

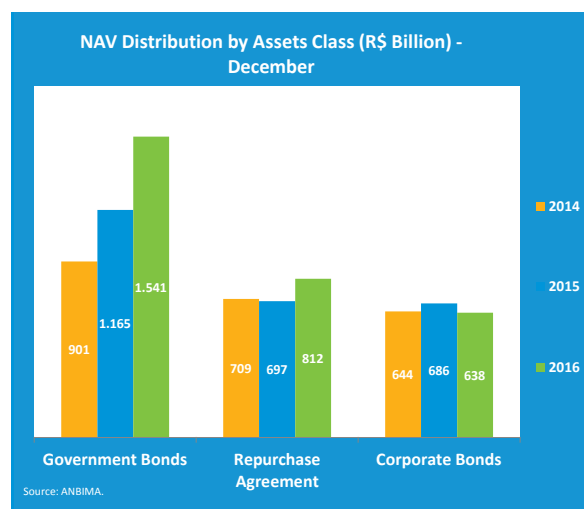
Highest January net sales since 2013

The fund industry continued recording positive indicators in January, with a 14.2% increase in net sales over the previous month and substantially higher than the 6.9 bln reais registered in January 2016, led by Fixed Income, with net inflow of 35.4 bln reais in the month, followed by Balanced/Mixed funds, with net sales of 6.7 bln reais. These funds combine investments in various types of assets offering investors diversification options given the outlook for interest rate cuts during the year. Pension funds recorded positive net sales yet again (2.4 bln reais), fueling the 84% increase in this ANBIMA class' AuM, against the 45% recorded by the industry as a whole in the last three years.

Although the 7.38% upturn in the Ibovespa influenced the performance of Equity funds in January, with returns of up to 9.72% for Small Caps funds, uncertainties regarding the pace of economic activity have been affecting the inflow of capital into these

funds, which recorded net redemptions of 443.6 mln reais in the period.

The stock market behavior and the flattening of the interest rate curve, which benefited Fixed Income funds, also contributed to the more favorable performance of Balanced/Mixed funds, led by the Macro type, 2.10% up. In this context, only the Foreign Exchange type recorded negative returns (2.87%) due to the stronger depreciation of the dollar in the period (4.05%).



Highlight of the Month

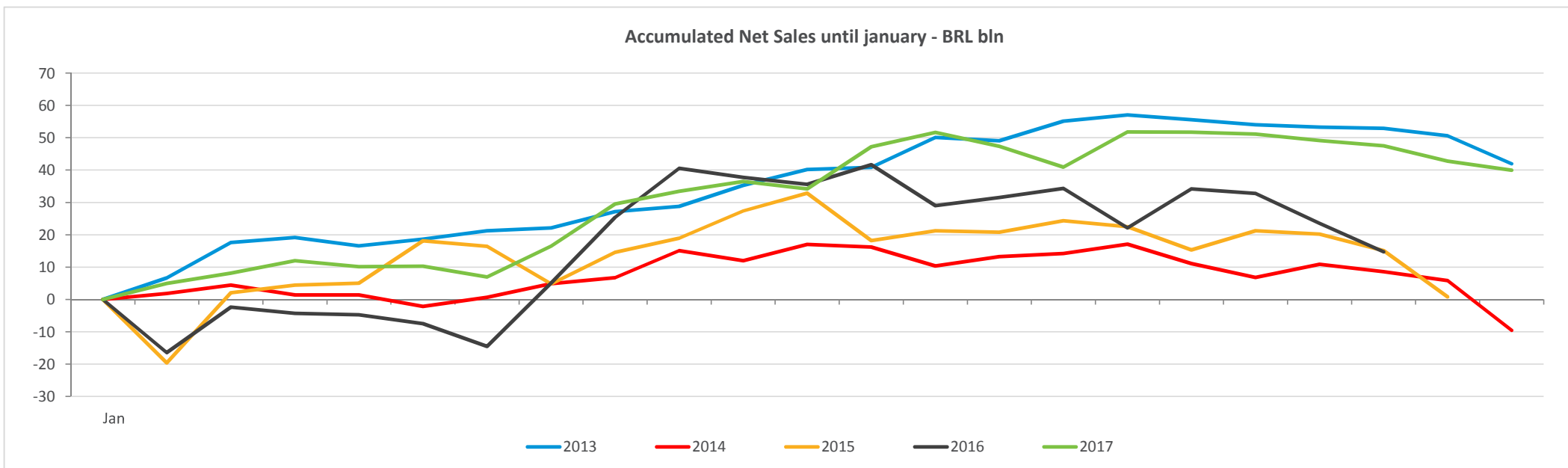
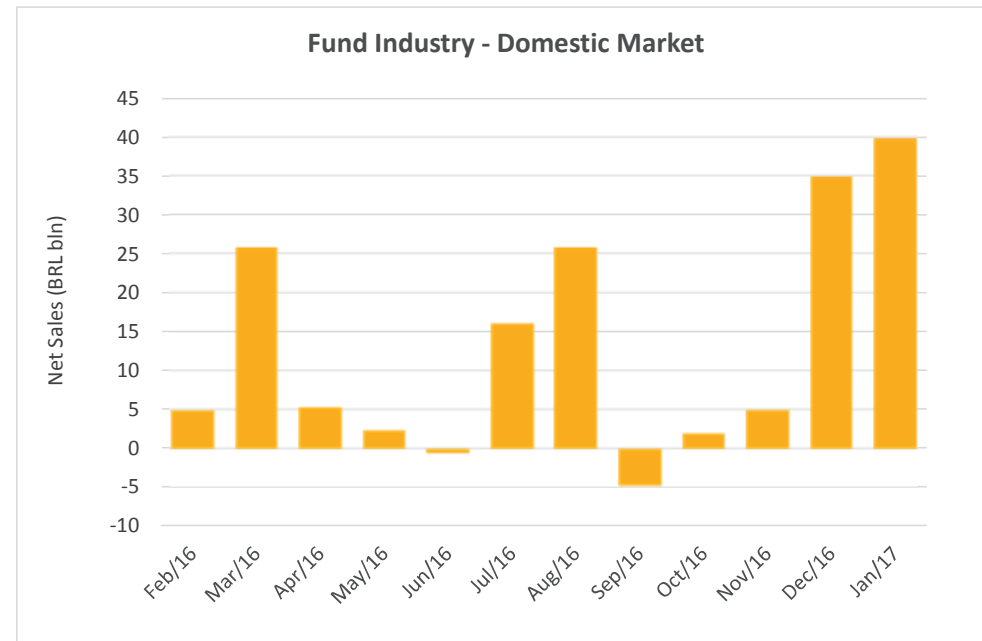
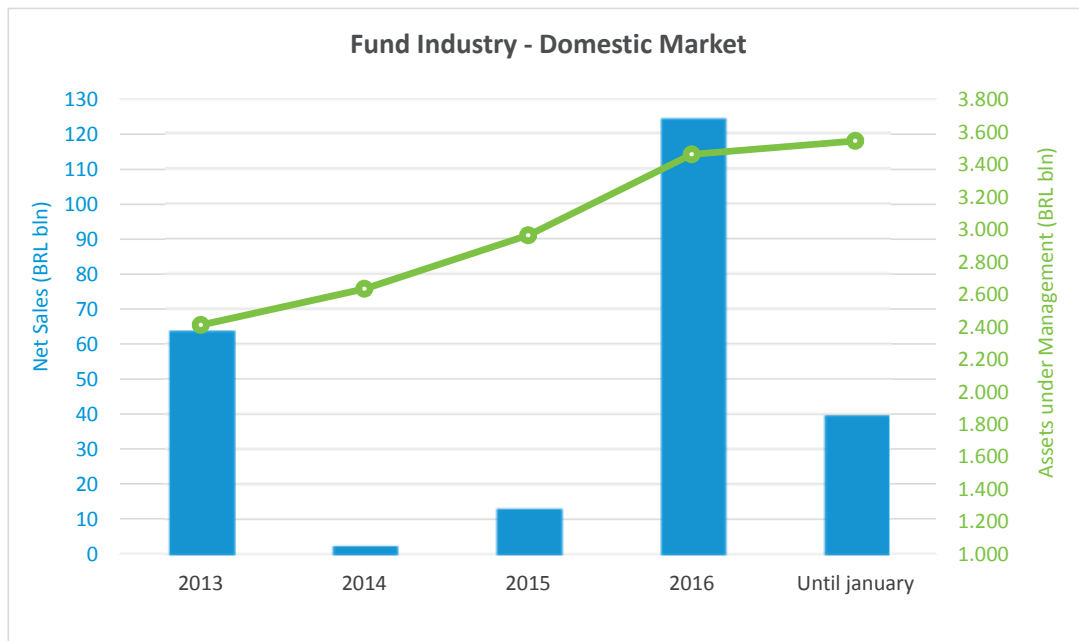
A breakdown of the fund industry portfolio in 2016 showed a preference for government bonds, which increased from 41.6% in December 2015 to 47.1% of the total invested by the industry at the end of last year. Repo transactions, commonly used to meet the funds' liquidity needs, accounted for the second largest share of the segment's portfolio. The portfolio of private securities fell by 48 bln reais in the year, accounting for 19.5% of the capital invested by the industry, against 24.5% in December 2015. The biggest declines were observed in Financial Bills, 16.4 bln reais down, and investments abroad, 18.7 bln reais down, the latter heavily influenced by the exchange rate in 2016.

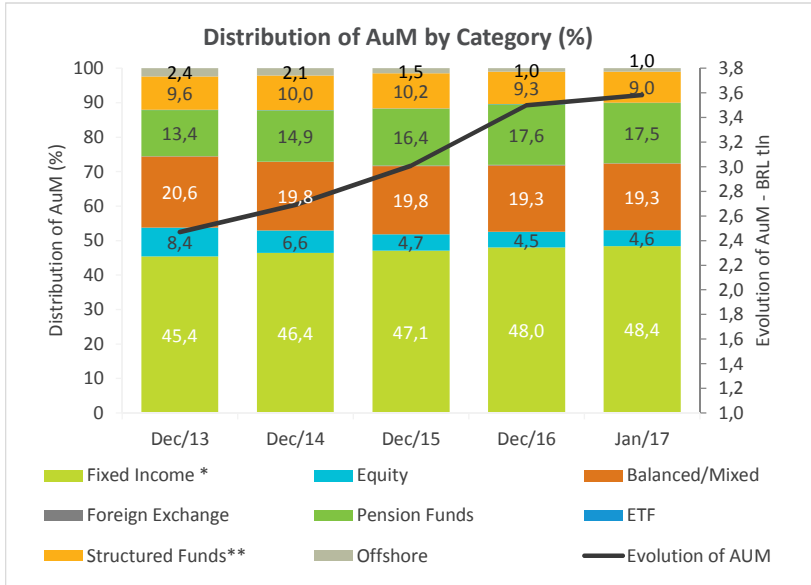
The Fund Industry in Numbers - January/2017

Domestic Market						
	Month	Year	12M			
Accumulated Net Sales (R\$ billion)	39.9	39.9	157.6			
Sales (R\$ billion)	422.0	422.0	4,599.5			
Redemptions (R\$ billion)	382.1	382.1	4,441.8			
Net Sales as % of AuM *	1.15	1.15	5.27			
	Jan/17	% Chg. - M	Dec/16	% Chg. - Year	Jan/16	% Chg. - 12M
Assets under Management (R\$ billion)	3,544.6	2.40	3,461.5	2.40	2,988.8	18.60
Number of Funds	14,942	0.29	14,899	0.29	14,455	3.37
Investment Funds	9,425	0.21	9,405	0.21	9,006	4.65
Funds of Funds	5,517	0.42	5,494	0.42	5,449	1.25
Net Balance (beginning - end)	49		110		-18	
Number of Accounts	12.2	-0.35	12.3	-0.35	11.7	4.35
Investment Funds	2.3	-1.56	2.4	-1.56	2.1	9.82
Funds of Funds	9.9	-0.05	9.9	-0.05	9.6	3.14
Off - Shore **						
Assets under Management (R\$ billion)	36.6		36.6	0.00	35.7	2.5
Number of Funds	128		128	0.00	121	5.79
Industry Total						
Assets under Management (R\$ billion)	3,581.2	2.38	3,498.1	2.38	3,024.5	18.41
Number of Funds	15,070	0.29	15,027	0.29	14,576	3.39
Number of Administrators	103		103		103	
Number of Managers	548		548		550	

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

** Off-Shore figures as of January/2016





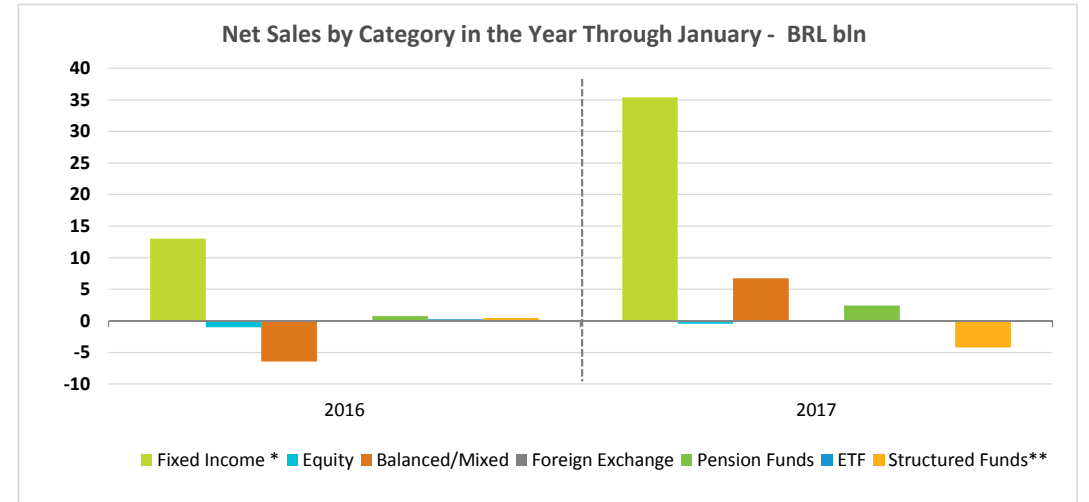
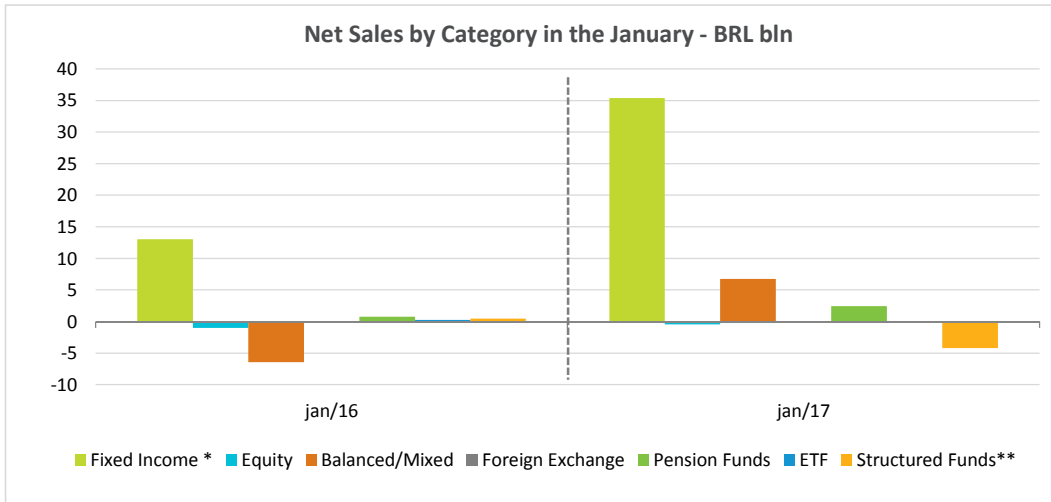
Net Sales - BRL bln

ANBIMA Category	January					Year to January			
	AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM
Fixed Income	1,734.3	345.0	309.6	35.4	2.11	345.0	309.6	35.4	2.11
Equity	164.6	3.0	3.4	-0.4	-0.28	3.0	3.4	-0.4	-0.28
Balanced/Mixed	690.6	34.4	27.6	6.7	1.00	34.4	27.6	6.7	1.00
Foreign Exchange	3.8	0.2	0.2	0.0	1.06	0.2	0.2	0.0	1.06
Pension Funds	625.1	25.0	22.6	2.4	0.40	25.0	22.6	2.4	0.40
ETF	4.1	0.2	0.3	0.0	-1.17	0.2	0.3	0.0	-1.17
Sub Total	3,222.5	407.8	363.7	44.1	1.39	407.8	363.7	44.1	1.39
Credit Receivables	80.5	13.4	18.4	-5.0	-5.73	13.4	18.4	-5.0	-5.73
Real Estate	181.0	0.8	0.0	0.8	0.43	0.8	0.0	0.8	0.43
Private Equity	60.6	-	-	-	-	-	-	-	-
Sub Total	322.1	14.2	18.4	-4.2	-1.29	14.2	18.4	-4.2	-1.29
Domestic Total	3,544.6	422.0	382.1	39.9	1.15	422.0	382.1	39.9	1.15
Off Shore	36.6	-	-	-	-	-	-	-	-
Industry Total	3,581.2	422.0	382.1	39.9		422.0	382.1	39.9	

Note: Information subject to updating. Chart with revised monthly and year-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.



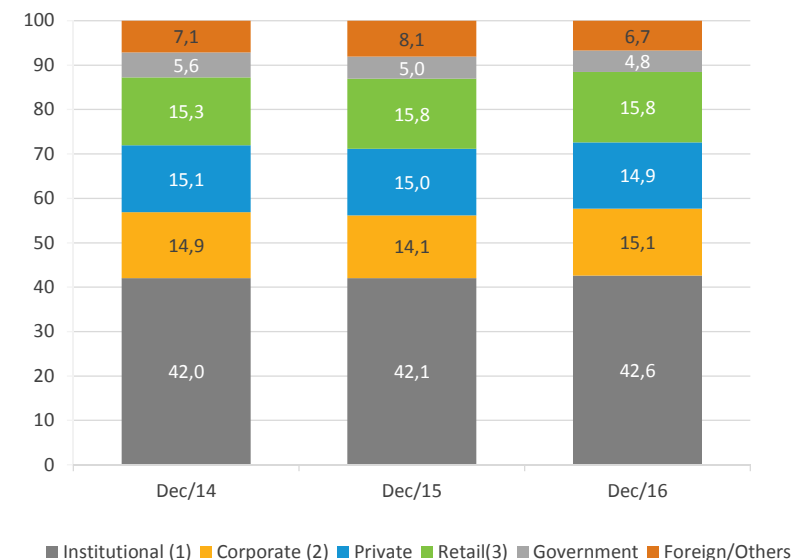
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** Credit receivables and Private Equity.

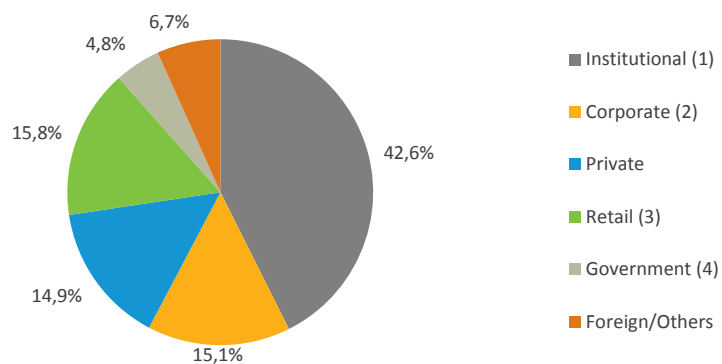
AuM Distribution BRL bln - Dec/16 *

ANBIMA Category	Institutional ⁽¹⁾	Corporate ⁽²⁾	Private	Retail ⁽³⁾	Government	Foreign	Others	Total
Fixed Income	523.1	355.8	134.1	479.1	154.6	3.2	21.5	1,671.4
Equity	85.2	1.3	37.3	17.5	0.4	0.7	7.5	150.0
Balanced/Mixed	201.5	84.4	285.9	40.0	11.6	24.5	26.5	674.6
Foreign Exchange	0.6	1.5	0.6	1.0	0.0	0.0	0.1	3.8
Pension Funds	613.6	0.0	0.0	0.6	0.0	0.0	0.6	614.8
ETF	1.7	0.0	0.0	0.2	0.0	0.0	2.0	3.9
Sub Total	1,425.8	443.1	458.0	538.4	166.7	28.4	58.2	3,118.5
Credit Receivables	19.0	50.9	6.6	2.2	1.0	4.0	2.7	86.5
Real Estate	32.9	21.7	40.3	2.3	0.0	74.7	6.1	178.0
Private Equity	4.7	9.9	13.8	8.1	0.2	1.8	21.6	60.1
Sub Total	56.6	82.5	60.7	12.6	1.3	80.6	30.3	324.7
Off Shore	0.0	0.0	0.1	0.1	0.0	23.5	12.9	36.6
Total	1,482.4	525.6	518.9	551.1	168.0	132.5	101.4	3,479.9

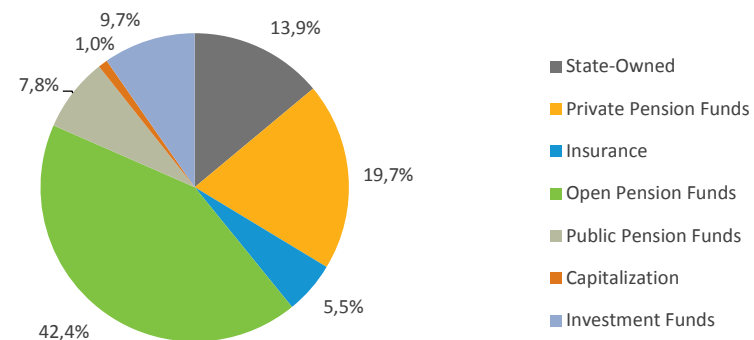
Distribution of AuM by Investor Segment (%)



Distribution of AuM by Investor Segment %



Distribution of AuM by Institutional Investors %



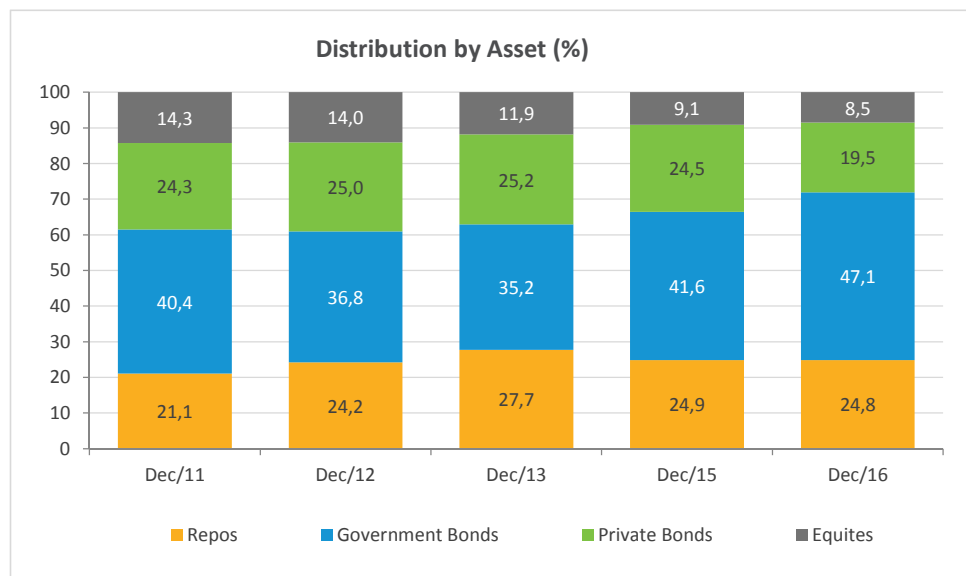
Obs.: (1) Closed Pension Funds , Open Pension Funds, Public Pension Funds, Insurance Companies, Capitalization, Investment Funds; (2) Corporate and Middle Market ;(3) Retail and Retail High Net Worth

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

AuM Distribution by Asset (BRL bln) - Dec/2016 *

Asset	Dec/2016	% Chg. Month	Dec/2015	% Chg. Year	Dec/2015	% Chg. 12M
Fixed Income	2,990.8	1.86	2,547.7	17.39	2,547.7	17.39
Repo Operations	812.0	2.37	696.9	16.52	696.9	16.52
Federal Govt. Bonds	1,540.5	2.71	1,164.8	32.25	1,164.8	32.25
Private Securities	638.3	-0.76	686.0	-6.95	686.0	-6.95
CDB/RDB	67.3	-2.15	74.8	-9.99	74.8	-9.99
Financial Bills	306.7	-1.50	323.1	-5.08	323.1	-5.08
Collateral Time Deposits (DPGE)	6.6	-9.69	11.0	-39.79	11.0	-39.79
Debentures	86.4	2.58	91.1	-5.11	91.1	-5.11
Commercial Papers	2.2	8.58	0.8	171.33	0.8	171.33
CCB/CCCB	2.0	4.44	1.8	11.09	1.8	11.09
Credit Receivables	42.3	0.03	43.0	-1.77	43.0	-1.77
Real Estate Sec.	56.1	-3.02	61.3	-8.43	61.3	-8.43
Foreign Investments	27.0	1.92	45.6	-40.90	45.6	-40.90
Others	41.7	10.56	33.4	24.76	33.4	24.76
Variable Income	278.4	0.05	255.3	9.05	255.3	9.05
Equities	277.5	0.12	237.9	16.64	237.9	16.64
Options	-14.8	68.07	21.4	-169.40	21.4	-169.40
Others	15.7	58.84	-4.0	-491.04	-4.0	-491.04
Total	3,269.2	1.70	2,803.0	16.63	2,803.0	16.63

Source: ANBIMA

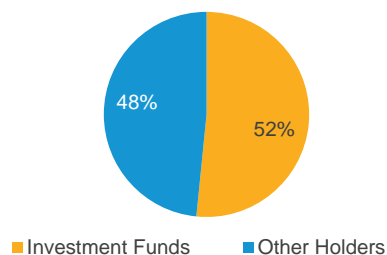


Source: ANBIMA

% Retained by Fund Industry in Dec/16

In Federal Govt. Bonds **

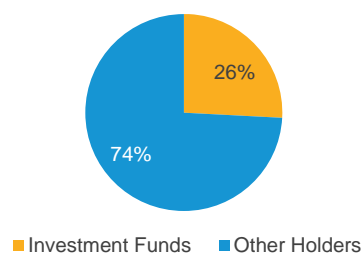
Amount: BRL 2,986.4 bln



Source: ANBIMA and Nat. Treasury.

In Private Securities

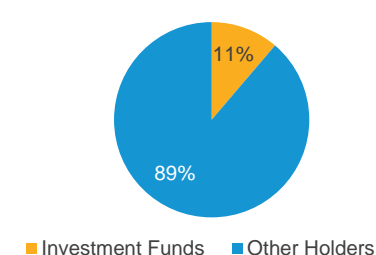
Amount: BRL 2,470.0 bln



Source ANBIMA and CETIP

In Equities

Amount: BRL 2,467.0 bln



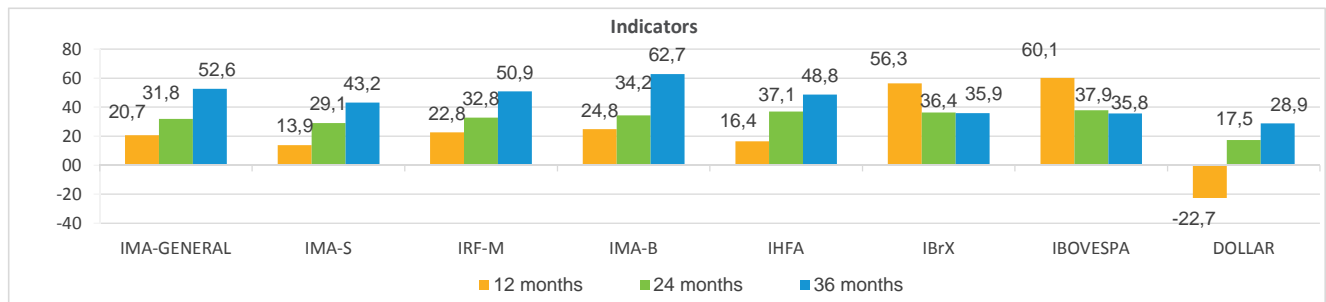
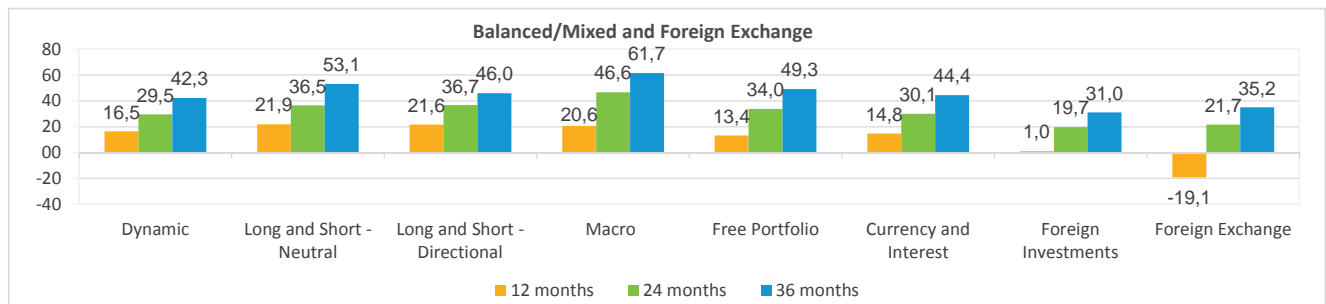
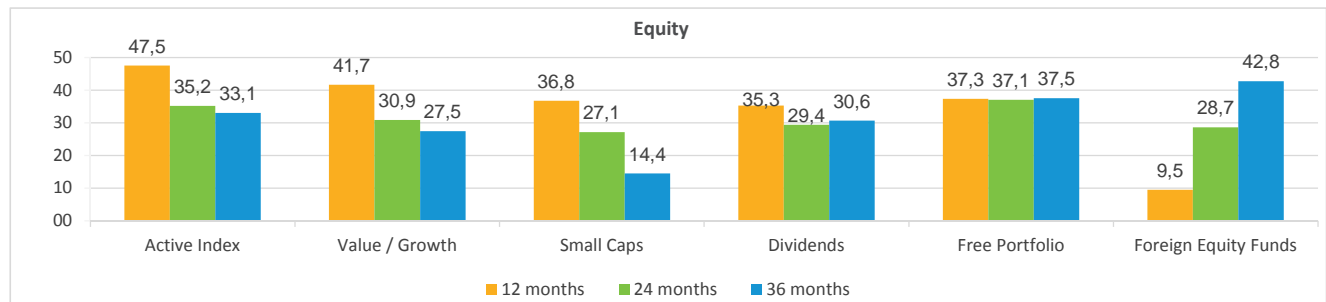
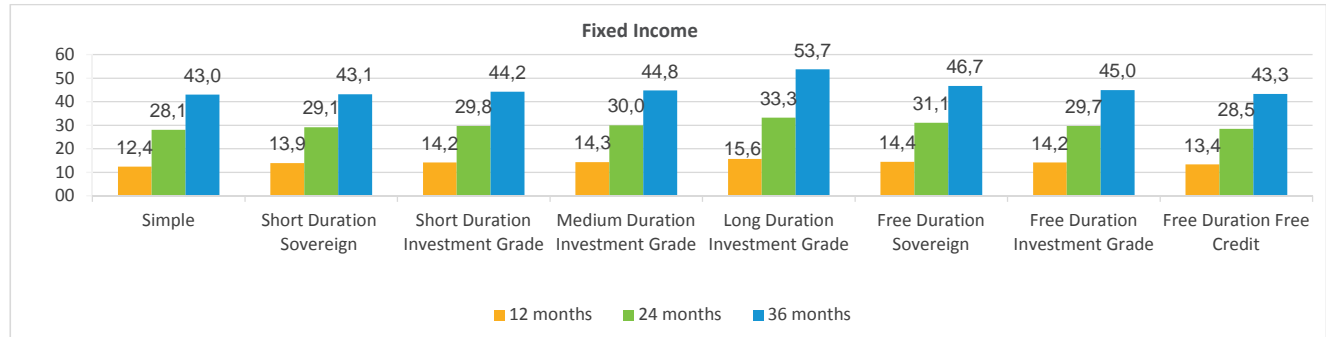
Source: ANBIMA and BM&FBovespa

* 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 79% of the outstanding Federal Govt. Bonds

Returns		
ANBIMA Types	%	
	January	Year
Fixed Income Simple (1)	0.94	0.94
Fixed Income Short Duration Sovereign (1)	1.08	1.08
Fixed Income Short Duration Investment Grade (1)	1.10	1.10
Fixed Income Mid Duration Investment Grade (1)	1.13	1.13
Fixed Income Long Duration Investment Grade (1)	1.20	1.20
Fixed Income Free Duration Sovereign (1)	1.17	1.17
Fixed Income Free Duration Investment Grade (1)	1.14	1.14
Fixed Income Free Duration Free Credit (1)	1.16	1.16
Equity Index Enhanced (1)	7.02	7.02
Equity - Value / Growth (1)	5.55	5.55
Equity - Small Caps	9.72	9.72
Equity - Dividends	5.75	5.75
Equity - Free Portfolio	5.90	5.90
Foreign Equity Funds (1)	2.05	2.05
Balanced / Mixed Dynamic (1)	2.33	2.33
Balanced / Mixed Long and Short - Neutral	1.95	1.95
Balanced / Mixed Long and Short - Directional	2.79	2.79
Balanced / Mixed - Macro	2.10	2.10
Balanced / Mixed - Free Portfolio	1.54	1.54
Balanced / Mixed - Currency and Interest	1.21	1.21
Balanced / Mixed - Foreign Investments (1)	0.79	0.79
Foreign Exchange	-2.78	-2.78
Indicators	%	
	January	Year
IMA-GENERAL	1.80	1.80
IMA-S	1.08	1.08
IRF-M	2.28	2.28
IMA-B	1.87	1.87
IHFA	1.85	1.85
CDI	1.12	1.12
CDI 30 X 30	1.12	1.12
IBrX	7.21	7.21
IBOVESPA	7.38	7.38
DOLLAR	-4.05	-4.05

Accumulated Returns (%)



(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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