



Retail Investors and the Next Short Squeeze

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What is a retail investor?

- Also known as individual investors
- Non-professional investors
- Invest smaller amounts than institutional investors
- Statistically drawn to investing in smaller companies with lower price-per-share stocks
- Almost 15% of retail investors began investing in 2020

Who is a retail investor?

	Generation Investor (Gen I)	Pre-2020 Investors
Optimistic about the U.S. stock market	72%	63%
Think the stock market will increase in value in 2021	57%	44%
Plan to invest more in the stock market	43%	20%
Plan to spend more time managing their portfolios	30%	19%

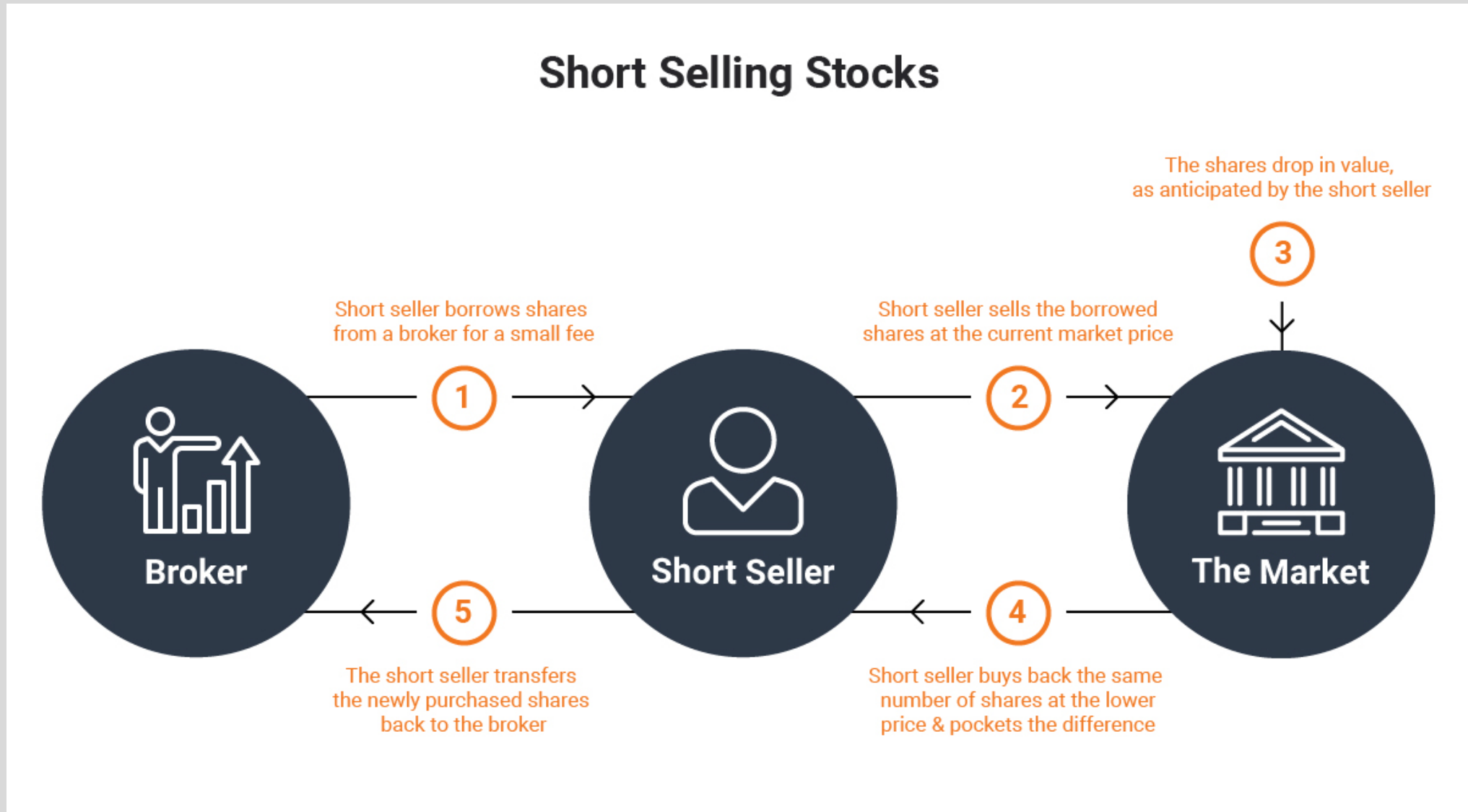
Who is a retail investor?

- Generation Investor by generation
 - Gen Z 16%
 - Millennials 51%
 - Gen X 22%
 - Boomers 11%
- Gen I averages \$20K < year (\$76K)
- Around half (51%) lives paycheck to paycheck
- 53% cite investing as an additional source of income

Retail Investing Stats

- In 2010 10.1% of all order flow was considered retail
 - 2019, 14.9%
 - 2020, 19.5%
- Robinhood Users
 - 2018 = 6M
 - 2019 = 10M
 - 2020 = 13M
- Fidelity, Schwab, and Vanguard are the biggest retail platforms each with roughly 30 million users

What is short selling?



What is a Short Squeeze?

- Shorting stock involves trading stock that is not yet owned, anticipating the price will drop in the future
- Short squeezing is when a highly shorted stock rises in price, causing a buying frenzy so that short sellers can quickly cover their shorted trades
- A forced short squeeze is when investors target shorted stocks to intentionally drive up the price so that shorted trades lose money



It's Happened Before

- One of the biggest short squeezes in history took place in 1923 when Piggly Wiggly supermarkets were shorted by investors
- For one day, in 2008, Volkswagen became the most valuable company on the planet when Porsche announced it had acquired 74% of the company, this spiked the value causing short sellers to scramble. The price of the stock rose 300% in 48 hours.



It'll Happen Again

- Retail investors have been on the lookout for the next short squeeze since GME was squeezed in January 2021
- FOMO trading is driving a lot of new “investors” to the market
- Charles Schwab Survey Data (Generation Investor Study)
 - 15% of current retail investors began in 2020
 - 44% of retail investors were short-term trading in 2020



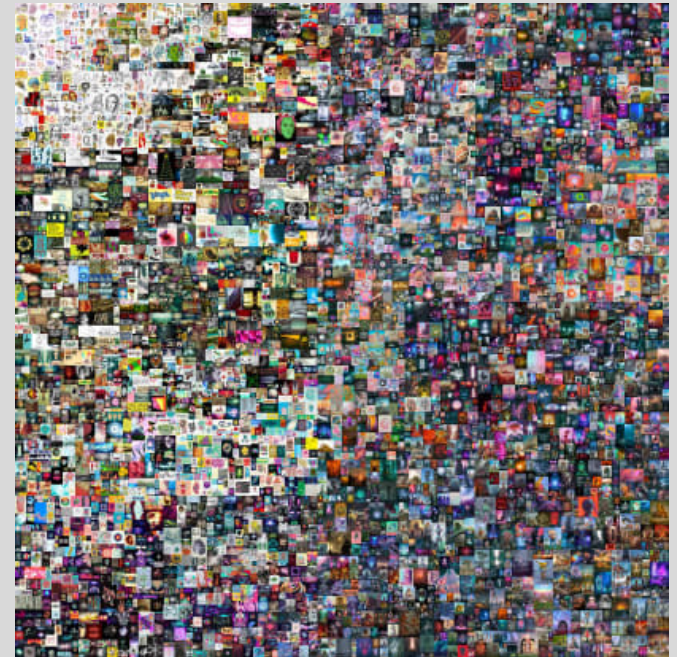
Groupthink, Twitter, and AMC

- Groupthink is a phenomenon that occurs when a group of individuals reaches a consensus without critical reasoning or evaluation of the consequences or alternatives.
- Mother Of All Short Squeezes - #MOASS
- HODLing until \$500K (more money than the world)
- Four executives sold \$3M in stock following 400% rise
- CEO Adam Aron gifted 250,000 each to his two sons

What are NFTs?

Non-Fungible Tokens are one-of-a-kind digital assets that can take the form of GIFs, tweets, and more. They exist on a blockchain currency and give the buyer digital ownership rights. –Intuit Mint Life⁶

- “The First 5000 Days” by Beeple
- Sold for \$69.3 million
- Paid for using 42,329 Ether (Ethereum)
- Launched NFT FOMO



Prevention Action Alliance

Lifetime Prevention | Lifetime Wellness

Prevention Action Alliance is a 501(c)3 nonprofit based in Ohio dedicated to leading healthy communities in the prevention of substance misuse and the promotion of mental health wellness.

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