

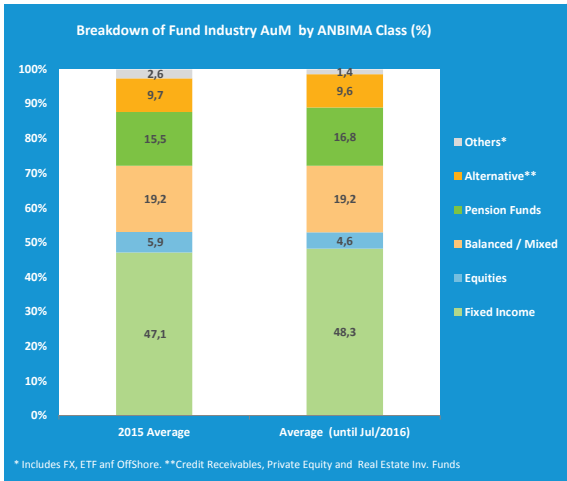
Scenario remains favorable for fund industry

The stock market upturn (11.22%) and the recovery of government bond prices, especially in the case of those with a longer duration, contributed to the fund industry’s healthy performance in July, reinforcing the first-half tendency. **All Equity funds recorded positive returns, led by the FMP-FGTS and Sector types, which moved up by more than 15%, driven by the increase in Petrobras and Vale’s share prices (26% and 15.2%, respectively). The Sustainability/Governance funds, most of which adopt benchmarks that do not include Petrobras and which have been reducing their exposure to Vale, also performed well, with returns of 12.31%.**

The equity performance also helped the Balanced/Mixed funds, especially the **Protected Capital and Long and Short Directional types, which recorded the highest upturns of their class in July (2.47% and 2.34%, respectively) and which seek returns in greater risk markets such as shares.** The Long Duration Sovereign funds continued to head the Fixed

Income segment, with returns of 2.08%, fueled by the appreciation of longer-term government bonds, as embodied in the IMA-B 5+ index, which climbed by 3.43% in the month.

Following net redemptions in June, the fund industry recorded net sales of 9.6 bln reais in July, thanks to the Fixed Income funds, especially the Short Duration Investment Grade type, which generated sales of 9.7 bln reais, the Alternative funds, specifically Credit Receivables Investment Funds, with 4.4 bln reais, both concentrated in a single fund each, and the Fixed Income Pension Funds, with 3.7 bln reais. On the redemption side, the Balanced/Mixed class failed to repeat June’s performance, recording net outflow of 2.9 bln reais, accompanied by the Equity class, with net redemptions of 0.4 bln reais, despite their healthy returns. **In the first seven months, the industry’s net inflow increased by 118%over the same period last year, from 22.5 to 49.1 bln reais.**



Highlight of the Month

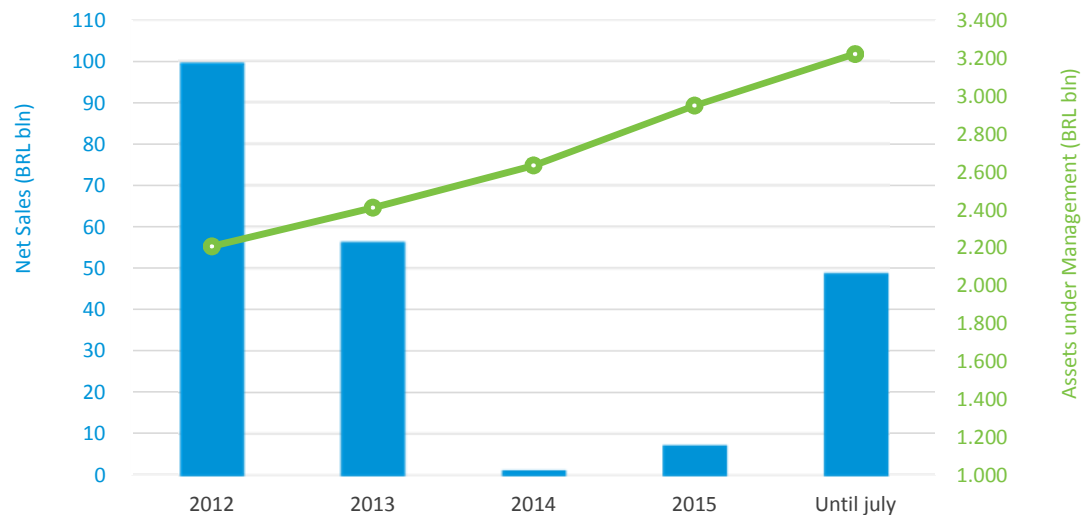
In addition to the favorable performance in terms of returns, the upturn in the industry’s sales this year increased average AuM in 2016 through July by 8.9% over the 2015 average, **led by the Fixed Income and Pension Funds, whose average share of total AuM increased from 47.1% to 48.3%, and from 15.5% to 16.8%, respectively, in the same period.** The biggest decline was recorded by the Equity funds, whose share of total industry AuM fell from 5.9% to 4.6%, despite the recovery of last year’s losses.

The Fund Industry in Numbers - July/2016						
Domestic Market						
	Month		Year		12M	
Accumulated Net Sales (R\$ billion)	9,6		49,1		34,1	
Sales (R\$ billion)	358,7		2.458,2		4.294,5	
Redemptions (R\$ billion)	349,1		2.409,1		4.260,4	
Net Sales as % of AuM *	0,30		1,66		1,19	
	Jul/16	% Chg. - M	Dec/15	% Chg. - Year	Jul/15	% Chg. - 12M
Assets under Management (R\$ billion)	3.222,1	1,94	2.949,5	9,24	2.860,9	12,63
Number of Funds	14.552	-0,05	14.479	0,50	14.310	1,69
Investment Funds	9.115	-0,18	9.025	1,00	8.567	6,40
Funds of Funds	5.437	0,15	5.454	-0,31	5.743	-5,33
Net Balance (beginning - end)	-7		55		-28	
Number of Accounts	11,7	-0,21	11,7	0,30	11,7	-0,03
Investment Funds	2,1	-5,62	2,1	-0,11	2,0	3,24
Funds of Funds	9,6	1,06	9,6	0,39	9,7	-0,72
Off - Shore **						
Assets under Management (R\$ billion)	28,5		45,2	-36,94	51,4	-44,5
Number of Funds	123		133	-7,52	136	-9,56
Industry Total						
Assets under Management (R\$ billion)	3.250,6	1,92	2.994,8	8,54	2.912,3	11,62
Number of Funds	14.675	-0,05	14.612	0,43	14.446	1,59
Number of Administrators	103		103		104	
Number of Managers	550		550		541	

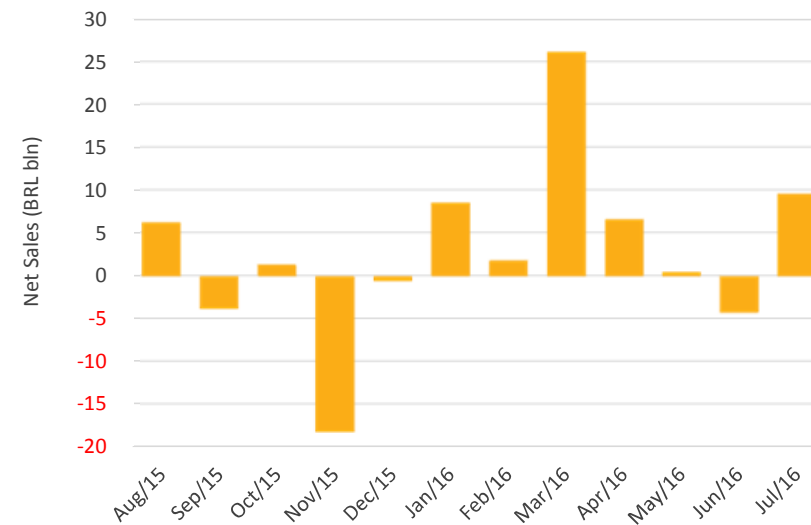
* Net sales as % of AuM is calculated using AuM on the last business day of the previous period.

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

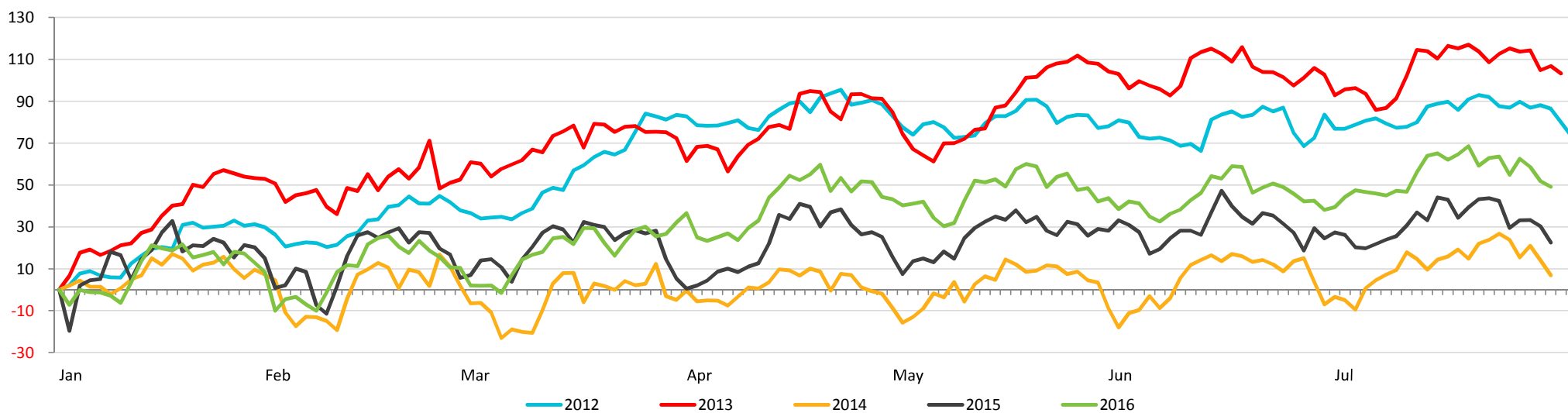
Fund Industry - Domestic Market

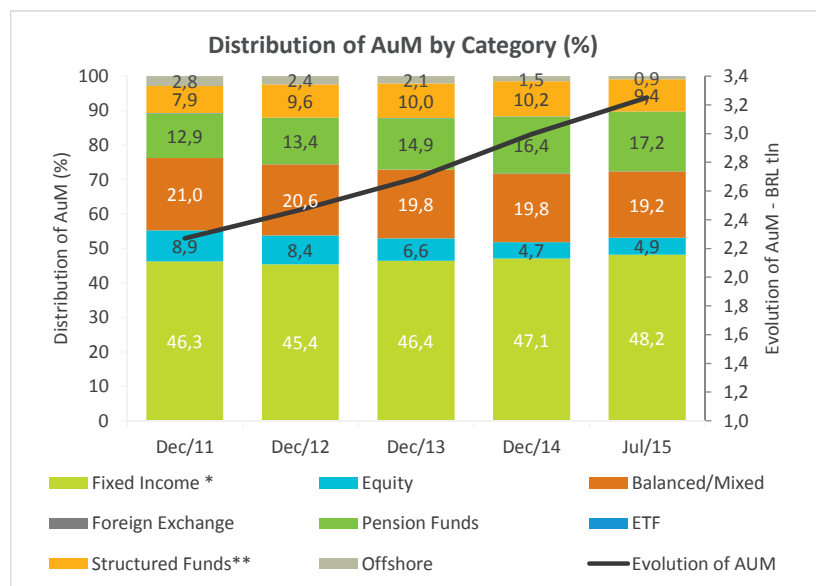


Fund Industry - Domestic Market



Accumulated Net Sales until July - BRL bln



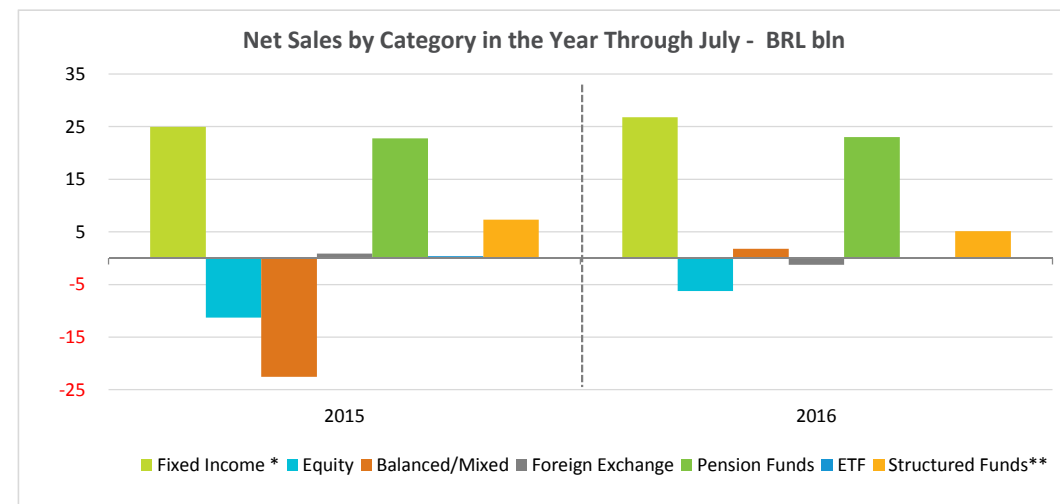
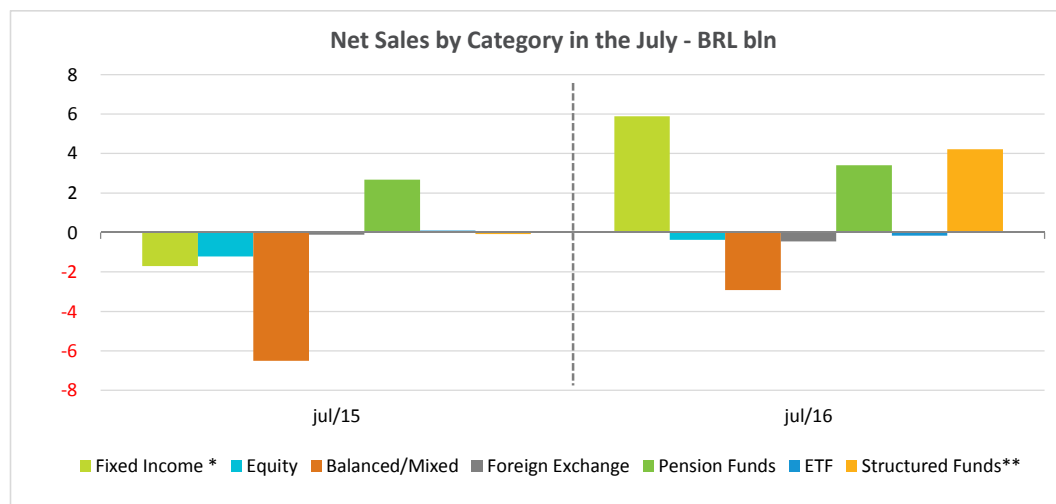


ANBIMA Category	Net Sales - BRL bln								
	July					Year to July			
	AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM
Fixed Income	1.565,7	303,6	297,7	5,9	0,38	2.032,3	2.005,6	26,8	1,90
Equity	159,5	2,0	2,3	-0,4	-0,25	15,3	21,6	-6,3	-4,45
Balanced/Mixed	625,2	25,5	28,4	-2,9	-0,47	209,1	207,3	1,8	0,31
Foreign Exchange	4,1	0,2	0,7	-0,5	-10,05	3,4	4,7	-1,3	-19,95
Pension Funds	557,5	13,4	9,9	3,4	0,62	97,3	74,2	23,0	4,70
ETF	3,7	0,1	0,2	-0,2	-4,69	1,6	1,7	-0,1	-3,21
Sub Total	2.915,7	344,7	339,3	5,4	0,19	2.359,1	2.315,1	44,0	1,63
Credit Receivables	76,5	13,3	9,0	4,4	6,17	91,8	92,2	-0,5	-0,61
Real Estate	171,0	0,6	0,8	-0,2	-0,10	7,4	1,8	5,6	3,25
Private Equity	58,9	-	-	-	-	-	-	-	-
Sub Total	306,4	14,0	9,8	4,2	1,40	99,2	94,0	5,1	1,68
Domestic Total	3.222,1	358,7	349,1	9,6	0,30	2.458,2	2.409,1	49,1	1,66
Off Shore	28,5	-	-	-	-	-	-	-	-
Industry Total	3.250,6	358,7	349,1	9,6		2.458,2	2.409,1	49,1	

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.



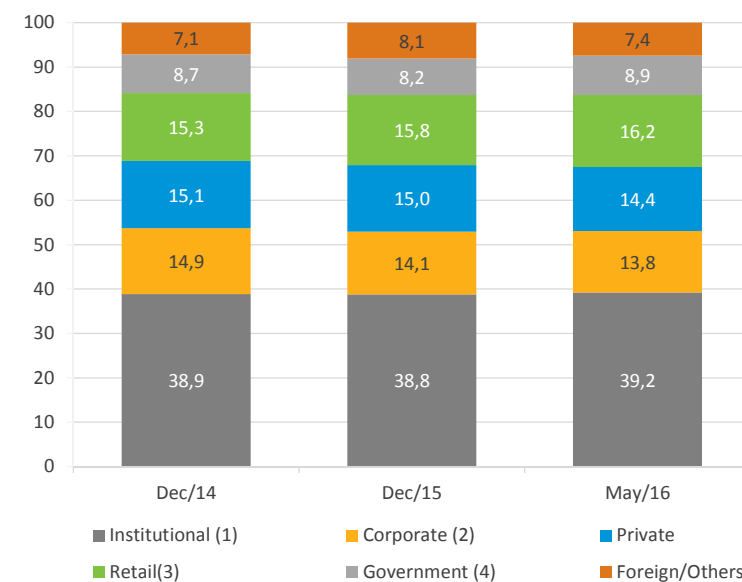
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** Credit receivables and Private Equity.

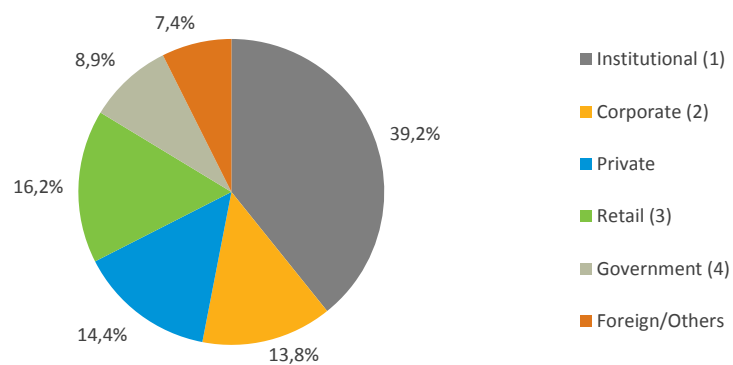
AuM Distribution BRL bln - May/16 *

ANBIMA Category	Institutional ⁽¹⁾	Corporate ⁽²⁾	Private	Retail ⁽³⁾	Government ⁽⁴⁾	Foreign	Others	Total
Fixed Income	391,2	291,0	119,2	450,4	263,4	3,4	16,4	1.535,0
Equity	81,9	1,1	36,4	13,3	3,1	0,6	7,2	143,6
Balanced/Mixed	181,8	72,8	245,1	33,0	11,2	26,4	43,2	613,5
Foreign Exchange	0,1	2,0	1,2	1,6	0,0	0,0	0,0	4,9
Pension Funds	533,1	0,0	0,0	0,5	0,0	0,0	0,1	533,8
ETF	1,0	0,0	0,0	0,2	0,0	0,0	2,4	3,7
Sub Total	1.189,1	366,9	401,9	499,1	277,7	30,4	69,4	2.834,5
Credit Receivables	16,1	40,2	6,3	2,5	1,9	3,5	2,7	73,2
Real Estate	33,1	21,7	37,0	3,1	2,0	66,3	8,8	171,9
Private Equity	3,6	9,4	12,1	8,1	0,9	1,6	23,3	58,9
Sub Total	52,8	71,2	55,4	13,8	4,7	71,3	34,7	304,0
Off Shore	0,0	0,0	0,1	0,0	0,0	26,5	1,9	28,5
Total	1.241,9	438,2	457,4	512,9	282,5	128,3	106,0	3.167,1

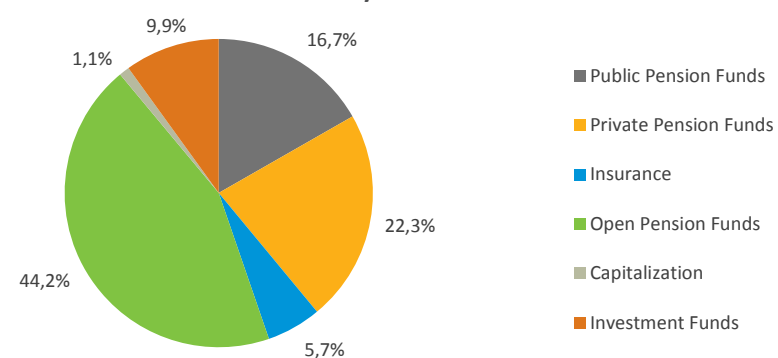
Distribution of AuM by Investor Segment (%)



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

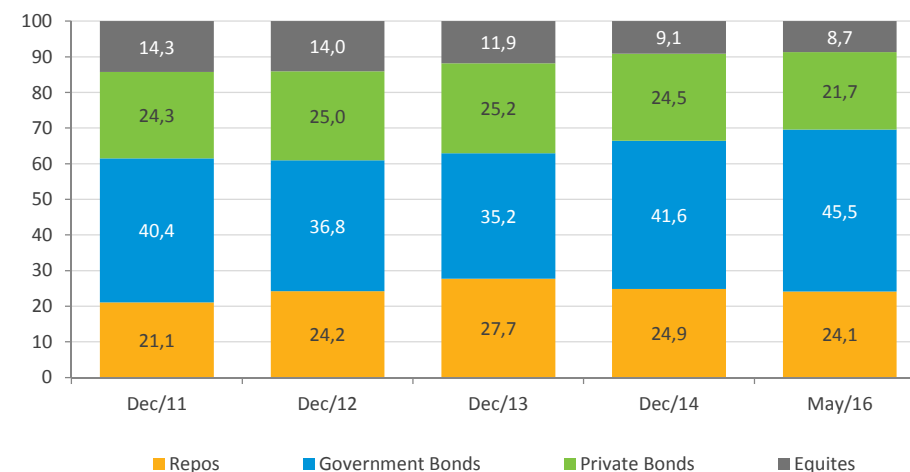
* The figures given are for the stock on the last day of the reporting period

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

Asset	May/2016	% Chg. Month	Dec/2015	% Chg. Year	May/2015	% Chg. 12M
Fixed Income	2.722,9	0,96	2.547,7	6,88	2.424,6	12,30
Repo Operations	719,0	-2,26	696,9	3,17	725,4	-0,88
Federal Govt. Bonds	1.356,5	3,02	1.164,8	16,45	1.049,9	29,20
Private Securities	647,4	0,42	686,0	-5,61	649,3	-0,28
CDB/RDB	71,8	2,92	74,8	-3,92	78,5	-8,48
Financial Bills	321,8	-0,43	323,1	-0,40	292,9	9,87
Collateral Time Deposits (DPGE)	9,5	-9,45	11,0	-13,51	13,7	-30,54
Debentures	82,4	0,95	91,1	-9,57	91,4	-9,88
Commercial Papers	0,3	-28,48	0,8	-65,05	2,5	-88,89
CCB/CCCB	1,7	-6,10	1,8	-8,75	2,6	-36,66
Credit Receivables	40,4	-0,47	43,0	-6,00	41,4	-2,40
Real Estate Sec.	59,4	-0,60	61,3	-3,19	57,0	4,06
Foreign Investments	23,8	5,36	45,6	-47,90	45,1	-47,25
Others	36,4	11,01	33,4	8,97	24,1	51,04
Variable Income	259,3	-2,52	255,3	1,58	301,7	-14,04
Equities	249,1	-3,51	237,9	4,71	296,3	-15,93
Options	3,0	-197,67	21,4	-86,04	2,3	32,34
Others	7,2	-33,89	-4,0	-279,40	3,1	134,13
Total	2.982,2	0,65	2.803,0	6,40	2.726,3	9,39

Source: ANBIMA

Distribution by Asset (%)

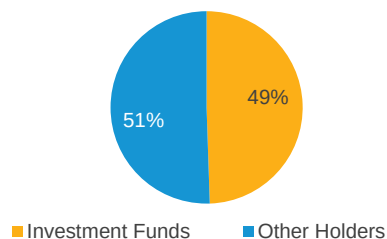


Source: ANBIMA

% Retained by Fund Industry in May/16

In Federal Govt. Bonds **

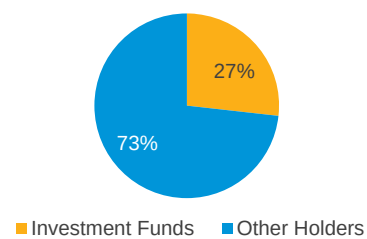
Amount: BRL 2,744.2 bln



Source: ANBIMA and Nat. Treasury.

In Private Securities

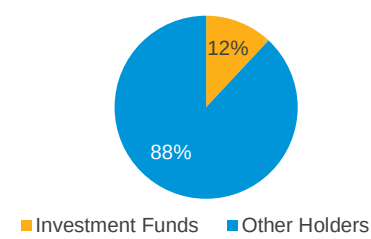
Amount: BRL 2,422.0 bln



Source: ANBIMA and CETIP

In Equities

Amount: BRL 2,079.9 bln



Source: ANBIMA and BM&FBovespa

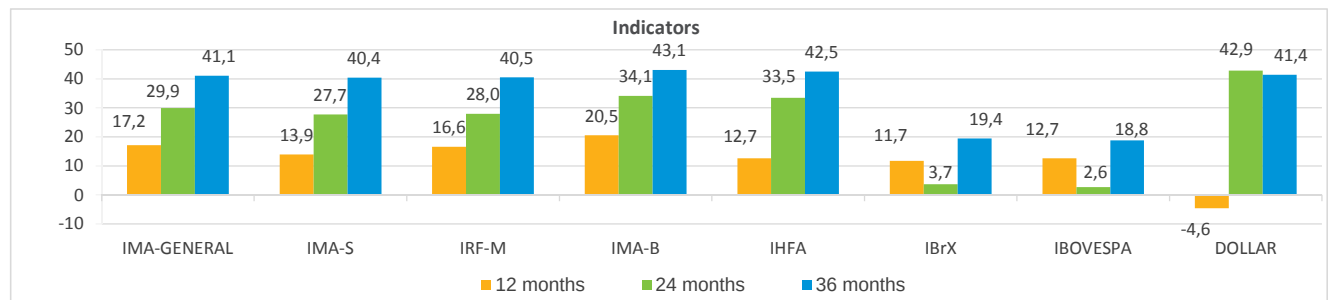
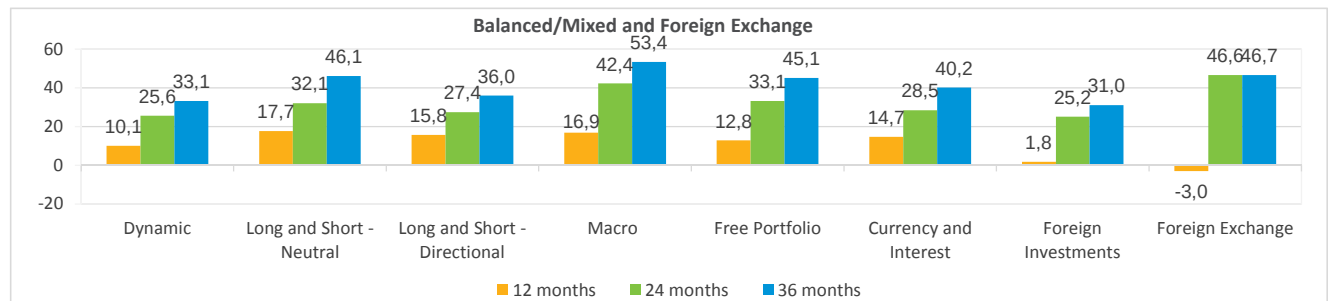
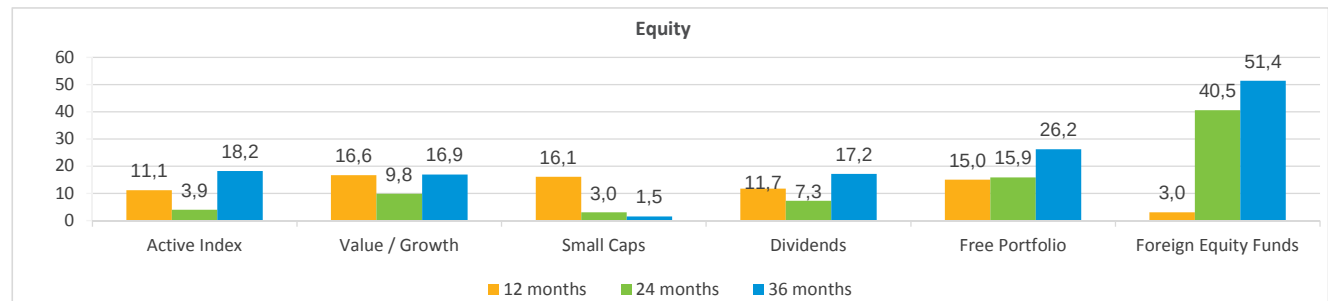
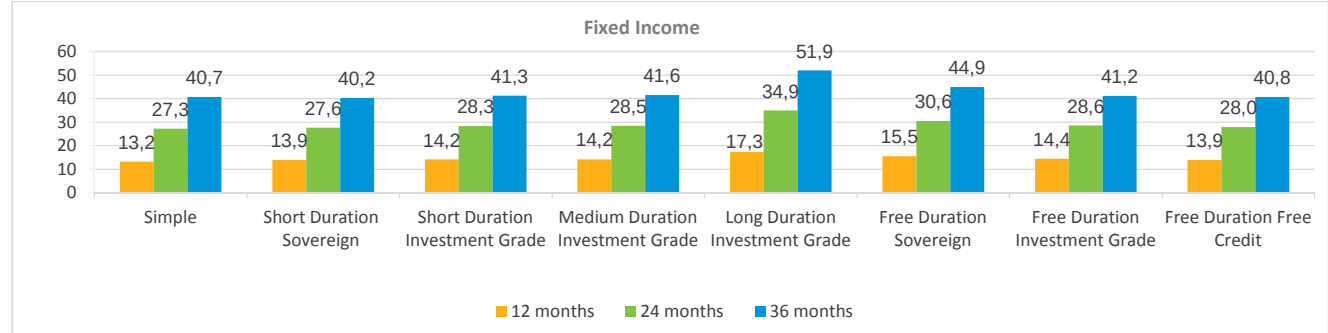
* The figures given are for the stock on the last day of the reporting period.

** Excludes Repo Transactions. Federal Govt. Bonds, plus the Repo Operations backed by those securities in Investment Funds Portfolio is equivalent to 76% of the outstanding Federal Govt. Bonds

Returns		
ANBIMA Types	%	
	July	Year
Fixed Income Simple (1)	1,04	7,47
Fixed Income Short Duration Sovereign (1)	1,10	7,86
Fixed Income Short Duration Investment Grade (1)	1,13	7,97
Fixed Income Mid Duration Investment Grade (1)	1,14	8,03
Fixed Income Long Duration Investment Grade (1)	1,26	11,26
Fixed Income Free Duration Sovereign (1)	1,12	9,13
Fixed Income Free Duration Investment Grade (1)	1,10	8,53
Fixed Income Free Duration Free Credit (1)	1,09	8,21
Equity Index Enhanced (1)	10,69	26,19
Equity - Value / Growth (1)	10,37	27,39
Equity - Small Caps	10,57	25,49
Equity - Dividends	9,31	22,19
Equity - Free Portfolio	8,83	22,96
Foreign Equity Funds (1)	8,70	3,36
Balanced / Mixed Dynamic (1)	1,89	7,95
Balanced / Mixed Long and Short - Neutral	1,34	12,95
Balanced / Mixed Long and Short - Directional	2,34	10,53
Balanced / Mixed – Macro	2,16	11,21
Balanced / Mixed – Free Portfolio	1,79	8,07
Balanced / Mixed – Currency and Interest	1,19	8,83
Balanced / Mixed – Foreign Investments (1)	1,76	-3,22
Foreign Exchange	1,36	-16,71
Indicators	%	
	July	Year
IMA-GENERAL	1,66	14,74
IMA-S	1,11	7,81
IRF-M	1,32	15,87
IMA-B	2,51	19,06
IHFA	1,61	8,24
CDI	1,11	7,90
CDI 30 X 30	1,11	7,90
IBrX	11,31	31,06
IBOVESPA	11,22	32,20
DOLLAR	0,91	-17,05

(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.

Accumulated Returns (%)



Investment Fund Bulletin

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

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