifications.

Another critical factor influencing the selection of a wealthtech provider is data security. Investor data protection remains a fundamental concern when adopting wealth management systems, particularly given the increasing risks associated with cyber threats. Institutions must assess cloud security standards, encryption protocols, anti-hacking mechanisms, and compliance with data protection regulations before committing to a wealthtech solution. As digital financial ecosystems expand, robust cybersecurity measures have become a non-negotiable requirement for both investors and regulatory bodies.

5.3 Distributors

New fund categories, such as FIDCs, require a reworked approach to distribution and management. Unlike traditional investment vehicles, FIDCs involve shares with distinct ratings, varying risk profiles, and specific liquidity constraints, all of which directly impact their distribution strategies and investor eligibility. This complexity demands a greater degree of automation in fund administration, risk assessment, and compliance monitoring.

The segmentation of FIDC shares into senior and subordinated tranches influences both investor profiles and the channels through which these funds are marketed. Institutional investors, such as banks and pension funds, typically seek senior shares due to their lower risk exposure, while subordinated shares, with higher risk and potential return, are generally targeted at more sophisticated or accredited investors. Consequently, wealthtech solutions play a critical role in optimizing fund distribution by enabling automated investor profiling, suitability assessments, and customized reporting tools.

Furthermore, the liquidity constraints inherent in FIDCs require robust portfolio management systems that integrate real-time credit risk analysis, cash flow projection, and regulatory compliance capabilities. Given the growing appetite for structured credit investments, particularly in high-interest environments, financial institutions are increasingly relying on specialized technology to ensure transparency, efficiency, and compliance in fund structuring and distribution.

As regulatory frameworks evolve to accommodate the expansion of structured credit markets, wealthtech platforms must continue to adapt to provide seamless integration with market infrastructures, facilitate regulatory reporting, and support more dynamic allocation strategies. This shift underscores the ongoing transformation of fund management, where digitalization is not just a competitive advantage but an operational necessity.

5.4 Advisory

The decentralized structure of advisors in Brazil presents a significant challenge for competition among wealthtechs. While large banks maintain advisory segments equipped with sophisticated and robust systems, smaller independent offices often struggle with the high costs associated with acquiring and maintaining advanced financial technology. This disparity has led to a bifurcated market, where two distinct segments emerge: well-capitalized firms with access to

cutting-edge technology and smaller advisory firms operating with outdated tools or opting for more affordable, less comprehensive systems.

This technological distinct influences not only the level of service provided but also the scalability and efficiency of advisory businesses. Large financial institutions leverage integrated platforms with AI-driven analytics, automated compliance checks, and multi-asset portfolio management capabilities, giving them a competitive advantage in attracting high-net-worth clients. Meanwhile, smaller firms, constrained by budget limitations, often rely on fragmented solutions or manual processes, limiting their ability to compete on the same level.

As a result, wealthtechs aiming to serve this fragmented advisory market have the opportunity develop flexible pricing models and scalable technology solutions.

5.5 Family Office

Family Offices offer highly specialized and expensive services. Currently, with the more exclusive role of some advisors and more decentralized assets, some less wealthy people can experience more premium services, but never as a family office. This category is highlighted by highly personalized investments, concierge and a trend towards the internationalization of financial investments. In this sense, investments can be made directly or indirectly, via ETF for example. In all modes, there is a demand for systems that compute the taxation of both the original country and the foreign investment country. There is also demand for consolidation platforms, this is a trend since the dollar is increasingly sought after for its stability and other countries with more legal certainty and lower foreign exchange rates.

Family Offices known by provide highly specialized and exclusive financial services tailored to ultra-high-net-worth individuals (UHNWIs) and families have hallmark is a personalized approach to wealth management, encompassing investment diversification, estate planning, tax optimization, and concierge services that go beyond traditional financial advisory. However, recent trends indicate that some of these premium services are becoming accessible to a broader audience, particularly through independent advisors offering more exclusive, customized solutions. Despite this evolution, the distinction remains: full-scale Family Office services, with their bespoke investment strategies and dedicated infrastructure, remain reserved for the wealthiest clients.

A key trend in this segment is the increasing internationalization of financial investments. High-net-worth individuals (HNWIs) and Family Offices are diversifying their portfolios globally, seeking exposure to stable currencies such as the U.S. dollar and investing in jurisdictions with lower foreign exchange risks and stronger legal protections. This international diversification can be pursued through direct investments, private equity, and structured instruments, or indirectly via exchange-traded funds (ETFs).

As cross-border investment activity grows, so does the demand for technological solutions capable of managing the complexities associated with multi-jurisdictional taxation. Systems must accurately compute tax obligations in both the investor's home country and the foreign jurisdiction where assets are held, ensuring compliance with international tax treaties and regulatory frameworks. Additionally, consolidation platforms have gained prominence, allowing investors to aggregate their global portfolios, track performance across different asset classes, and streamline reporting for regulatory and tax purposes.

The pursuit of stability and diversification is further amplified by macroeconomic uncertainties, making foreign-denominated assets an attractive hedge against domestic volatility. This trend underscores the necessity for wealthtech solutions that not only facilitate international investment execution but also provide robust compliance tools, automated tax reporting, and seamless integration across financial markets. As Family Offices continue to evolve, wealthtechs will play a crucial role in enhancing operational efficiency, security, and strategic decision-making in an increasingly complex and globalized investment landscape.

5.6 Brazilian Wealthtechs Market Moves

The Brazilian wealthtech sector has experienced a significant wave of consolidation, driven by the increasing need for technological innovation, market expansion, and enhanced service offerings. Mergers and acquisitions have played a crucial role in shaping the competitive landscape, with key players seeking to integrate specialized solutions and broaden their capabilities to meet evolving investor demands.

BRITech, founded in 2014, has positioned itself as a major player in the financial technology sector through a series of strategic acquisitions. Since its inception, the company has expanded

its portfolio by acquiring Atatika, Cynel, and ABS – Asset Banking System, reinforcing its presence in investment and wealth management solutions. In February 2025, BRITech further strengthened its market position with the acquisition of IT4 Finance and Sisfinance, both developers of financial market systems (Finsiders Brasil, 2025). These acquisitions reflect the company's strategy of integrating cutting-edge solutions to provide a more comprehensive service to financial institutions and independent wealth managers.

A notable example of international interest in the Brazilian fintech sector is the acquisition of Sinqia by Evertec, a Puerto Rican payment solutions company. Founded in 1996, Sinqia had already expanded its capabilities through various acquisitions, including NewCon, a software provider specializing in consortia management, and QuiteJá, a startup focused on digital credit recovery. The acquisition, valued at approximately R\$ 2.5 billion, underscores the growing attractiveness of the Brazilian financial technology sector to global investors, as well as the increasing relevance of integrated financial solutions (Evertec, 2023).

SmartBrain, a company specializing in investment portfolio consolidation, has also leveraged external investment to accelerate its growth. In 2022, it secured a US\$ 10 million investment from Bradesco's Inovabra Ventures, with a clear focus on scaling its operations and expanding its technological solutions (SmartBrain, 2022). This investment not only provided capital for acquisitions but also enabled the company to enhance its digital tools, catering to the growing demand for efficient and sophisticated portfolio tracking solutions.

Similarly, ComDinheiro, founded in 2012, was acquired by Nelogica, a leading financial market technology provider. This acquisition allowed Nelogica to incorporate advanced financial data analytics into its ecosystem, bridging the gap between trading platforms and market intelligence solutions. As retail and institutional investors increasingly rely on data-driven decision-making, the integration of ComDinheiro's financial analytics into Nelogica's suite of tools represents a strategic move toward a more comprehensive investment ecosystem (Beyond the Law, 2022).

The consolidation of these companies highlights a broader trend in the Brazilian wealthtech sector: established firms are actively acquiring specialized startups to strengthen their technological infrastructure, expand their market share, and offer a more integrated range of services. This movement is not solely a response to increasing competition but also a reflection of a maturing market, where financial technology solutions must evolve to accommodate regulatory changes, investor sophistication, and a rapidly digitalizing investment landscape. As

global and local players continue to shape the sector, the trajectory of wealthtech firms in Brazil points toward further innovation, international expansion, and deeper integration between wealth management, data analytics, and financial planning solutions.

5.7 Regulatory Milestones and Wealthtechs foundation

The development of financial technology companies in Brazil has been strongly influenced by the evolution of the regulatory framework governing financial markets, investment funds, banking, and wealth management. The intersection between these regulatory advancements and the founding of key wealthtech and fintech companies highlights how legal adaptations have shaped and enabled innovation in the sector. Below is an analysis of major regulatory milestones and their relationship with the emergence of companies such as BRITech, SmartBrain, ComDinheiro, Maravi, Inoa, IT4 Finance, Sinqia, Dimensa, and Gorila.

Early Regulatory Framework and the Establishment of Core Financial Software Providers (1996–2008)

- **1996 – Establishment of Sinqia (formerly Senior Solution)**
The foundation of Sinqia coincided with a period of financial system modernization in Brazil, following the implementation of **Resolution CMN 2,099/1994**, which standardized financial services regulation. At this time, financial institutions began adopting automation systems to comply with risk management and reporting standards imposed by the Central Bank of Brazil (BACEN). The emergence of firms like Sinqia reflected the growing demand for financial technology solutions tailored to banks and investment managers.
- **1999 – CVM Instruction 302 (Regulation of Investment Funds)**
This instruction provided a structured regulatory environment for fund managers, enabling the formalization of rules for risk management and investor protection. The period following its introduction led to an expansion of asset management firms and the demand for portfolio management solutions.
- **2004 – SmartBrain’s Foundation and Investment Fund Expansion**
SmartBrain was founded at a time when the Brazilian fund industry was growing due to **CVM Instruction 409/2004**, which established clear guidelines for investment

funds, including rules for transparency and fiduciary duties. This regulation enhanced investor confidence and contributed to the expansion of wealth management, boosting demand for portfolio consolidation and fund administration solutions, which became SmartBrain's core business.

- **2008 – Creation of Inoa and Strengthening of Market Infrastructure**
The introduction of **Resolution CMN 3,380/2006**, which imposed stricter risk management and reporting requirements for financial institutions, spurred technological advancements in trading platforms and financial infrastructure. Inoa emerged as a provider of high-performance solutions for institutional investors, responding to these regulatory shifts by offering tools for algorithmic trading, risk management, and real-time data processing.

Expansion of Fintechs and Digital Financial Services (2012–2016)

- **2012 – Launch of ComDinheiro and IT4 Finance amid Regulatory Developments**
The founding of ComDinheiro and IT4 Finance occurred alongside the introduction of **CVM Instruction 505/2011**, which regulated brokerage operations and enhanced digitalization in the investment sector. Additionally, **BACEN Resolution 4,282/2013** established operational rules for financial data processing firms, further legitimizing the role of technology companies in investment analysis and fund administration.
- **2014 – BRITech's Founding and the Growth of SaaS-Based Investment Management**
The emergence of BRITech aligned with **CVM Instruction 555/2014**, which modernized the regulatory framework for investment funds, replacing CVM 409. The new instruction introduced greater flexibility for fund managers, increased investor protection, and standardized compliance requirements. This regulation fueled the need for scalable, SaaS-based solutions for fund and wealth management, which became BRITech's core offering.
- **2015 – Maravi's Creation and the Rise of Alternative Investments**
Maravi was founded in a period marked by the evolution of wealth management and alternative investments, driven by **CVM Instruction 578/2016**, which updated regulations for private equity funds (FIPs). This regulatory update encouraged high-net-

worth individuals and institutional investors to seek diversified investment solutions, leading to increased demand for wealthtech services.

- **2016 – Gorila’s Launch and the Shift Toward Digital Investment Platforms**
Gorila entered the market amid the growing adoption of **open banking concepts** and the increased regulatory focus on transparency and investor rights. The introduction of **CVM Instruction 558/2015**, which revised governance and compliance rules for portfolio managers, played a crucial role in structuring the wealth management industry. Gorila positioned itself as a key player in investment consolidation and portfolio tracking.

The Era of Open Finance, Digital Transformation, and Regulatory Modernization (2018–Present)

- **2018 – Introduction of Payment Institutions and Digital Credit Frameworks**
The rise of fintechs, including digital wealth management platforms, accelerated with **BACEN Resolutions 4,649/2018 and 4,656/2018**, which regulated payment institutions and direct credit companies (SCDs). These resolutions laid the groundwork for Open Finance and digital lending models, fostering innovation in wealth management solutions.
- **2021 – Formation of Dimensa and Expansion of B2B Financial Services**
Dimensa was created through a joint venture between TOTVS and B3, capitalizing on regulatory shifts favoring financial technology firms. **CVM Resolution 175/2023**, which replaced multiple investment fund instructions with a unified framework, further solidified the importance of digital fund distribution and compliance automation, areas where Dimensa plays a critical role.
- **2022–2023 – Regulatory Consolidation and the Expansion of WealthTechs**
Recent years have seen the implementation of **BACEN's Open Finance framework** and further adjustments to **CVM 175**, which promote efficiency and transparency in fund management. These regulations drive demand for technology-driven solutions that facilitate compliance, risk management, and automated advisory services.

The regulatory landscape in Brazil has played a fundamental role in shaping the financial technology sector. Early regulations, such as CMN 2,099/1994 and CVM 409/2004, provided the foundation for companies like Sinqia and SmartBrain, which focused on investment fund technology. As regulatory frameworks evolved with CVM 555/2014 and BACEN's fintech resolutions, firms like BRITech, Gorila, and Maravi emerged, leveraging SaaS models and digital platforms.

More recently, regulations such as CVM 175/2023 and Open Finance initiatives have driven further digital transformation, encouraging the expansion of companies like Dimensa and strengthening the role of wealthtechs in fund management, advisory, and investment services. This trend suggests a continued trajectory of technological advancement and regulatory adaptation in Brazil's financial sector.

5.8 WealthTech in India and Comparative Analysis with Brazil

India is an essential benchmark due to its extraordinary scale of digitalization and the rapid maturity of its financial technology ecosystem. As an emerging market powerhouse, India presents parallels with Brazil in terms of massive, previously underserved, populations newly entering the formal investment landscape. The government-backed digital public infrastructure, particularly the Unified Payments Interface (UPI) system, has fostered a culture of digital trust and mass adoption, creating a fertile ground for Wealthtechs to thrive. Analyzing India allows this study to assess the scalability of Brazilian Wealthtech solutions in a high-volume, mobile-first environment and to understand regulatory frameworks that prioritize both innovation and financial inclusion.

The wealth management industry in India is undergoing a significant transformation, driven by technological advancements, regulatory reforms, and the growth of the middle class. The wealthtech market in the country is expected to surpass US\$60 billion by FY2025, representing a substantial increase from its current value (TICE, 2024). This growth is fueled by the integration of advanced technologies such as artificial intelligence (AI), machine learning (ML), and big data analytics, which are increasing the accessibility and efficiency of wealth management services (EY, 2024).

A notable shift in investment behavior is underway, with financial instruments now accounting for 33% of India's GDP, indicating a shift from traditional physical assets to digital portfolios (RedSeer, 2024). This movement is driven by the proliferation of digital platforms such as Zerodha, Groww and Upstox, which have democratized investing by offering intuitive interfaces and low-cost services, attracting a new generation of young, tech-savvy investors (Novus Insights, 2024).

The WealthTech sector in India is highly competitive, characterized by the presence of emerging startups and established players, all seeking to meet the growing demands of different customer segments, including middle-class investors, millennials and Generation Z (EY, 2024). This environment promotes continuous innovation and the development of customized financial solutions.

The role of regulators, especially the Securities and Exchange Board of India (SEBI), is critical to the evolution of the WealthTech sector in the country. Initiatives such as regulatory sandboxes have been implemented to allow the experimentation of new financial products in a controlled environment, promoting transparency and investor protection (EY, 2024).

India and Brazil, as two of the largest emerging economies, have both similarities and differences in their WealthTech ecosystems.

Both countries have young and growing populations with increasing disposable income, resulting in higher demand for investment opportunities. The rapid adoption of digital technologies has facilitated the spread of fintech platforms, making financial services more accessible.

Both India and Brazil have implemented policies to increase financial inclusion and financial literacy, fostering a more informed investor base. Digital infrastructures, such as the instant payment system UPI in India and Pix in Brazil, have revolutionized financial transactions and driven the adoption of WealthTechs.

In both countries, there is a clear move towards the digitalization of wealth management services, with platforms offering automated advisory and AI-based portfolio management tools.

While India is still transitioning from traditional investments in gold and real estate to financial instruments, Brazil already has a well-established investment culture. The Brazilian financial

market is relatively more mature, with a larger proportion of the population actively participating in the capital markets.

India's regulatory environment is more dynamic, with SEBI encouraging innovation through regulatory sandboxes and flexible guidelines for fintechs. In Brazil, regulation has been more conservative, with a greater focus on stability and risk mitigation, which may slow down innovation in the WealthTech sector.

In India, WealthTechs are expanding their operations to mid-sized cities (Tier 2 and Tier 3), driven by the growth of digital infrastructure and increasing financial literacy. In Brazil, WealthTech adoption is still largely concentrated in large urban centers, with little penetration in rural and semi-peripheral regions.

Indian platforms are increasingly targeting millennials and Gen Z, offering hyper-personalized AI-based services. In Brazil, Wealthtechs still predominantly serve high-net-worth investors (HNWIs), although there is a movement to democratize access to investment services.

The WealthTech sectors in India and Brazil are poised for significant growth, driven by technological innovations, regulatory support, and changing investor profiles. The current environment of India's proactive regulatory framework and rapid market digitalization serve as a benchmark for accelerating WealthTech integration. Brazil, on the other hand, with a more mature financial market, offers insights into the management of more developed investment ecosystems and the challenges of digital transformation.

For both countries, the future of WealthTech will likely involve:

- Increased collaboration between traditional financial institutions and fintechs.
- Development of accessible and personalized financial products.
- Continued emphasis on financial education and digital inclusion.

As these markets evolve, they provide valuable lessons on how to leverage technology to democratize wealth management and drive sustainable economic growth.

5.9 Comparative Analysis: Africa and Brazil

While the broader African continent is often analyzed as a monolithic entity, this study employs a targeted approach by focusing on Nigeria and South Africa to reflect the heterogeneity of

emerging market development. This focus ensures the comparative findings are relevant, grounded, and specific to distinct financial infrastructures.

Nigeria: Technology, Fund Market Dynamics, and Disruption

Nigeria is crucial to this study due to its position as Africa's largest economy and a global leader in grassroots fintech adoption. The Nigerian market offers insights into the power of mobile-first technology to leapfrog traditional financial barriers, particularly in wealth advisory. Furthermore, the burgeoning Nigerian fund market—though smaller than Brazil's—is experiencing accelerated growth fueled by regulatory reforms and increased retail participation. This makes Nigeria an ideal case study to evaluate how Wealthtechs operate in an environment where technological disruption precedes, rather than follows, established legacy financial systems, offering a contrasting model to Brazil's bank-centric development.

South Africa: Direct Structural Parallels with Brazil

The inclusion of South Africa provides the most direct structural comparison to Brazil. Both nations are part of the BRICS grouping and share the challenge of managing a large, sophisticated financial services sector (Private Banking, Asset Management) alongside significant socio-economic inequality. South Africa has a well-developed financial market with deeply entrenched institutions and a regulatory environment often considered more mature than other emerging markets. By comparing South Africa's approach to Wealthtech adoption—especially within its sophisticated private wealth management and retirement funds sectors—the study gains critical insights into how a peer-economy handles the integration of digital solutions while maintaining robust regulatory oversight, offering direct lessons and forecasts for the Brazilian market.

In recent years, Africa has emerged as one of the leading FinTech markets, with WealthTech standing out as a key sector for financial inclusion and investment democratization. In 2021, WealthTech was the third-largest segment in terms of the number of deals across the continent, despite experiencing a slight decline compared to the previous year. This trend reflects the ongoing efforts to address the historically low levels of financial inclusion and access to credit in the region (THE FINTECH TIMES, 2024).

Companies such as EasyEquities, founded in 2015 by Charles Savage, have played a crucial role in shaping this ecosystem. EasyEquities introduced fractional stock trading in South Africa,

allowing investors to purchase fractions of company shares, thus lowering the barrier to entry into the stock market. This innovation led to the platform surpassing 1.4 million registered users, indicating a growing interest in digital investment solutions among South Africans (THE ORG, 2024).

Beyond South Africa, platforms such as Ndovu in Kenya and Chaka in Nigeria are expanding access to wealth management tools. Ndovu provides diversified portfolios tailored to user-specific financial goals, while Chaka facilitates investments in both local and international stocks. These initiatives not only promote financial inclusion but also contribute to financial literacy among a new generation of African investors (THE ORG, 2024).

Both Africa and Brazil have young and growing populations, creating a rising demand for digital financial services. The rapid adoption of mobile and digital technologies in both regions has allowed FinTech platforms to extend financial access to previously underserved populations (THE FINTECH TIMES, 2024; THE DIGITAL FIFTH, 2023).

Policymakers in both Africa and Brazil have implemented financial inclusion programs aimed at increasing public awareness and participation in investment markets. The digital infrastructure in these regions, such as Brazil's instant payment system Pix and Africa's mobile banking solutions, has significantly improved access to digital financial services (WEETRACKER, 2021).

In both regions, digital wealth management is becoming more prominent, with platforms integrating artificial intelligence (AI)-driven advisory services and automated portfolio management tools. This trend reflects a shift toward more data-driven investment strategies that cater to retail and high-net-worth investors alike (LINKEDIN PULSE, 2024).

While Africa is transitioning from traditional investments to digital financial instruments, Brazil already has a more developed investment culture. The Brazilian financial market is relatively more mature, with a higher percentage of the population actively participating in capital markets (REDSEER, 2024).

Africa faces diverse regulatory landscapes, with some countries fostering innovation through regulatory sandboxes while others maintain conservative financial policies. Meanwhile, Brazil has a relatively stable but highly regulated financial sector, which can sometimes slow down innovation in Wealthtech (THE FINTECH TIMES, 2024; CVM, 2024).

Wealthtech services in Africa are increasingly reaching beyond metropolitan areas, extending into previously underserved regions. In contrast, Brazil's adoption of Wealthtech remains largely concentrated in major urban centers, with limited penetration in rural and semi-urban areas (TICE NEWS, 2024).

African Wealthtech platforms are designed to serve a wide range of clients, from millennials to emerging middle-class investors, offering lower-cost and mobile-first solutions. Conversely, Brazilian Wealthtechs still cater primarily to high-net-worth individuals (HNWIs), although recent trends indicate a movement toward democratizing investment access (THE DIGITAL FIFTH, 2023).

The Wealthtech sectors in Africa and Brazil are positioned for significant growth, driven by technological advancements, supportive regulatory changes, and evolving investor profiles. In Africa, the adoption of digital financial services and the expansion of technological infrastructure create an environment conducive to Wealthtech growth. In Brazil, despite a more conservative regulatory environment, the demand for digital wealth management solutions continues to increase, particularly among younger investors (THE FINTECH TIMES, 2024; ANBIMA, 2024).

Looking forward, the future of Wealthtech in both regions will likely include:

- Greater collaboration between traditional financial institutions and FinTech startups.
- The development of accessible and customized financial products.
- A continuous emphasis on financial education and digital inclusion.

As these markets evolve, they provide valuable insights into how technology can be leveraged to democratize wealth management and drive sustainable economic growth.

6 Conclusion

The Wealthtech market in Brazil represents a critical intersection between technological innovation and financial services, driving the modernization of wealth management and facilitating access to advanced solutions for investors and institutions. The research demonstrated that the evolution of Wealthtechs is a reflection of the growing demand for

efficiency, transparency and personalization in financial services, in line with the digital transformation observed globally.

This study was undertaken to deliver a comprehensive analysis of the Wealthtech phenomenon within the Brazilian financial ecosystem. The primary scope of the research involved mapping the crucial intersection between technological disruption and the traditional wealth management sector, examining how firms adapt to optimize asset management, advisory services, and client experience. My central objective was three-fold: first, to identify and contextualize the main market players on both the demand side and the supply side (Wealthtech solutions); second, to evaluate the current market trends and the existing regulatory framework governing digital finance in Brazil; and finally, to establish a strategic international benchmark against key emerging markets.

This study confirms the initial expectations that Wealthtech is not merely a marginal trend but the central vector of transformation in Brazilian wealth management. By drawing parallels between the national ecosystem and the markets of India, Nigeria, and South Africa, the results demonstrate that Brazil, despite its more consolidated regulatory environment (especially compared to Nigeria), shares with these emerging countries the challenge of scaling digital solutions for rapidly expanding investor populations. The cross-analysis of data revealed that the adoption of Wealthtechs by Independent Wealth Managers and Private Banks exceeds what was anticipated in terms of speed and depth, validating the premise that the pursuit of operational efficiency and service personalization is universal, irrespective of market maturity. In summary, the findings prove that Brazil is at the forefront of technological adoption in Wealth Management among the emerging markets analyzed.

Comparing Brazil with other emerging markets, such as India and Africa, it is observed that each region has unique characteristics in terms of regulation, market structure and adoption of Wealthtech solutions. In the Brazilian context, there is a high concentration of financial services in large banks, which can be a challenge for the expansion of Wealthtechs, but also opens up opportunities for strategic collaborations between startups and traditional institutions.

Regulatory challenges were also highlighted as a crucial factor for the growth of Wealthtechs in Brazil. The new regulations of the Brazilian Securities and Exchange Commission (CVM), such as Resolution 175/2023, indicate a movement towards best practices in governance and

transparency in the sector, creating a more favorable environment for the adoption of technological solutions.

Looking ahead, Wealthtechs are expected to continue to expand their share of the Brazilian financial market, offering more accessible and sophisticated services to an increasingly digitalized audience. Integration with emerging technologies, such as artificial intelligence and big data, will be essential to personalize services and optimize the customer experience. At the same time, collaboration between Wealthtechs and traditional financial institutions can become a successful strategic model to ensure sustainable growth and regulatory compliance. In addition, with the advancement of technology, financial service offerings are increasingly democratized, allowing a greater number of investors to have access to sophisticated solutions that were previously restricted to high-income clients.

Thus, this study contributes to the understanding of the Wealthtech market in Brazil, highlighting its opportunities, challenges and future trends. The results reinforce the need for a clearer and more innovation-friendly regulatory ecosystem, as well as greater investment in financial education to expand the adoption of technological solutions in the sector.

Furthermore, this study is also very useful for market implications, because it presents the offering and the demand exhaustively in order to present the opportunities and the design of wealthtechs Brazilian market. Future market researches can include deep understanding of total addressable market, international competitors, internationalization, and the new financial system through open banking.

For future work on this topic, it is suggested that the Brazilian market be explored further through more in-depth research on both clients and wealthtechs in order to clarify their technological and marketing objectives. It is extremely important that work like this, which addresses a sector that is little explored academically in Brazil, cease to be scarce and pioneering and become a strong contribution to the technological advancement and economic development of the Brazilian nation.

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