

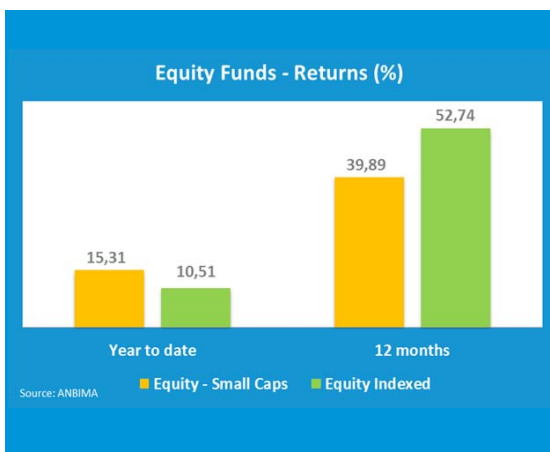
Brazilian fund industry posts record net sales in February and year to date

The fund industry recorded net sales of R\$20.7 billion in February, the highest figure for this month since the beginning of the series, in 2002. Given this result and the substantial capital inflow in recent months, the industry's net sales totaled R\$61.1 billion in the first two months of 2017 and R\$174.7 billion in the last 12 months, record figures in both periods. Although a portion of the inflow in early 2017 may have come from government funds due to seasonally higher tax collection, this effect was also fueled by substantial investments in Retail and Private funds.

Except for the Foreign Exchange funds, whose redemptions came to R\$47.7 million, all fund classes recorded positive capital inflow in February, including Equity funds, which has not happened since September. Likewise in recent months, the majority of net sales, R\$10.1 billion, went to Fixed Income funds, which were also responsible for the year's highest

capital inflow, R\$45.5 billion, followed by Balanced/Mixed funds, whose net sales amounted to R\$10.6 billion.

Encouraged by the upturn in fixed income and equity markets, confirmed by the increase by 2.26% in the IMA-Geral index and 3.08% in the Bovespa index, all other fund classes recorded positive returns in February, except for Foreign Exchange (-1.12%). Small Caps appreciated by 5.09%, once again becoming the highlight of the Equity fund class and posting the industry's highest upturn year to date (15.31%). Among the Fixed Income funds with relevant AuM, the Long Duration Sovereign type came in with the highest return (2.73%), 4.47% up year to date, while the Macro type once again stood out among the Balanced/Mixed funds, up by 2.40%, in February, and 4.55%, year to date.



Highlight of the Month

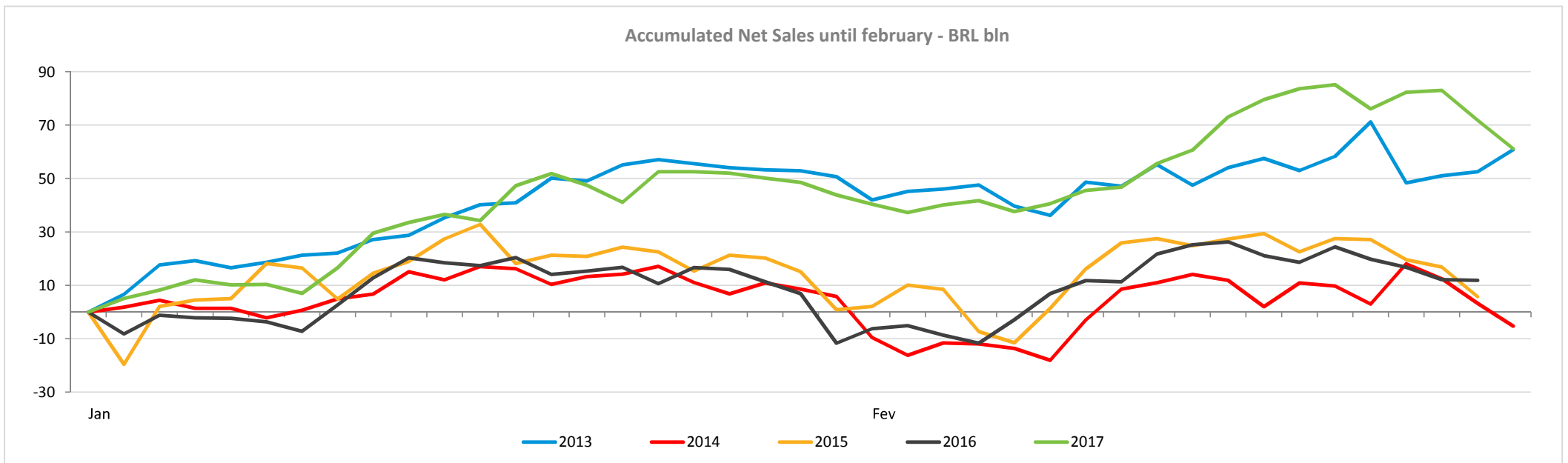
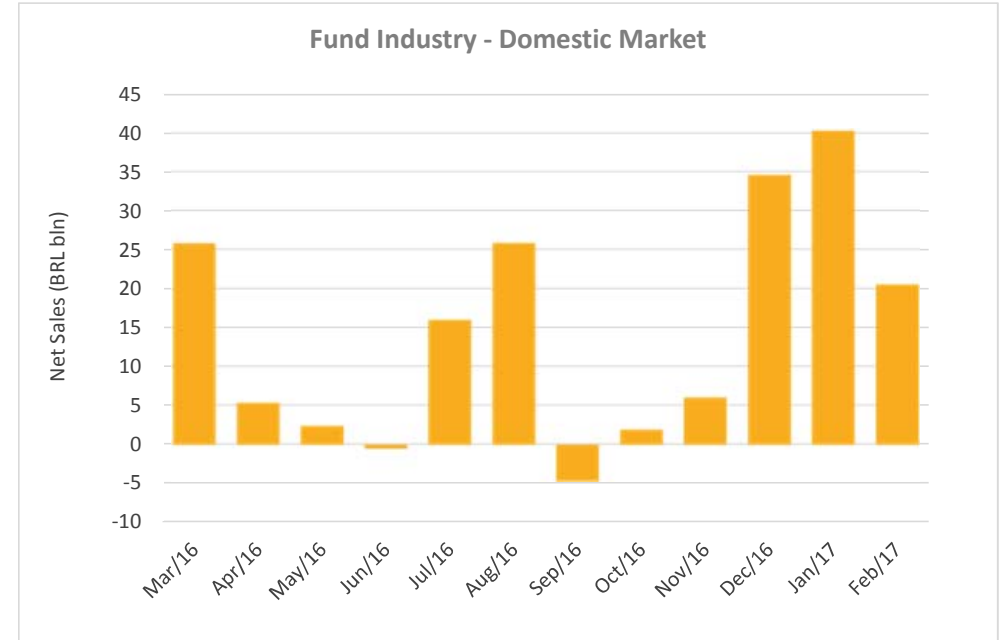
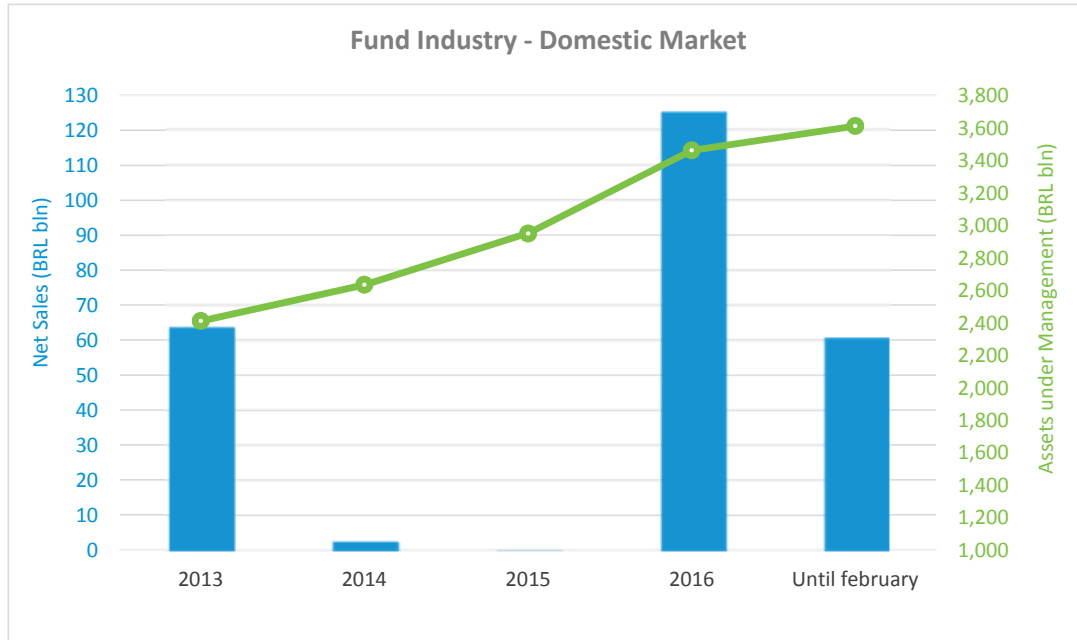
Differently from last year's trend, when stock market recovery was concentrated in shares with a high weight in the Bovespa index, shares of smaller capitalization companies have been on the spotlight in 2017, helping Small Caps funds record the highest return of the industry in the first two months of the year (15.31%), compared to the 10.51% upturn in Equity Indexed funds, which mostly follow the Ibovespa or the IBRX as a benchmark Index. In the last 12 months, however, the appreciation in Equity Indexed funds (52.74%) is still higher than that of the Small Caps type (39.89%).

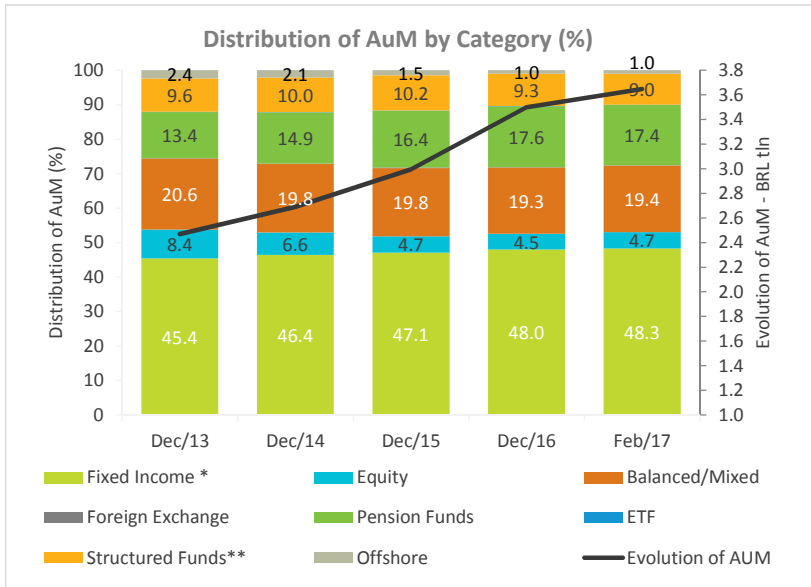
The Fund Industry in Numbers - February/2017

Domestic Market						
	Month		Year		12M	
Accumulated Net Sales (R\$ billion)	20.7		61.1		174.7	
Sales (R\$ billion)	351.7		777.5		4,618.4	
Redemptions (R\$ billion)	331.0		716.4		4,443.7	
Net Sales as % of AuM *	0.58		1.77		5.80	
	Feb/17	% Chg. - M	Dec/16	% Chg. - Year	Feb/16	% Chg. - 12M
Assets under Management (R\$ billion)	3,611.2	1.83	3,461.5	4.32	3,012.3	19.88
Number of Funds	14,961	0.25	14,883	0.52	14,449	3.54
Investment Funds	9,434	0.29	9,393	0.44	9,027	4.51
Funds of Funds	5,527	0.18	5,490	0.67	5,422	1.94
Net Balance (beginning - end)	36		115		-5	
Number of Accounts	12.2	-0.63	12.3	-0.18	11.7	4.46
Investment Funds	2.3	-4.87	2.4	-3.51	2.2	5.55
Funds of Funds	10.0	0.40	9.9	0.63	9.6	4.22
Off - Shore **						
Assets under Management (R\$ billion)	36.6		36.6	0.00	39.4	-7.0
Number of Funds	128		128	0.00	121	5.79
Industry Total						
Assets under Management (R\$ billion)	3,647.8	1.81	3,498.2	4.28	3,051.7	19.53
Number of Funds	15,089	0.25	15,011	0.52	14,570	3.56
Number of Administrators	105		103		106	
Number of Managers	552		548		551	

* Net sales as % of AuM is calculated using AuM on the last business day of the previous period.

** Off-Shore figures as of february//2016





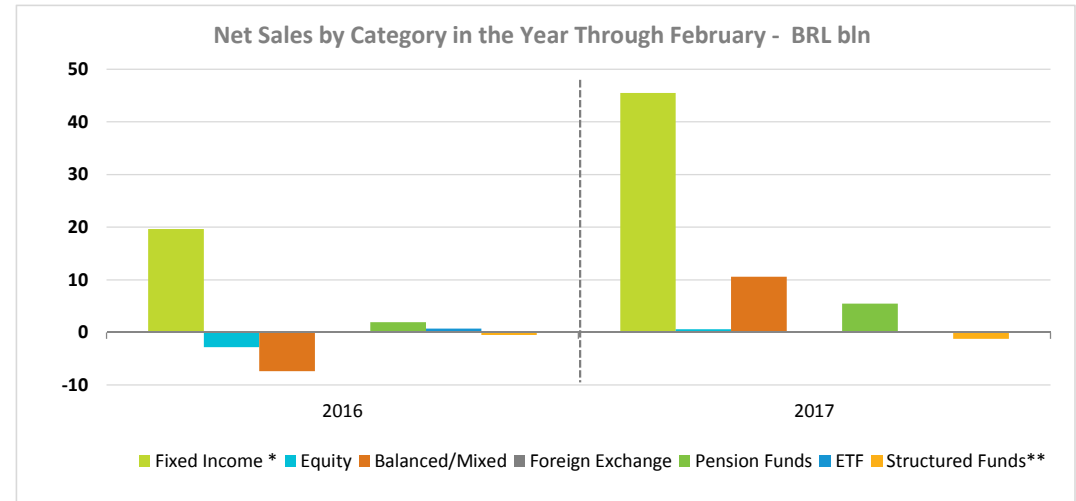
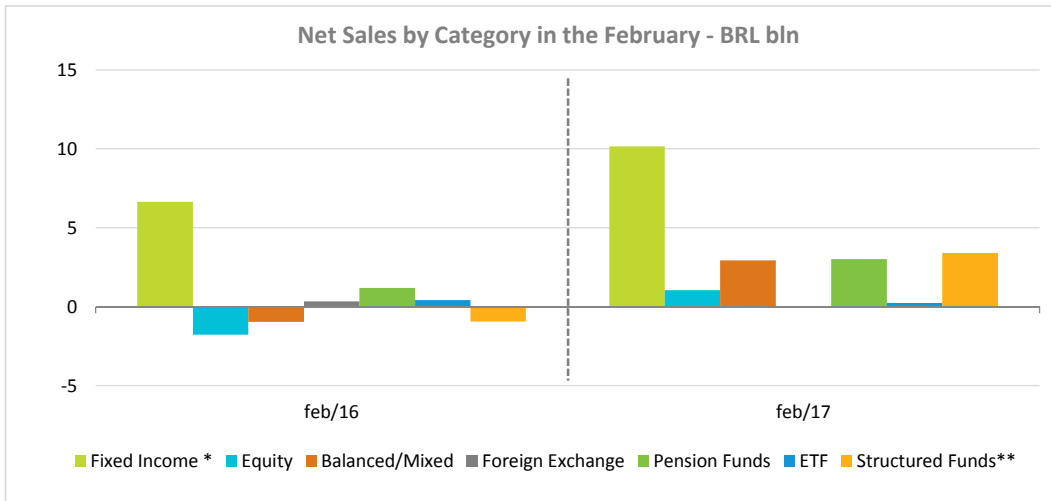
Net Sales - BRL bln

ANBIMA Category	February					Year to february			
	AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM
Fixed Income	1,763.1	294.5	284.4	10.1	0.58	640.1	594.6	45.5	2.71
Equity	169.7	3.2	2.2	1.0	0.63	6.2	5.6	0.6	0.37
Balanced/Mixed	706.0	24.0	21.1	2.9	0.42	60.8	50.2	10.6	1.57
Foreign Exchange	3.7	0.1	0.2	0.0	-1.27	0.4	0.4	0.0	-0.15
Pension Funds	635.7	17.4	14.4	3.0	0.48	42.4	37.0	5.5	0.89
ETF	4.3	0.3	0.1	0.2	5.78	0.5	0.4	0.2	4.94
Sub Total	3,282.5	339.7	322.3	17.3	0.53	750.4	688.0	62.3	1.97
Credit Receivables	84.4	11.5	8.5	3.0	3.70	25.7	28.2	-2.5	-2.84
Real Estate	183.6	0.6	0.2	0.4	0.23	1.4	0.2	1.2	0.68
Private Equity	60.6	-	-	-	-	-	-	-	-
Sub Total	328.6	12.1	8.7	3.4	1.05	27.1	28.4	-1.2	-0.38
Domestic Total	3,611.2	351.7	331.0	20.7	0.58	777.5	716.4	61.1	1.77
Off Shore	36.6	-	-	-	-	-	-	-	-
Industry Total	3,647.8	351.7	331.0	20.7	0.58	777.5	716.4	61.1	1.77

Note: Information subject to updating. Chart with revised monthly and yeart-to-date amounts available at www.anbima.com.br.

* For dates prior to October, The ANBIMA Classification of Fixed Income considers both categories, DI Benchmark and Money Market.

** Credit receivables, Real Estate and Private Equity.

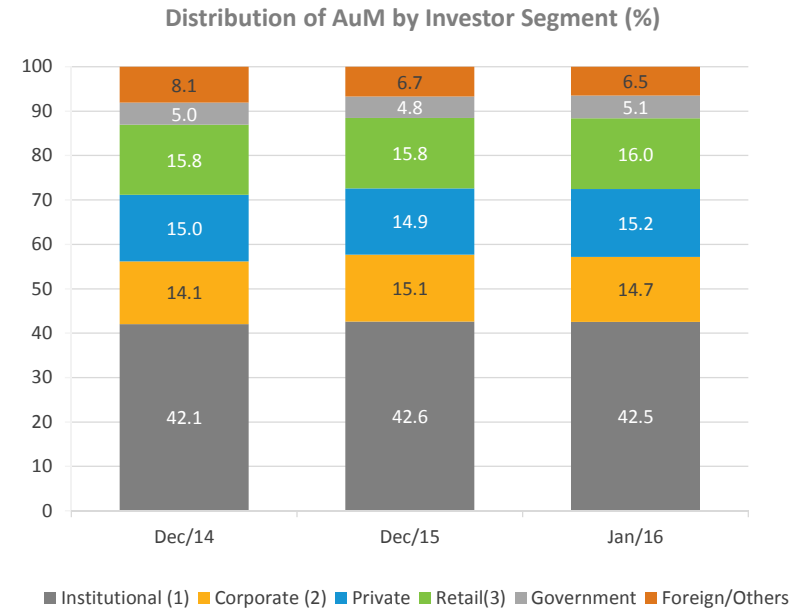


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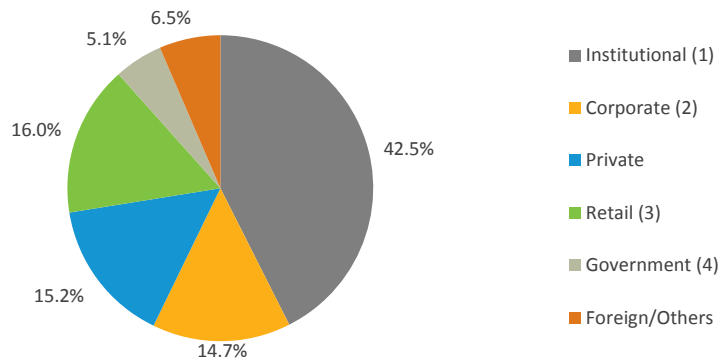
** Credit receivables and Private Equity.

AuM Distribution BRL bln - Jan/17 *

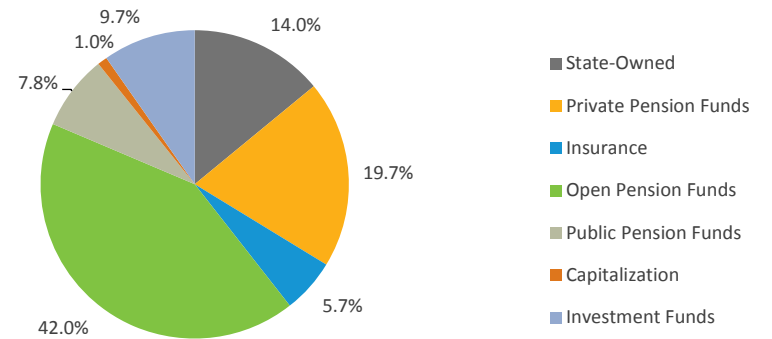
ANBIMA Category	Institutional ⁽¹⁾	Corporate ⁽²⁾	Private	Retail ⁽³⁾	Government	Foreign	Others	Total
Fixed Income	543.4	360.3	142.7	495.3	168.1	3.2	21.4	1,734.4
Equity	85.3	1.4	39.2	18.8	0.4	0.6	7.5	153.2
Balanced/Mixed	206.6	82.4	298.7	41.4	12.9	24.6	26.6	693.2
Foreign Exchange	0.6	1.5	0.6	1.0	0.0	0.0	0.1	3.8
Pension Funds	623.9	0.0	0.0	0.6	0.0	0.0	0.7	625.1
ETF	1.8	0.0	0.0	0.1	0.0	0.0	2.1	4.0
Sub Total	1,461.6	445.5	481.2	557.3	181.4	28.4	58.4	3,213.8
Credit Receivables	18.6	45.7	6.7	2.0	1.0	4.1	2.7	80.8
Real Estate	33.9	22.1	41.4	2.3	0.0	75.0	5.9	180.7
Private Equity	5.2	9.8	14.7	8.1	0.2	1.8	20.8	60.6
Sub Total	57.6	77.7	62.8	12.5	1.3	80.9	29.4	322.1
Off Shore	0.0	0.0	0.1	0.1	0.0	23.4	10.8	34.5
Total	1,519.2	523.2	544.2	569.9	182.7	132.7	98.6	3,570.4



Distribution of AuM by Investor Segment %



Distribution of AuM by Institutional Investors %



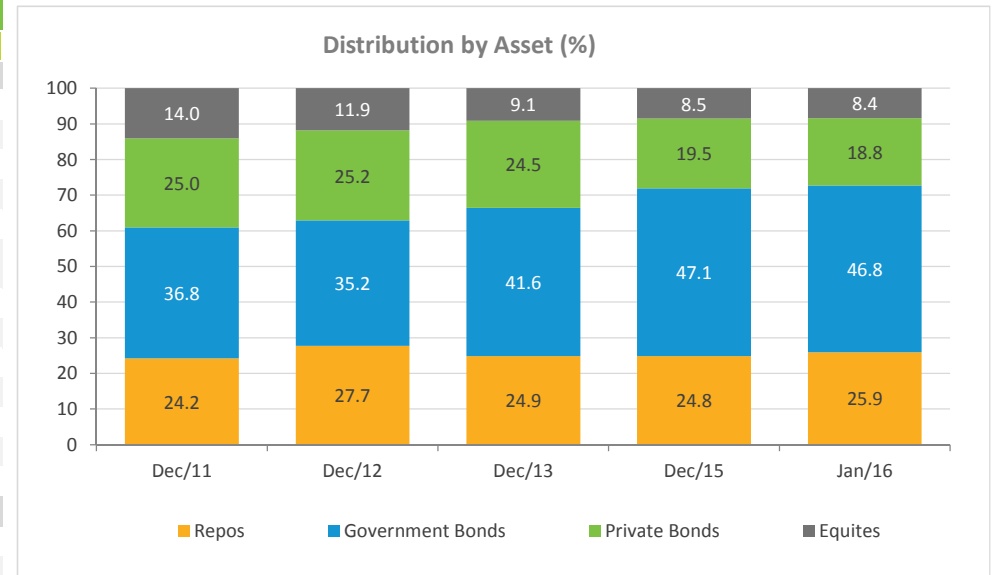
Obs.: (1) Closed Pension Funds , Open Pension Funds, Public Pension Funds, Insurance Companies, Capitalization, Investment Funds; (2) Corporate and Middle Market ;(3) Retail and Retail High Net Worth

* The figures given are for the stock on the last day of the reporting period

AuM Distribution by Asset (BRL bln) - Jan/2017 *

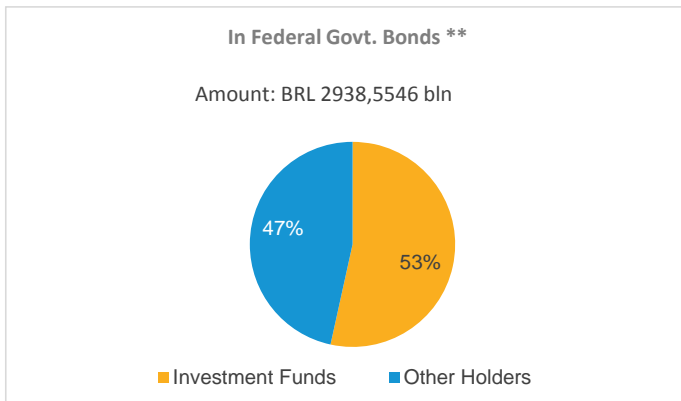
Asset	Jan/2017	% Chg. Month	Dec/2016	% Chg. Year	Jan/2016	% Chg. 12M
Fixed Income	3,069.0	2.61	2,990.8	2.61	2,579.2	18.99
Repo Operations	868.1	6.91	812.0	6.91	719.4	20.68
Federal Govt. Bonds	1,570.0	1.92	1,540.5	1.92	1,188.9	32.06
Private Securities	630.8	-1.17	638.3	-1.17	670.9	-5.98
CDB/RDB	66.2	-1.64	67.3	-1.64	70.1	-5.53
Financial Bills	309.0	0.75	306.7	0.75	321.3	-3.83
Collateral Time Deposits (DPGE)	6.5	-1.18	6.6	-1.18	10.7	-39.04
Debentures	85.8	-0.75	86.4	-0.75	87.3	-1.79
Commercial Papers	2.6	21.48	2.2	21.48	0.8	226.78
CCB/CCCB	1.7	-14.53	2.0	-14.53	1.8	-0.82
Credit Receivables	38.7	-8.38	42.3	-8.38	44.3	-12.66
Real Estate Sec.	55.6	-1.00	56.1	-1.00	58.9	-5.67
Foreign Investments	24.0	-5.87	27.0	-10.84	42.9	-43.90
Others	40.6	-2.66	41.7	-2.66	32.8	23.70
Variable Income	282.5	1.48	278.4	1.48	246.6	14.54
Equities	285.0	2.68	277.5	2.68	229.3	24.29
Options	-20.7	39.63	-14.8	39.63	21.2	-197.67
Others	18.2	16.23	15.7	16.23	-3.8	-574.82
Total	3,351.5	2.52	3,269.2	2.52	2,825.8	18.60

Source: ANBIMA

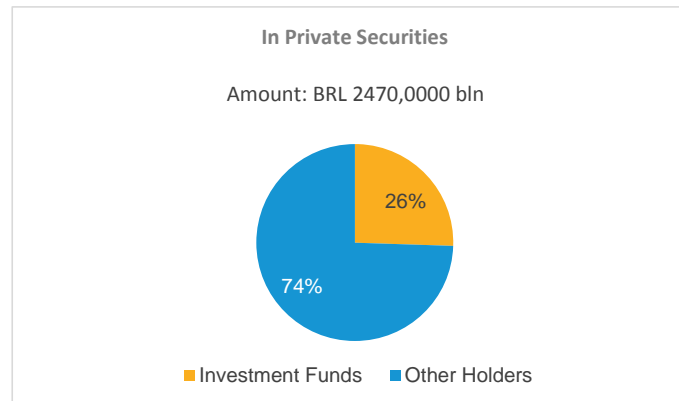


Source: ANBIMA

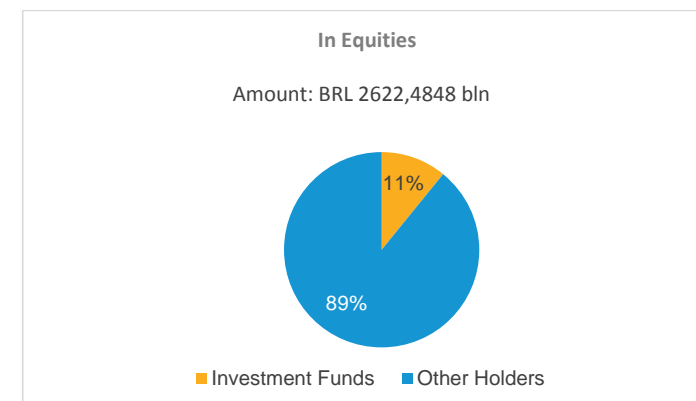
% Retained by Fund Industry in Jan/17



Source: ANBIMA and Nat. Treasury.



Source ANBIMA and CETIP

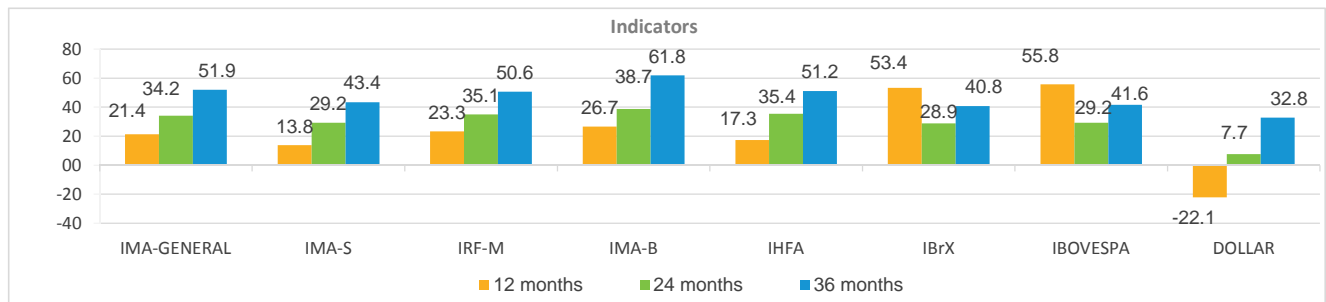
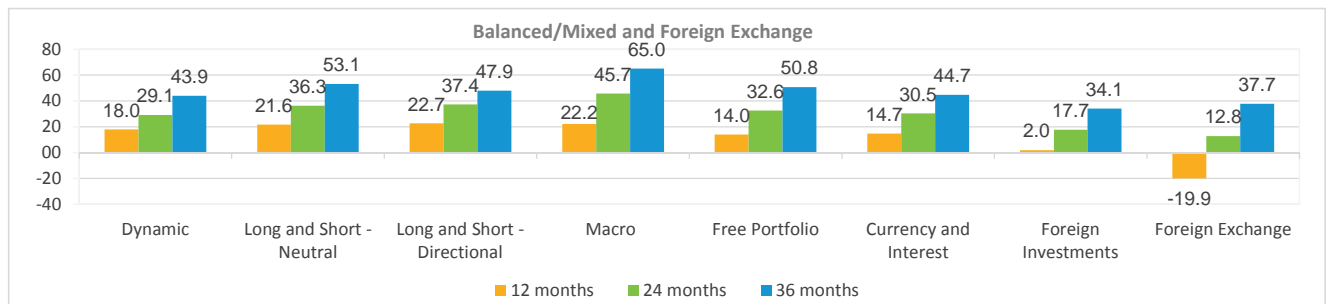
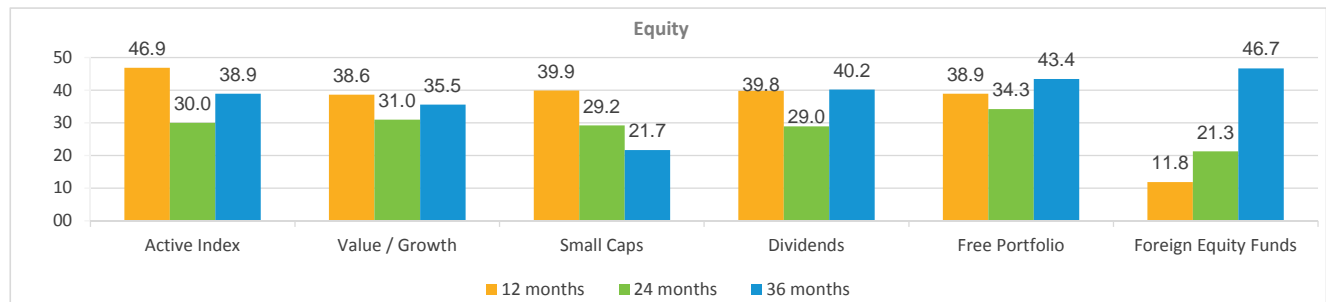
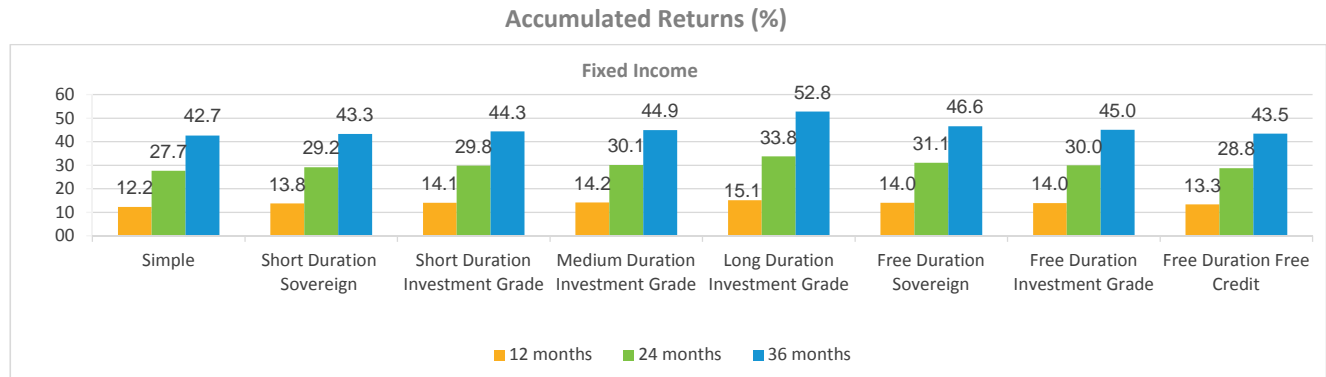


Source: ANBIMA and BM&FBovespa

* The figures given are for the stock on the last day of the reporting period.

** Excludes Repo Transactions. Federal Govt. Bonds, plus the Repo Operations backed by those securities in Investment Funds Portfolio is equivalent to 83% of the outstanding Federal Govt. Bonds

Returns		
ANBIMA Types	%	
	February	Year
Fixed Income Simple (1)	0.75	1.70
Fixed Income Short Duration Sovereign (1)	0.87	1.96
Fixed Income Short Duration Investment Grade (1)	0.89	2.00
Fixed Income Mid Duration Investment Grade (1)	0.93	2.07
Fixed Income Long Duration Investment Grade (1)	1.43	2.63
Fixed Income Free Duration Sovereign (1)	0.90	2.08
Fixed Income Free Duration Investment Grade (1)	1.02	2.18
Fixed Income Free Duration Free Credit (1)	1.09	2.26
Equity Index Enhanced (1)	3.93	11.24
Equity - Value / Growth (1)	2.98	8.54
Equity - Small Caps	5.09	15.31
Equity - Dividends	4.60	10.94
Equity - Free Portfolio	3.83	9.96
Foreign Equity Funds (1)	3.01	5.17
Balanced / Mixed Dynamic (1)	1.92	4.40
Balanced / Mixed Long and Short - Neutral	0.70	2.66
Balanced / Mixed Long and Short - Directional	1.51	4.49
Balanced / Mixed - Macro	2.40	4.55
Balanced / Mixed - Free Portfolio	1.63	3.21
Balanced / Mixed - Currency and Interest	1.14	2.36
Balanced / Mixed - Foreign Investments (1)	1.39	2.21
Foreign Exchange	-1.22	-3.96
Indicators	%	
	February	Year
IMA-GENERAL	2.26	4.11
IMA-S	0.87	1.97
IRF-M	2.01	4.34
IMA-B	3.85	5.79
IHFA	1.66	3.54
CDI	0.87	2.00
CDI 30 X 30	0.87	2.00
IBrX	3.30	10.75
IBOVESPA	3.08	10.68
DOLLAR	-0.89	-4.90



(1) For types that started after October 1st, the returns of the year, 12 months, 24 months and 36 months were estimated based on the current sample of funds.

Investment Fund Bulletin

Monthly overview of the fund industry based on data collected by ANBIMA.

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