

Investment Funds

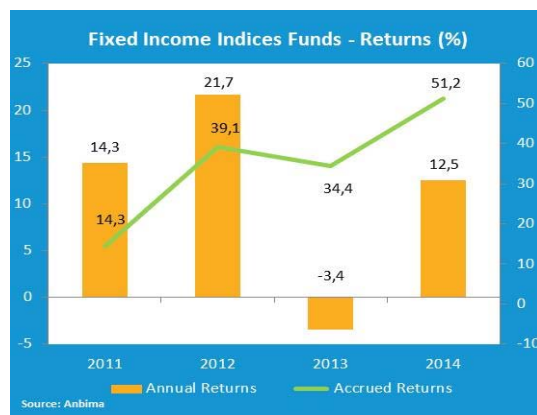
Year V - #43 - January/2015

Fixed Income and Money Market categories lead redemptions in December

The fund industry recorded net redemptions of 20.1 bln reais in December, the highest monthly figure since October 2008. Redemptions were concentrated in the Fixed Income and Money Market categories, with 15.3 bln reais and 6.4 bln reais, respectively, as well as, according to the preliminary numbers, government-owned funds. At the other end of the scale, the Pension Fund category reported net sales of 6.5 bln reais, fueled by the seasonal upturn (tax incentive) in sales by the open plans. As a result, the industry closed the year with net redemptions of 1.1 bln reais, the lowest figure since 2008, when net redemptions totaled 65.6 bln reais. Nevertheless, the DI-Linked category registered net sales of 45.4 bln reais, concentrated in the retail segment, which resumed growth in 2014, and the Pension Funds recorded net sales of 32 bln reais, having staged a rapid recovery from the redemptions that characterized the second half of 2013.

The main fixed income and equity benchmarks recorded a negative performance in December, with the IMA-General and Ibovespa falling by 0.57% and 8.52%, respectively. Nevertheless, a large part of the fund types in the Fixed Income and Balanced/Mixed categories generated positive returns. The month's best performers were the Foreign Exchange funds, with returns of 2.77%, followed by the DI-Linked funds pegged to short-term interest rates, with 0.98%. **Despite the Fixed Income Indices funds downturn in December, they were one of the year's best performers, along with Balanced/Mixed Specific Strategy and Long and Short Neutral funds, with respective returns of 12.54%, 13.97% and 12.97%.**

Given the challenging scenario in 2014, the volume of repo operations in the fund portfolio grew by 28% through November, identical to their share of the industry's AuM, which stood at 24% in December 2013.



Highlight of the Month

Fueled by the 12.36% increase in the IMA-General index in 2014, the Fixed Income Indices funds were one of the year's highlights. Created in December 2010, these funds have recorded consistent returns over the last four years, with an accrued total of 51.2%, exceeding the IMA-General's 48.2% upturn in the same period. The recovery in 2014 rewarded those investors who stuck with these funds despite the 3.42% slide in 2013.

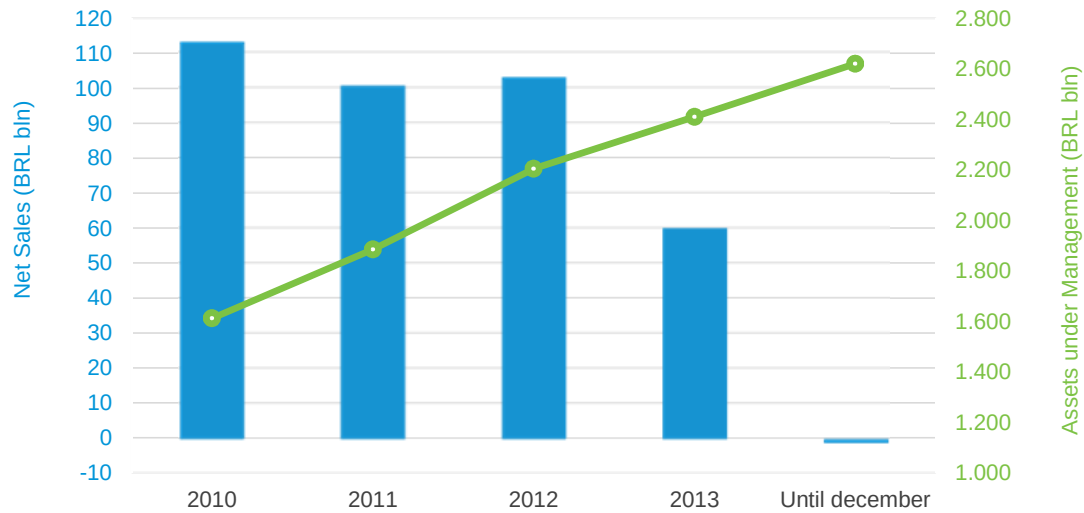
The Fund Industry in Numbers - December/2014

Domestic Market						
	Month	Year	12M			
Accumulated Net Sales (R\$ billion)	-20,1	-1,1	-1,1			
Sales (R\$ billion)	390,5	4.084,3	4.084,3			
Redemptions (R\$ billion)	410,5	4.085,4	4.085,4			
Net Sales as % of AuM *	-0,76	-0,04	-0,04			
	Dec/14	% Chg. - M	Dec/13	% Chg. - Year	Dec/13	% Chg. - 12M
Assets under Management (R\$ billion)	2.620,3	-0,85	2.410,0	8,72	2.410,0	8,72
Number of Funds	14.330	-0,14	13.918	2,96	13.918	2,96
Investment Funds	8.518	-0,08	8.049	5,83	8.049	5,83
Funds of Funds	5.812	-0,22	5.869	-0,97	5.869	-0,97
Net Balance (beginning - end)	-32		142		142	
Number of Accounts	11,4	0,24	11,0	3,45	11,0	3,45
Investment Funds	2,0	-4,81	3,4	-42,63	3,4	-42,63
Funds of Funds	9,4	1,36	7,6	24,14	7,6	24,14
Off - Shore **						
Assets under Management (R\$ billion)	61,0		59,6	2,29	59,6	2,3
Number of Funds	132		127	3,94	127	3,94
Industry Total						
Assets under Management (R\$ billion)	2.681,3	-0,83	2.469,7	8,57	2.469,7	8,57
Number of Funds	14.462	-0,14	14.045	2,97	14.045	2,97
Number of Administrators	104		98		98	
Number of Managers	532		503		503	

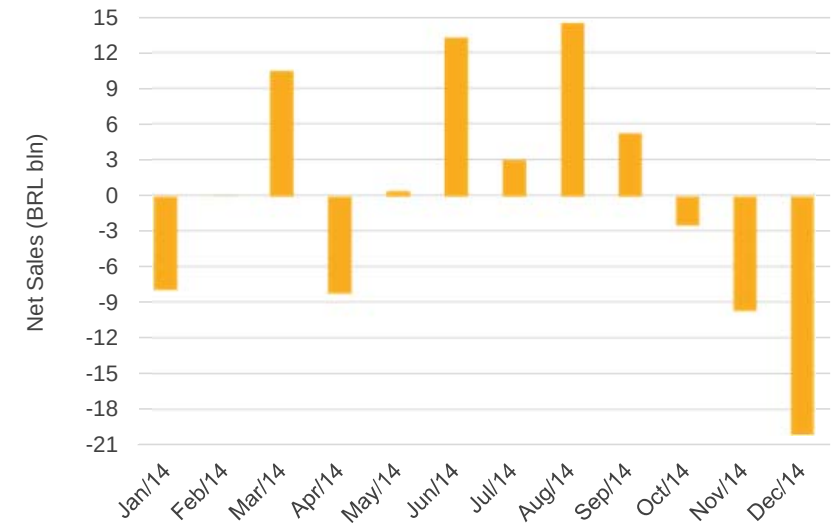
* Net sales as % of AuM is calculated using AuM on the last business day of the previous period.

** Off-Shore figures as of november//2014

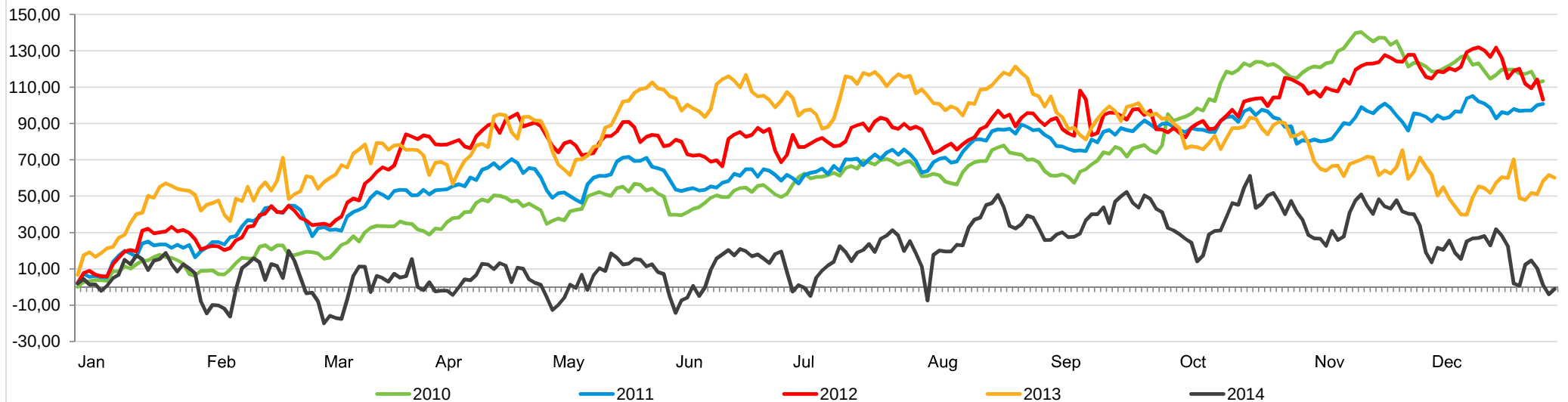
Fund Industry - Domestic Market



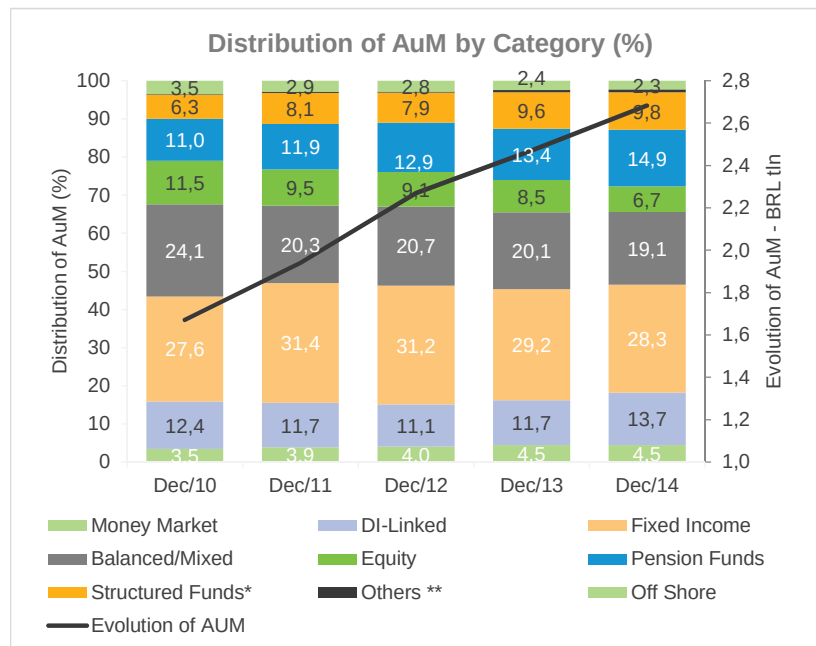
Fund Industry - Domestic Market



Accumulated Net Sales until december - BRL bln

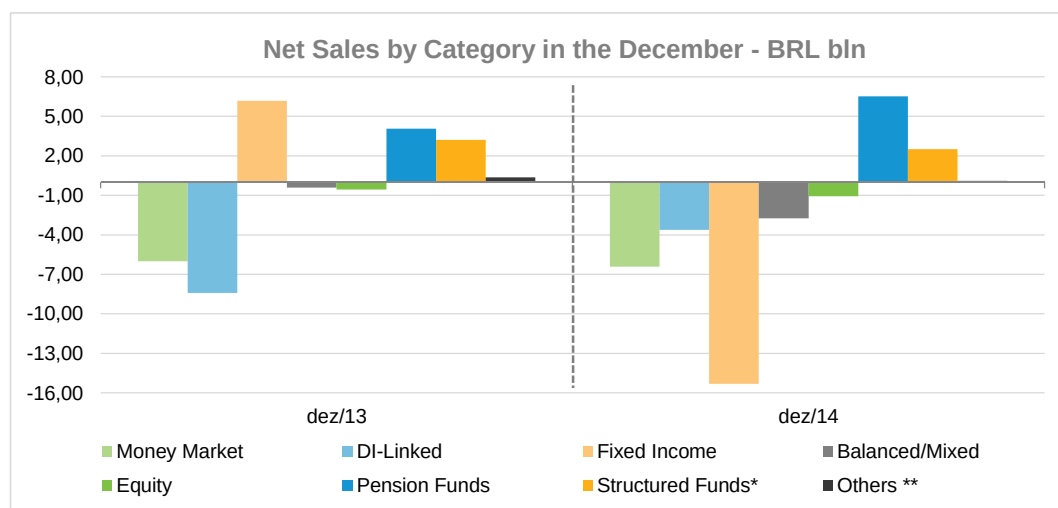
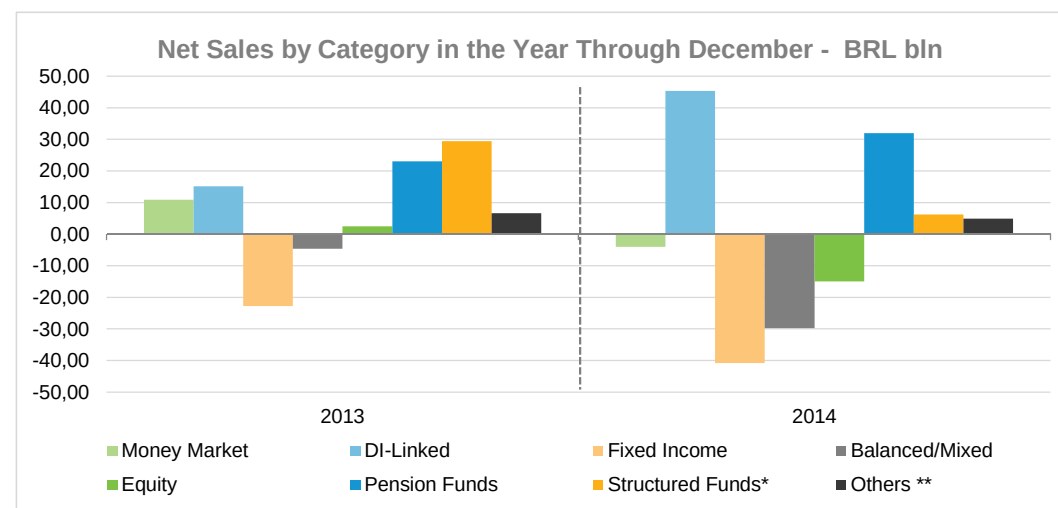


AuM and Net Sales by Category



Net Sales - BRL bln									
ANBIMA Category	December					Year to december			
	AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM
Money Market	120,0	143,6	150,0	-6,4	-5,14	1.276,0	1.280,1	-4,1	-3,69
DI-Linked	368,7	89,2	92,8	-3,6	-0,98	1.058,6	1.013,2	45,4	15,66
Fixed Income	758,1	95,0	110,3	-15,3	-1,99	1.063,3	1.104,1	-40,8	-5,66
Balanced/Mixed	511,9	25,3	28,0	-2,8	-0,54	319,4	349,1	-29,8	-5,99
Foreign Exchange	3,1	0,4	0,5	-0,2	-5,69	4,1	3,8	0,3	15,29
External Debt	0,7	0,0	0,0	0,0	0,08	0,1	0,4	-0,2	-19,58
Equity	179,0	2,7	3,8	-1,1	-0,55	32,8	47,8	-15,0	-7,15
Pension Funds	399,4	14,0	7,5	6,5	1,67	135,2	103,2	32,0	9,67
Closed and Exclusive	17,6	0,3	0,0	0,3	1,65	6,8	2,0	4,8	41,57
Credit receivables	64,5	18,3	17,4	0,9	1,38	169,7	178,5	-8,8	-11,39
Real Estate	48,0	-	-	-	-	-	-	-	-
Private Equity	149,3	1,7	0,1	1,6	1,09	18,3	3,3	15,1	12,06
Domestic Total	2.620,3	390,5	410,5	-20,1	-0,76	4.084,3	4.085,4	-1,1	-0,04
Off shore	61,0	-	-	-	-	-	-	-	-
Industry Total	2.681,3	390,5	410,5	-20,1	-	4.084,3	4.085,4	-1,1	-

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



* Credit receivables and Private Equity.

** Foreign Exchange, External Debt and Closed and Exclusive.

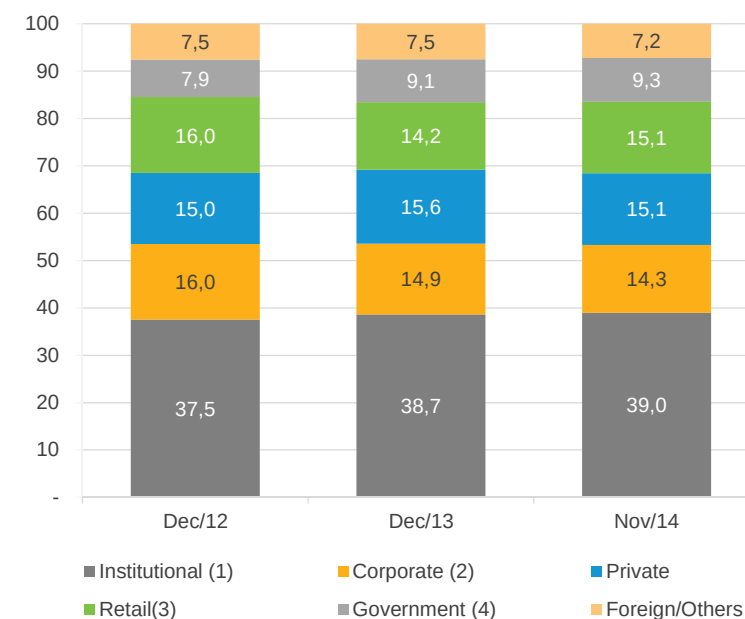
Migration of 28 bln reais from Balanced/Mixed - Macro to Fixed Income in February/2011

Investor Segment

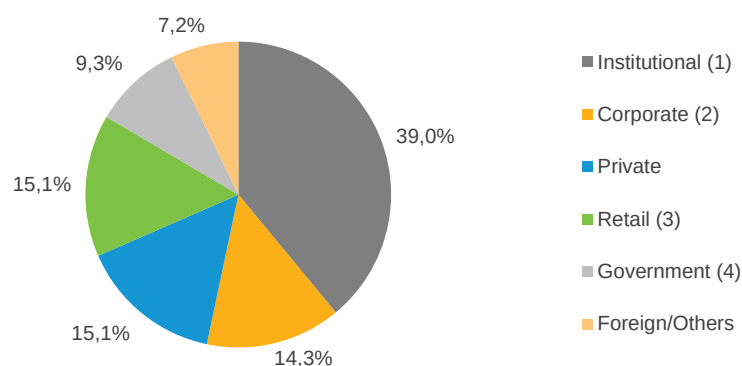
AuM Distribution BRL bln - Nov/14 *

ANBIMA Category	Institutional ⁽¹⁾	Corporate ⁽²⁾	Private	Retail ⁽³⁾	Government ⁽⁴⁾	Foreign	Others	Total
Money Market	13,6	14,6	0,8	30,0	65,4	0,2	0,7	125,1
DI-Linked	24,0	105,5	42,9	170,0	20,4	0,9	4,9	368,6
Fixed Income	303,8	108,8	60,5	142,0	144,3	2,1	7,1	768,7
Balanced/Mixed	165,6	72,3	193,1	28,2	13,4	15,5	25,1	513,1
Foreign Exchange	0,1	1,2	0,7	1,1	0,0	0,0	0,0	3,2
External Debt	0,6	0,0	0,2	0,0	0,0	0,0	0,0	0,8
Equity	116,0	1,8	46,5	18,1	4,1	0,6	9,8	197,0
Pension Funds	390,5	0,0	0,0	0,1	0,0	0,0	0,0	390,5
Closed and Exclusive	0,0	0,7	16,3	0,2	0,0	0,1	0,0	17,3
Credit Receivables	10,9	40,4	5,0	2,7	1,8	1,3	2,7	64,8
Real Estate	2,8	8,4	9,8	6,9	0,4	0,4	19,2	47,9
Private Equity	27,0	34,0	33,4	8,2	1,8	36,7	6,5	147,7
Off shore	0,0	0,0	0,0	0,0	0,0	56,8	4,2	61,0
Total	1.054,7	387,8	409,1	407,4	251,6	114,6	80,3	2.705,6

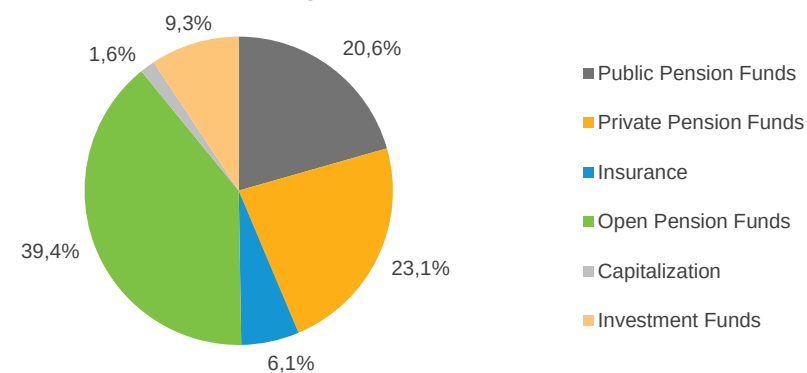
Distribution of AuM by Investor Segment (%)



Distribution of AuM by Investor Segment %



Distribution of AuM by Institutional Investors %



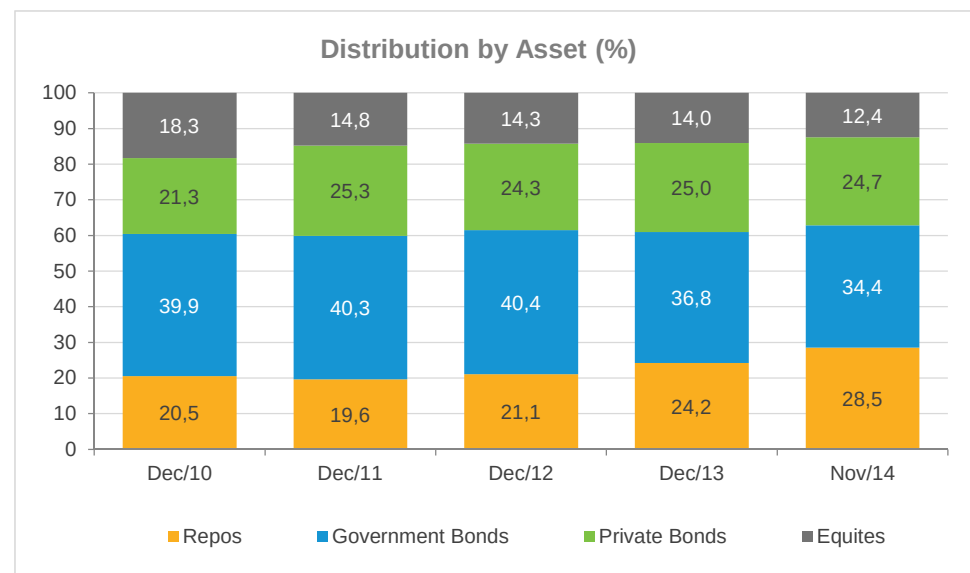
Obs.: (1) Closed Pension Funds , Open Pension Funds, Insurance Companies, Capitalization, Investment Funds; (2) Corporate and Middle Market ;(3) Retail and Retail High Net Worth; (4) Government and Public Pension Funds

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

AuM and Net Sales by Asset

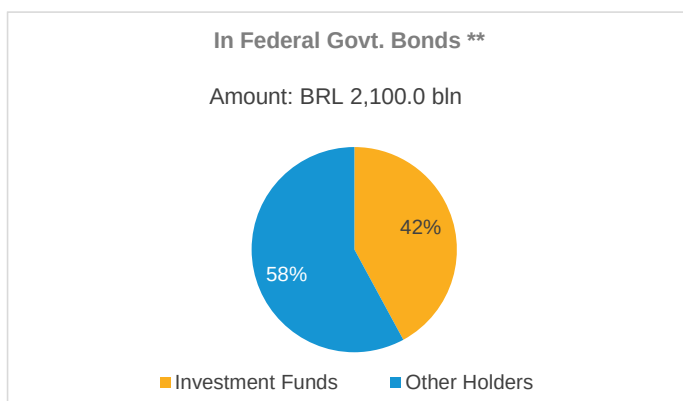
AuM Distribution by Asset (BRL bln) - Nov/2014 *						
Asset	Nov/2014	% Chg. Month	Dec/2013	% Chg. Year	Nov/2013	% Chg. 12M
Fixed Income	2.249,9	0,90	2.031,0	10,78	2.027,1	10,99
Repo Operations	732,2	0,07	571,3	28,17	606,2	20,78
Federal Govt. Bonds	883,4	1,97	868,3	1,73	841,5	4,97
Private Securities	634,3	0,39	591,3	7,27	579,4	9,47
CDB/RDB	81,7	-2,16	103,4	-20,91	98,8	-17,25
Financial Bills	267,9	1,16	213,2	25,62	216,3	23,82
Collateral Time Deposits (DPGE)	15,0	2,56	14,9	0,86	13,7	9,12
Debentures	93,5	1,33	88,6	5,43	90,3	3,49
Commercial Papers	3,2	-0,60	5,7	-43,18	2,6	25,56
CCB/CCCB	4,1	59,47	2,7	52,21	2,6	56,51
Credit Receivables	40,5	-1,11	51,5	-21,37	47,6	-14,92
Real Estate Sec.	57,1	1,64	44,9	27,27	43,1	32,56
Others	71,3	-3,23	66,4	7,31	64,4	10,74
Variable Income	318,9	0,33	331,1	-3,69	323,5	-1,41
Equities	313,6	0,38	328,3	-4,46	318,8	-1,62
Options	1,3	59,67	1,2	6,96	1,7	-24,05
Others	4,0	-13,30	1,6	142,10	3,0	34,77
Total	2.568,8	0,83	2.362,1	8,75	2.350,6	9,28

Source: ANBIMA

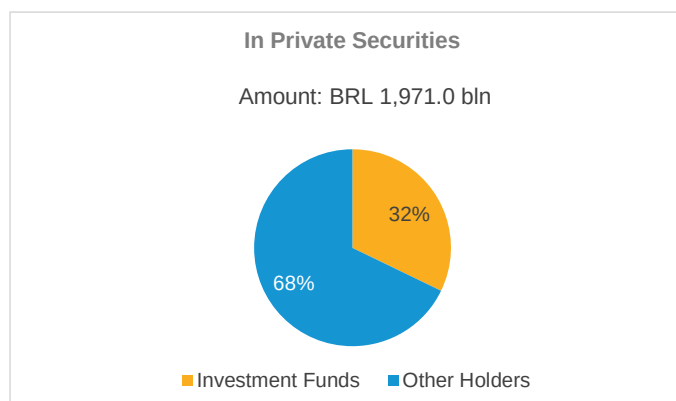


Source: ANBIMA

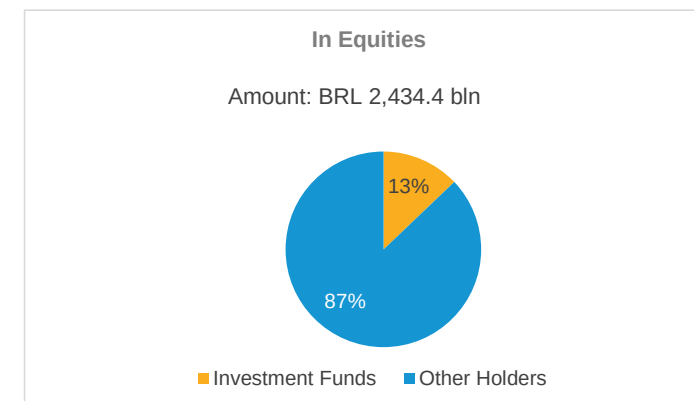
% Retained by Fund Industry in Nov/14



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.

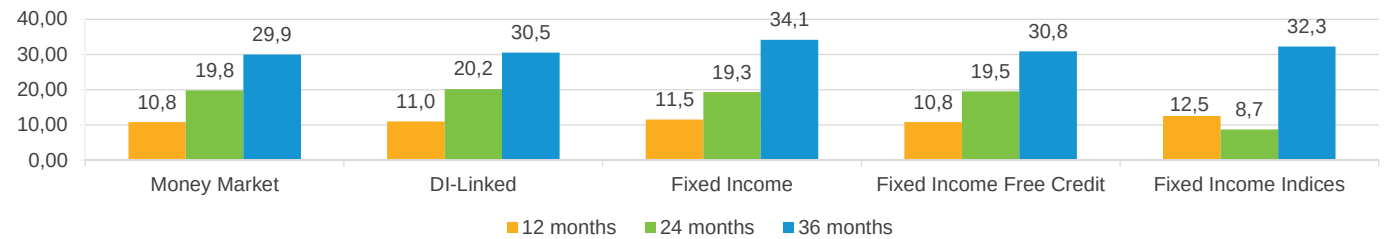
** Excludes Repo Transactions. Federal Govt. Bonds, plus the Repo Operations backed by those securities in Investment Funds Portfolio is equivalent to 74% of the outstanding Federal Govt. Bonds

Returns

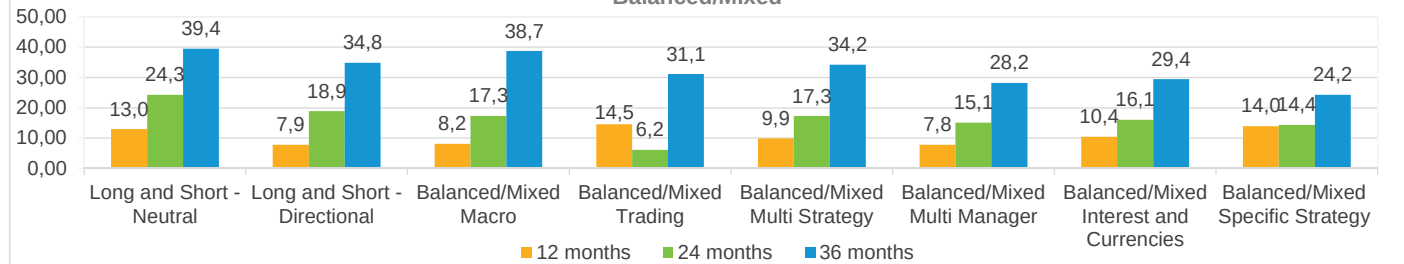
Returns		
ANBIMA Types	%	
	December	Year
Money Market	0,95	10,81
DI-Linked	0,98	11,00
Fixed Income	0,80	11,51
Fixed Income Free Credit	0,89	10,79
Fixed Income Indices	-0,43	12,54
Long and Short - Neutral	0,56	12,97
Long and Short - Directional	0,71	7,86
Balanced/Mixed Macro	0,52	8,16
Balanced/Mixed Trading	-0,98	14,53
Balanced/Mixed Multi Strategy	0,20	9,91
Balanced/Mixed Multi Manager	0,70	7,84
Balanced/Mixed Interest and Currencies	0,80	10,44
Balanced/Mixed Specific Strategy	0,12	13,97
Equity Ibovespa Active	-4,91	-3,64
Equity IBRX Active	-7,03	-2,74
Equity Free Portfolio	-5,05	-1,29
Equity Small Caps	-4,66	-9,34
Equity Dividends	-5,79	-0,71
Equity Sustainability/Governance	-6,46	-1,44
Indicators	%	
	December	Year
IMA-GENERAL	-0,57	12,36
IMA-S	0,96	10,82
IRF-M	-0,06	11,40
IMA-B	-1,91	14,54
IHFA	0,87	7,44
CDI	0,96	10,81
CDI 30 X 30	0,95	10,81
IBrX	-8,17	-2,78
IBOVESPA	-8,52	-2,91
DOLLAR	3,75	13,39

Accumulated Returns (%)

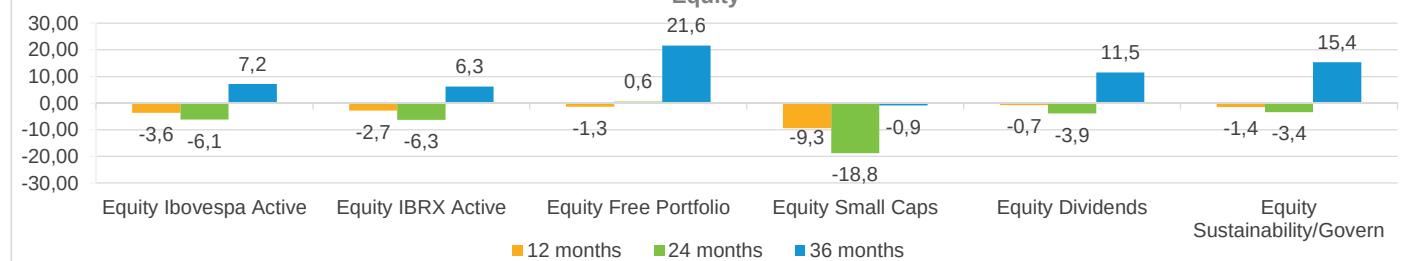
Money Market, Fixed Income and DI-Linked



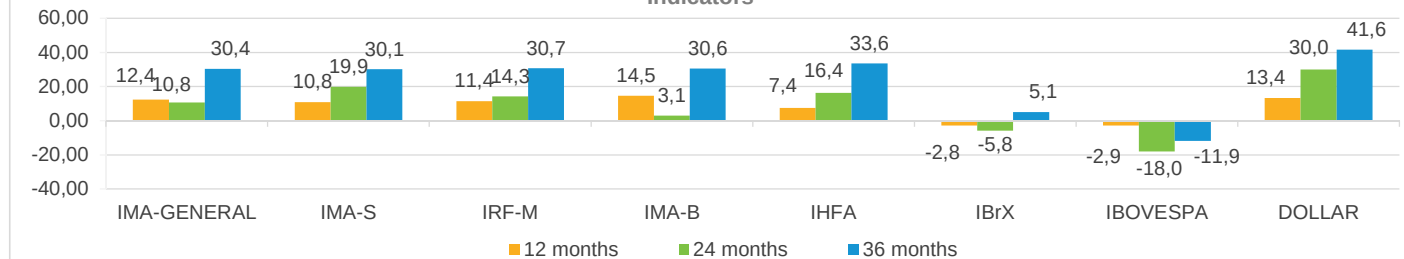
Balanced/Mixed



Equity



Indicators



Investment Fund Bulletin

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

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