

## Profitability falls due to the international scenario and the declining Selic rate

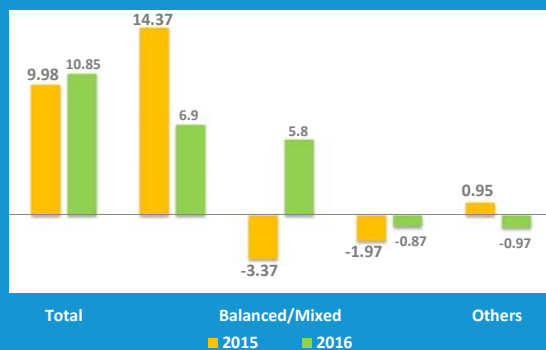
Increased uncertainty in the financial market after the result of the U.S. Election contributed to the 4.65% decline in the Ibovespa and the 6.78% appreciation of the dollar in November. Reflecting this scenario, the Foreign Exchange fund moved up 6.50%, while most Equity funds recorded losses in the month. The Free Portfolio and Active Index funds, with the highest AuM of their class, fell 4.89% and 5.31%, respectively. Despite the November results, these figures have appreciated 26.56% and 33.56% year to date.

Fixed Income funds, in turn, reflected, according to their portfolio breakdown, the decline in long-term securities and the appreciation of shorter-term securities, or a combination of these movements, resulting in a more stable IMA-Geral index in November. While Short Duration Investment Grade funds climbed 1.05%, Long Duration Sovereign funds fell 0.75%. Among Balanced / Mixed funds, the highest increases were recorded by

Protected Capital funds (1.38%), which seek returns in risk markets pursuing to protect the principal, and Foreign Investments funds (1.16%), probably influenced by the dollar appreciation.

In the month, however, the fund industry recorded net sales of 4.5 bln reais, led by Pension funds, with net sales of 5.7 bln reais, which more than offset the redemptions of Equity (1.8 bln reais), Credit Receivables (300 mln reais), Fixed Income and Balanced / Mixed funds (100 mln reais each). With this result, the industry recorded net sales of 89.7 bln reais in the year, equivalent to 3.04% of the industry's AuM at the end of last year (2.95 tln reais), the highest since 2012 (115.6 bln reais) in the same period. Fixed Income (39.8 bln reais) and Pension funds (38 bln reais) have led net sales this year.

YTD Net Sales - Retail Investors by October  
(R\$ billion)



Source: ANBIMA

### Highlight of the Month

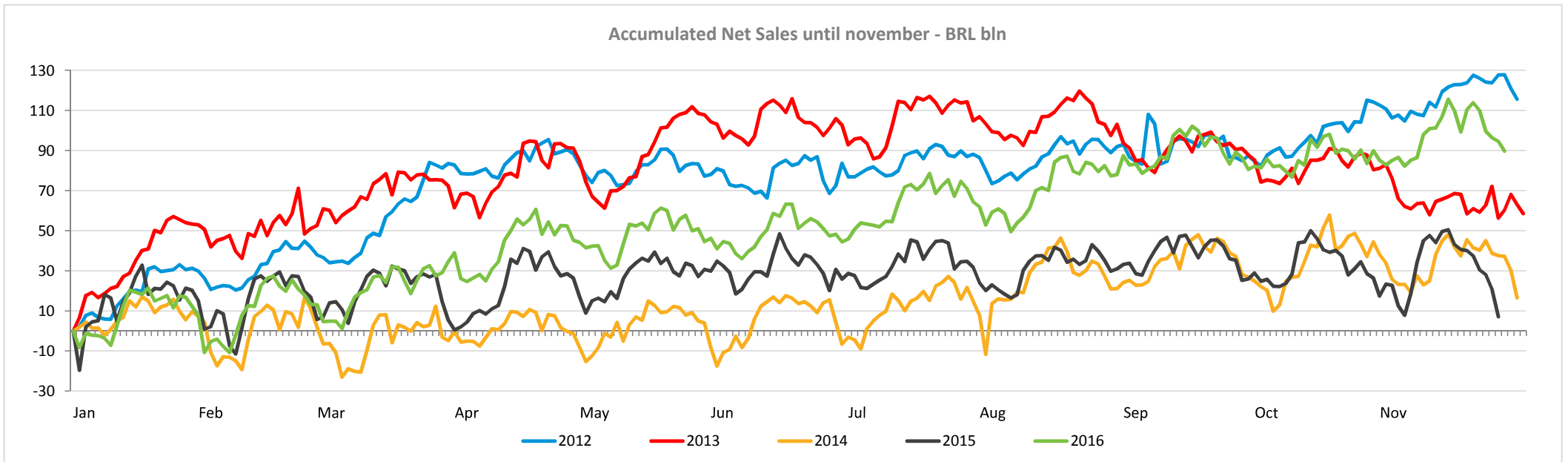
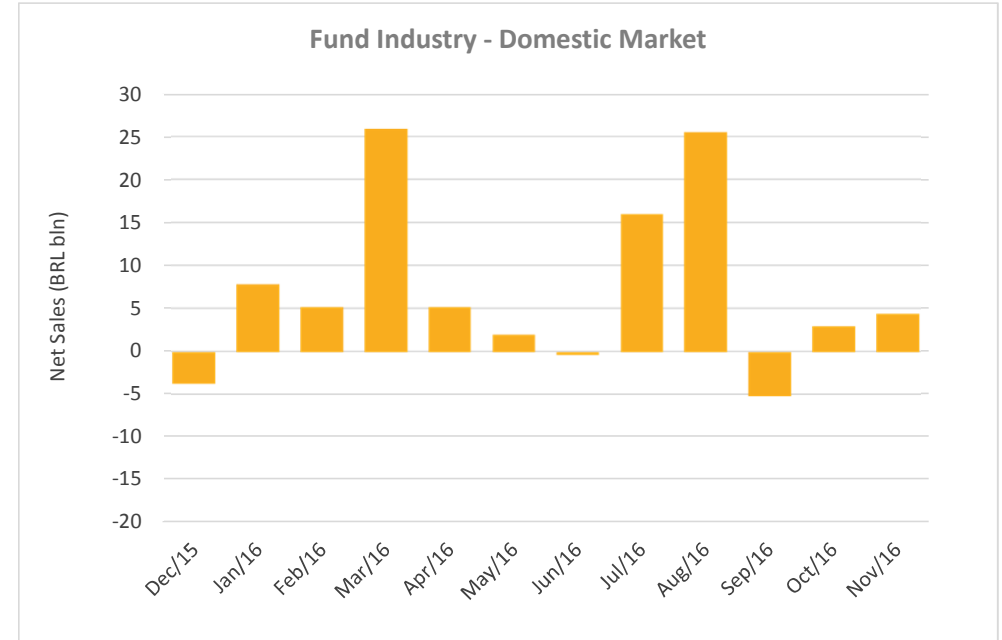
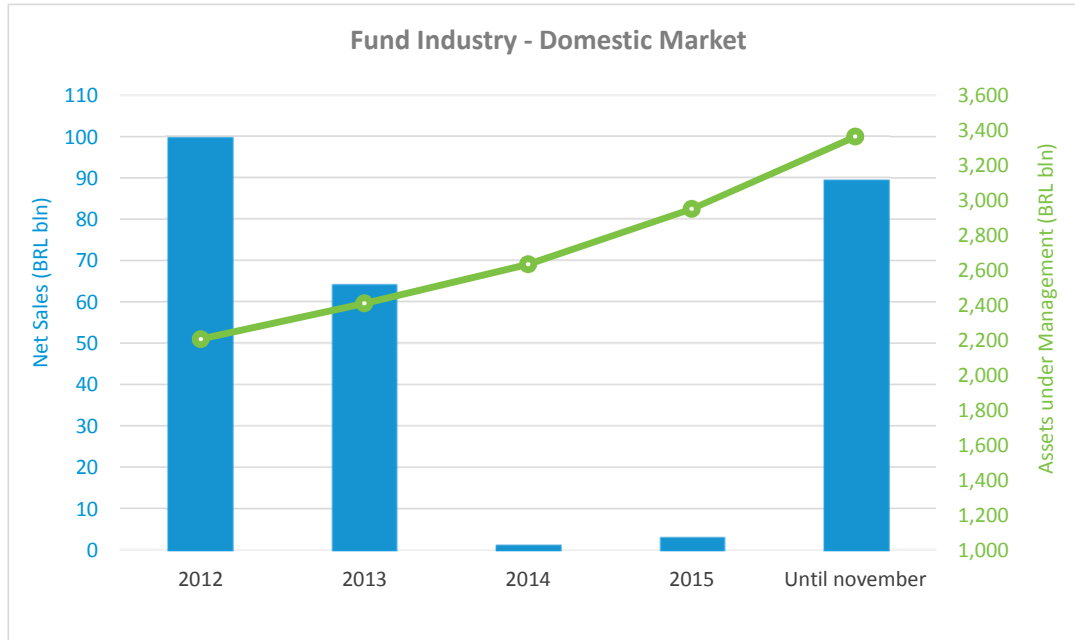
Net inflow from Retail investors moved up by 8.7% by October compared with the same period in 2015. The analysis of the distribution of these funds among the main industry classes shows that, although retail investors continued to prefer Fixed Income funds, there was an increase in Balanced / Mixed fund net sales, which totaled 5.8 bln reais, versus net redemptions of 3.37 bln reais in the same period in 2015. Lower investor risk aversion and high profitability, however, have not been sufficient to prevent new net redemptions in Equity funds in 2016.

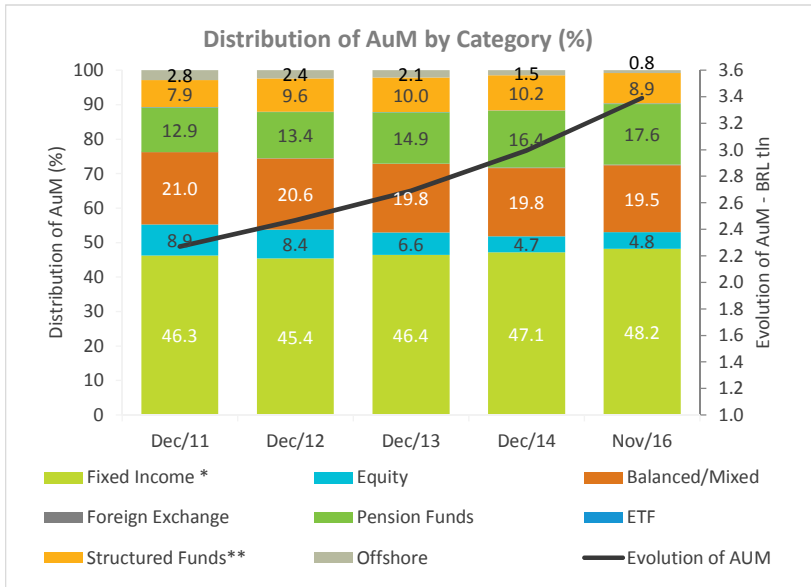
## The Fund Industry in Numbers - November/2016

Domestic Market						
	Month		Year		12M	
Accumulated Net Sales (R\$ billion)	4.5		89.7		85.9	
Sales (R\$ billion)	371.9		3,982.7		4,416.5	
Redemptions (R\$ billion)	367.5		3,893.0		4,330.6	
Net Sales as % of AuM *	0.13		3.04		2.93	
	Nov/16	% Chg. - M	Dec/15	% Chg. - Year	Nov/15	% Chg. - 12M
Assets under Management (R\$ billion)	3,363.7	0.56	2,949.7	14.03	2,929.3	14.83
Number of Funds	14,749	0.07	14,464	1.97	14,392	2.48
Investment Funds	9,274	0.11	8,996	3.09	8,935	3.79
Funds of Funds	5,475	0.00	5,468	0.13	5,457	0.33
Net Balance (beginning - end)	13		66		-36	
Number of Accounts	12.1	0.02	11.7	3.74	11.6	4.50
Investment Funds	2.3	-0.62	2.1	8.58	2.1	10.77
Funds of Funds	9.8	0.16	9.6	2.68	9.5	3.14
Off - Shore **						
Assets under Management (R\$ billion)	27.5		45.2	-39.20	48.2	-42.9
Number of Funds	119		133	-10.53	133	-10.53
Industry Total						
Assets under Management (R\$ billion)	3,391.2	0.56	2,995.0	13.23	2,977.5	13.89
Number of Funds	14,868	0.06	14,597	1.86	14,525	2.36
Number of Administrators	103		103		102	
Number of Managers	539		550		551	

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

\*\* Off-Shore figures as of november//2016





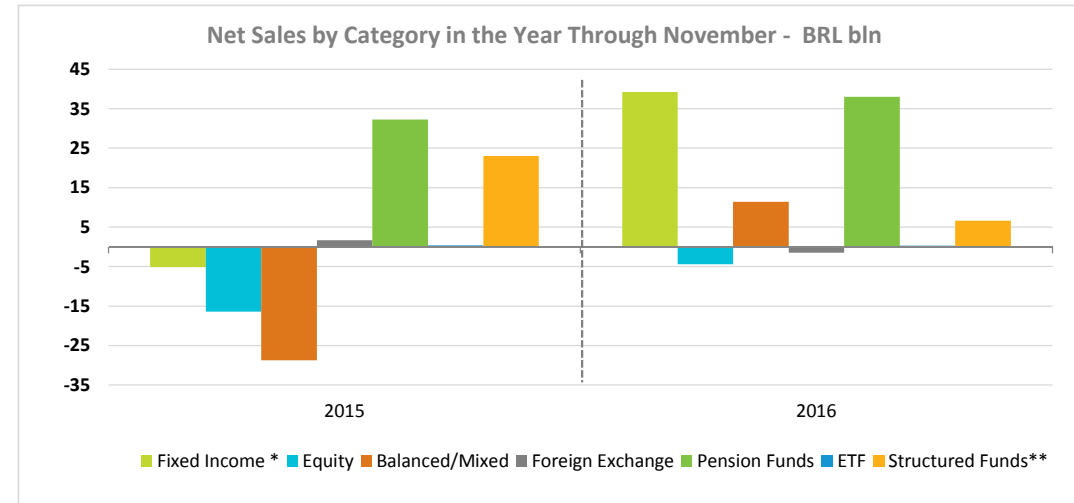
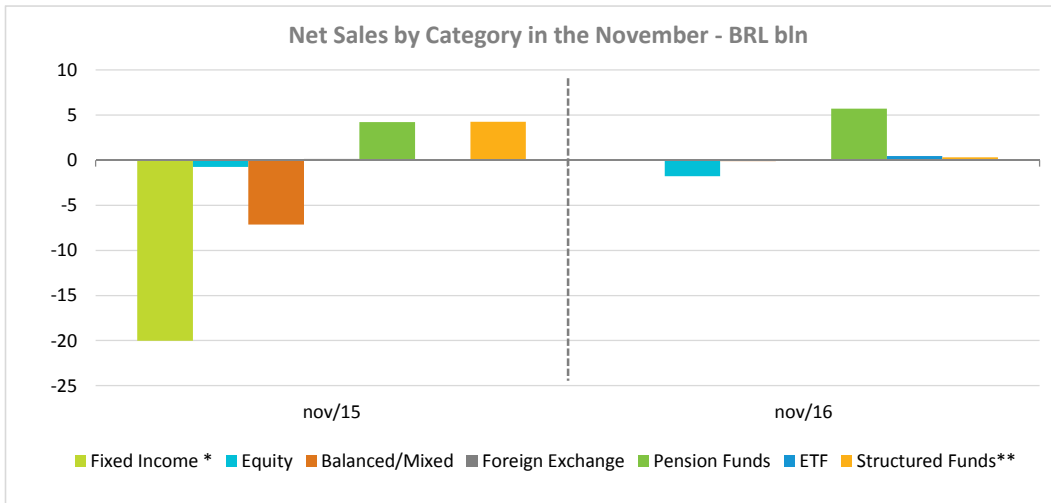
### Net Sales - BRL bln

ANBIMA Category	November					Year to november			
	AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM
Fixed Income	1,635.6	298.8	298.9	-0.1	0.00	3,214.9	3,175.7	39.2	2.78
Equity	161.3	2.2	3.9	-1.8	-1.05	31.7	36.2	-4.4	-3.16
Balanced/Mixed	660.9	33.7	33.8	-0.1	-0.02	359.6	348.1	11.4	1.93
Foreign Exchange	4.0	0.3	0.3	0.0	0.05	4.5	6.0	-1.5	-23.44
Pension Funds	596.9	18.3	12.6	5.7	0.97	199.4	161.3	38.0	7.76
ETF	4.1	0.8	0.4	0.4	11.08	3.6	3.3	0.3	9.54
<b>Sub Total</b>	<b>3,062.9</b>	<b>354.1</b>	<b>349.9</b>	<b>4.2</b>	<b>0.14</b>	<b>3,813.7</b>	<b>3,730.7</b>	<b>83.0</b>	<b>3.09</b>
Credit Receivables	71.7	17.1	17.4	-0.3	-0.46	154.5	159.4	-4.9	-6.58
Real Estate	171.3	0.8	0.1	0.7	0.38	14.4	2.9	11.5	6.72
Private Equity	57.8	-	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>300.8</b>	<b>17.9</b>	<b>17.5</b>	<b>0.3</b>	<b>0.11</b>	<b>169.0</b>	<b>162.4</b>	<b>6.6</b>	<b>2.16</b>
<b>Domestic Total</b>	<b>3,363.7</b>	<b>371.9</b>	<b>367.5</b>	<b>4.5</b>	<b>0.13</b>	<b>3,982.7</b>	<b>3,893.0</b>	<b>89.7</b>	<b>3.04</b>
Off Shore	27.5	-	-	-	-	-	-	-	-
<b>Industry Total</b>	<b>3,391.2</b>	<b>371.9</b>	<b>367.5</b>	<b>4.5</b>		<b>3,982.7</b>	<b>3,893.0</b>	<b>89.7</b>	

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

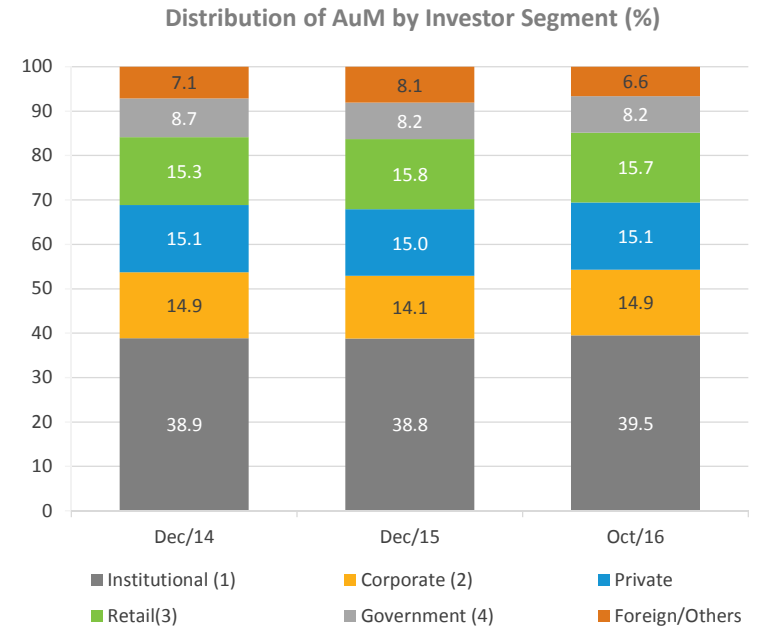


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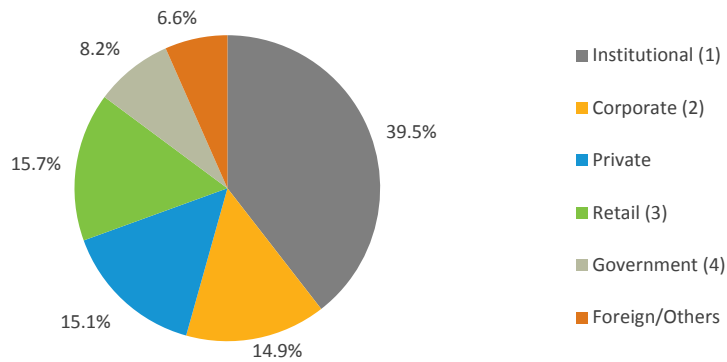
\*\* Credit receivables and Private Equity.

AuM Distribution BRL bln - Oct/16 \*

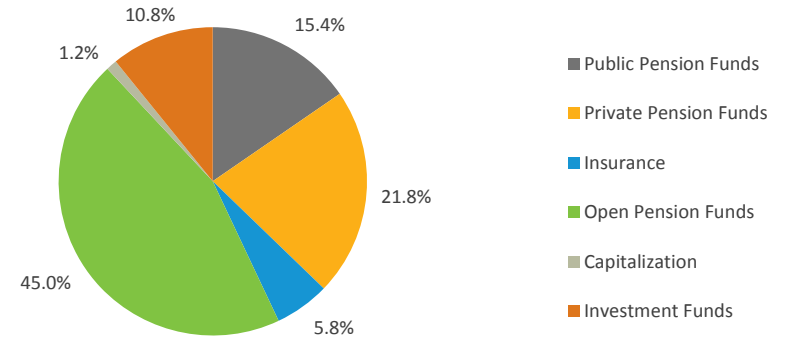
ANBIMA Category	Institutional <sup>(1)</sup>	Corporate <sup>(2)</sup>	Private	Retail <sup>(3)</sup>	Government <sup>(4)</sup>	Foreign	Others	Total
Fixed Income	411.3	343.7	133.9	460.9	257.3	3.2	19.7	1,629.9
Equity	90.6	1.5	41.1	17.7	3.8	0.9	7.4	162.9
Balanced/Mixed	192.5	82.2	274.4	39.6	12.7	25.3	30.1	656.8
Foreign Exchange	0.6	1.5	0.6	1.0	0.0	0.0	0.1	3.8
Pension Funds	585.2	0.0	0.0	0.6	0.0	0.0	0.6	586.4
ETF	1.4	0.0	0.0	0.3	0.0	0.0	2.3	3.9
<b>Sub Total</b>	<b>1,281.5</b>	<b>429.0</b>	<b>450.0</b>	<b>520.1</b>	<b>273.8</b>	<b>29.3</b>	<b>60.1</b>	<b>3,043.8</b>
Credit Receivables	17.4	45.0	6.2	2.0	1.8	4.0	1.8	78.2
Real Estate	31.7	18.8	41.3	2.5	1.6	72.8	4.7	173.4
Private Equity	4.2	9.4	14.0	7.4	0.7	1.6	21.3	58.6
<b>Sub Total</b>	<b>53.4</b>	<b>73.2</b>	<b>61.5</b>	<b>11.8</b>	<b>4.1</b>	<b>78.4</b>	<b>27.8</b>	<b>310.2</b>
Off Shore	0.0	0.0	0.0	0.0	0.0	26.6	0.9	27.5
<b>Total</b>	<b>1,334.9</b>	<b>502.2</b>	<b>511.5</b>	<b>532.0</b>	<b>277.9</b>	<b>134.3</b>	<b>88.8</b>	<b>3,381.5</b>



Distribution of AuM by Investor Segment %



Distribution of AuM by Institutional Investors %



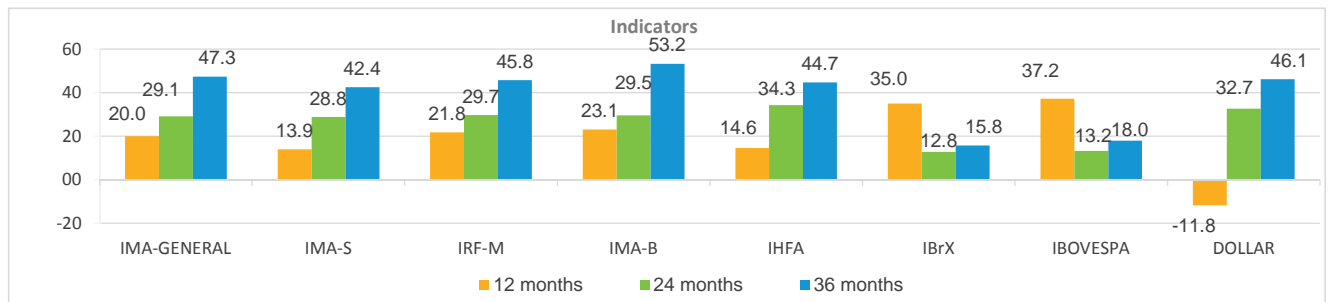
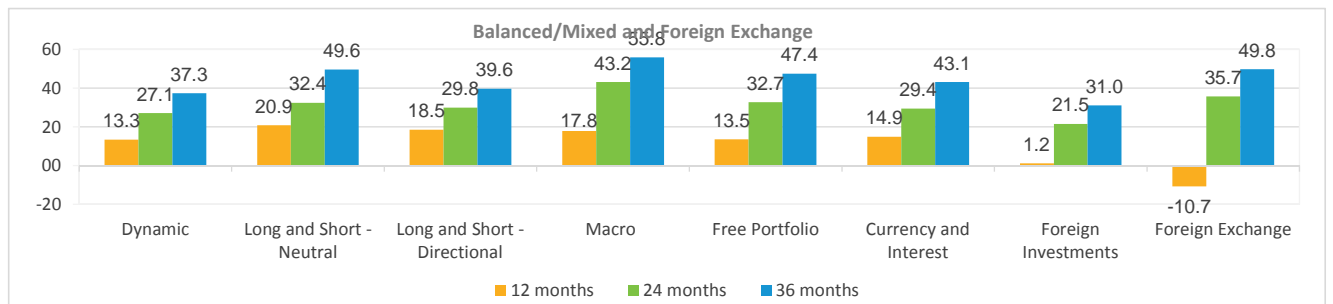
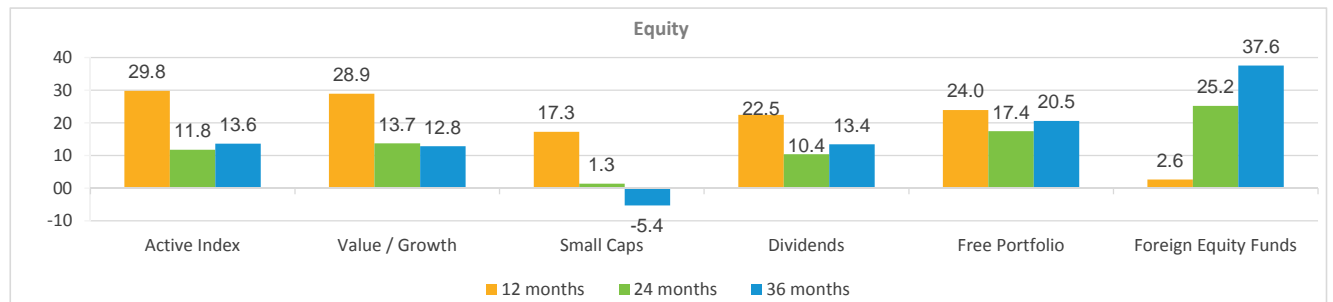
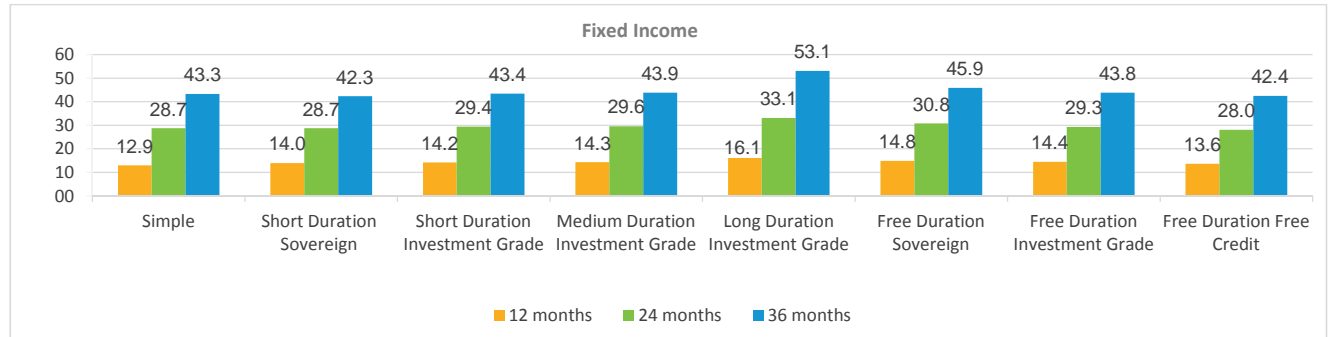
Obs.: (1) Closed Pension Funds , Open Pension Funds, Insurance Companies, Capitalization, Investment Funds; (2) Corporate and Middle Market ;(3) Retail and Retail High Net Worth; (4) Government and Public Pension Funds

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

Returns		
ANBIMA Types	%	
	November	Year
Fixed Income Simple (1)	0.94	11.70
Fixed Income Short Duration Sovereign (1)	1.03	12.66
Fixed Income Short Duration Investment Grade (1)	1.05	12.88
Fixed Income Mid Duration Investment Grade (1)	1.05	12.99
Fixed Income Long Duration Investment Grade (1)	0.30	14.47
Fixed Income Free Duration Sovereign (1)	0.73	13.31
Fixed Income Free Duration Investment Grade (1)	0.82	13.01
Fixed Income Free Duration Free Credit (1)	0.82	12.18
Equity Index Enhanced (1)	-5.31	33.56
Equity - Value / Growth (1)	-5.91	30.14
Equity - Small Caps	-7.94	21.30
Equity - Dividends	-5.66	24.77
Equity - Free Portfolio	-4.89	26.56
Foreign Equity Funds (1)	-4.20	2.93
Balanced / Mixed Dynamic (1)	-0.84	13.19
Balanced / Mixed Long and Short - Neutral	0.34	19.20
Balanced / Mixed Long and Short - Directional	0.45	16.92
Balanced / Mixed - Macro	0.17	16.88
Balanced / Mixed - Free Portfolio	0.05	12.74
Balanced / Mixed - Currency and Interest	0.82	13.46
Balanced / Mixed - Foreign Investments (1)	1.16	0.30
Foreign Exchange	6.50	-12.51
Indicators	%	
	November	Year
IMA-GENERAL	0.00	18.76
IMA-S	1.03	12.60
IRF-M	0.32	21.14
IMA-B	-1.22	21.28
IHFA	-0.24	13.28
CDI	1.04	12.73
CDI 30 X 30	1.04	12.74
IBrX	-5.00	40.28
IBOVESPA	-4.65	42.81
DOLLAR	6.78	-13.01

(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 (%)

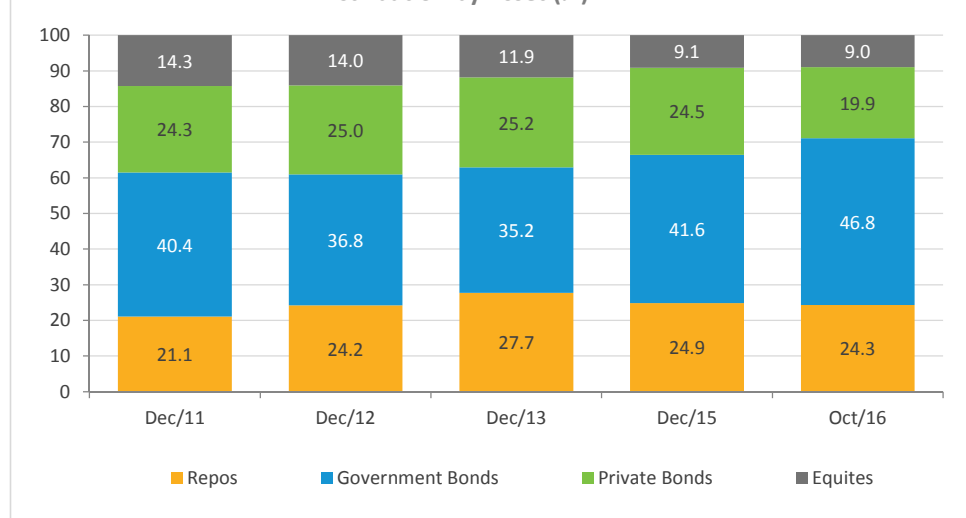


AuM Distribution by Asset (BRL bln) - Oct/2016 \*

Asset	Oct/2016	% Chg. Month	Dec/2015	% Chg. Year	Oct/2015	% Chg. 12M
<b>Fixed Income</b>	<b>2,908.0</b>	<b>1.35</b>	<b>2,547.7</b>	<b>14.14</b>	<b>2,516.0</b>	<b>15.58</b>
Repo Operations	775.3	1.16	696.9	11.25	713.2	8.72
Federal Govt. Bonds	1,496.4	1.70	1,164.8	28.47	1,115.7	34.12
Private Securities	636.2	0.77	686.0	-7.25	687.1	-7.40
CDB/RDB	71.5	-4.88	74.8	-4.39	81.1	-11.82
Financial Bills	305.5	1.38	323.1	-5.46	318.6	-4.13
Collateral Time Deposits (DPGE)	7.7	-6.92	11.0	-30.21	12.0	-35.98
Debentures	83.0	1.80	91.1	-8.89	91.5	-9.29
Commercial Papers	0.9	23.48	0.8	10.42	1.9	-54.07
CCB/CCCB	1.9	-0.62	1.8	2.67	1.9	-2.06
Credit Receivables	43.9	8.12	43.0	1.99	42.1	4.16
Real Estate Sec.	58.1	0.60	61.3	-5.27	62.0	-6.26
Foreign Investments	27.2	-0.53	45.6	-40.34	49.0	-44.48
Others	36.7	-3.29	33.4	9.69	26.9	36.18
<b>Variable Income</b>	<b>286.1</b>	<b>3.70</b>	<b>255.3</b>	<b>12.08</b>	<b>286.6</b>	<b>-0.16</b>
Equities	285.7	4.11	237.9	20.06	267.6	6.74
Options	-15.8	28.05	21.4	-174.11	22.0	-171.82
Others	16.3	17.17	-4.0	-506.28	-3.1	-629.53
<b>Total</b>	<b>3,194.1</b>	<b>1.56</b>	<b>2,803.0</b>	<b>13.95</b>	<b>2,802.6</b>	<b>13.97</b>

Source: ANBIMA

Distribution by Asset (%)

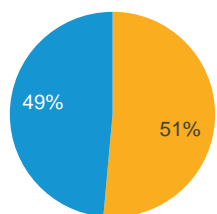


Source: ANBIMA

% Retained by Fund Industry in Oct/16

In Federal Govt. Bonds \*\*

Amount: BRL 2909,2849 bln

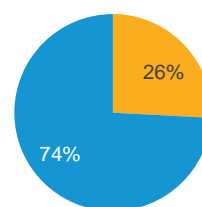


Investment Funds Other Holders

Source: ANBIMA and Nat. Treasury.

In Private Securities

Amount: BRL 2460,0000 bln

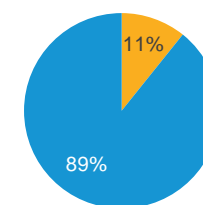


Investment Funds Other Holders

Source ANBIMA and CETIP

In Equities

Amount: BRL 2654,9665 bln



Investment Funds Other Holders

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 78% of the outstanding Federal Govt. Bonds

## Investment Fund Bulletin

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

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