

Equity funds return to the forefront in October

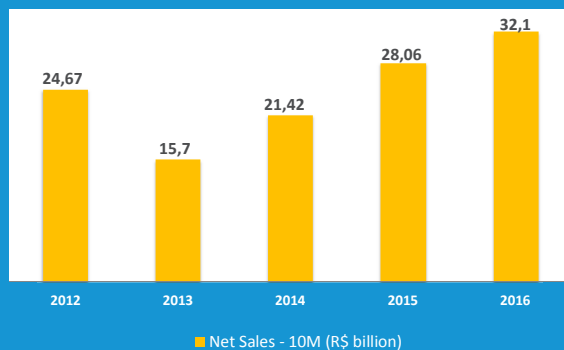
Fueled by October's substantial 11.23% upturn in the Ibovespa, the equity funds resumed their leadership of the profitability rankings, also recording the industry's highest year-to-date returns. Once again, the FMP-FGTS and Single Equity types were leveraged by the appreciation of shares with a representative presence in the Ibovespa, like Vale and Petrobras, and posted the industry's best returns in the month (23.38% and 20.92%, respectively) and year to date (92.73% and 84.60%). The Free Portfolio and Ibovespa Active funds, with the highest AuM of their class, also performed well, albeit less so, recording healthy returns of 7.25% and 9.68%, respectively, in October, and 33.05% and 41.01% in the first ten months

The lower-than-expected reduction in the Selic base rate target in October was reflected in the reduced appreciation of indexed fixed income securities, in turn jeopardizing returns in this fund class, especially the Fixed Income Indices and

Long Duration types. In the Balanced/Mixed class, the Dynamic, Long and Short Directional, and Long and Short Neutral types recorded the best performances of their class, with respective returns of 3.20%, 3.11% and 2.25%. The latter two, whose operations are exclusively restricted to the equity market, also recorded the best year-to-date returns of 16.56% and 18.67%, respectively.

The industry recorded net sales of 1.2 bln reais in October, led by inflow to the Fixed Income (6.6 bln reais) and Pension Funds (3.0 bln reais), more than offsetting the net redemptions posted by the Balanced/Mixed (4.1 bln reais) and Credit Receivables Funds (4.4 bln reais). As a result, the industry accumulated net sales of 80.5 bln reais in the first ten months, the highest result for the period since 2012.

Pension Funds



Source: ANBIMA

Highlight of the Month

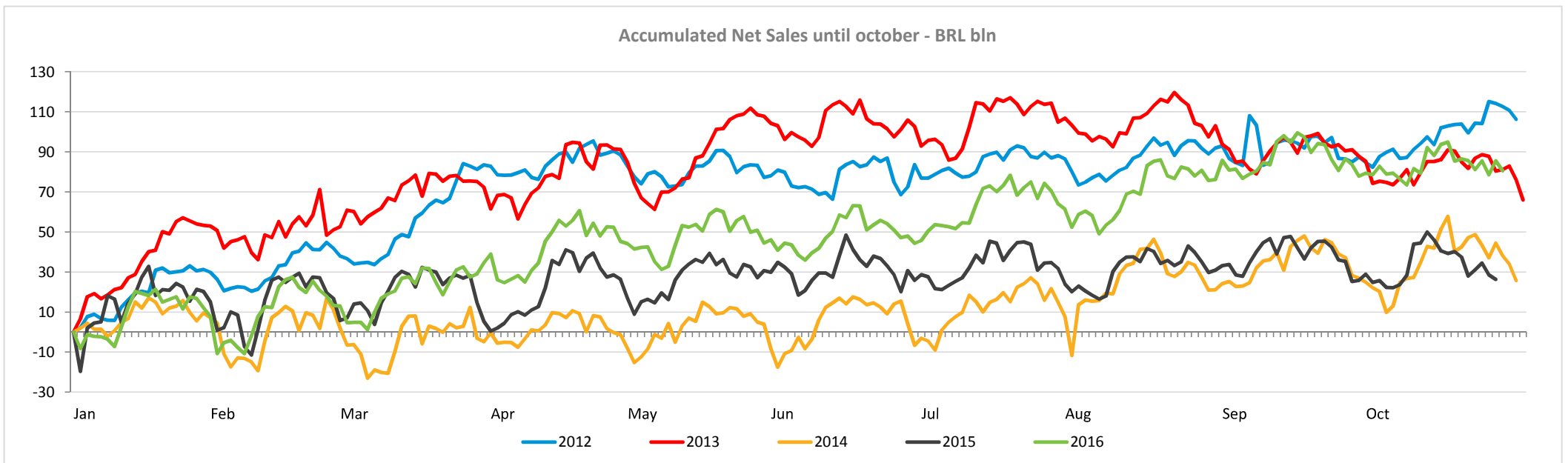
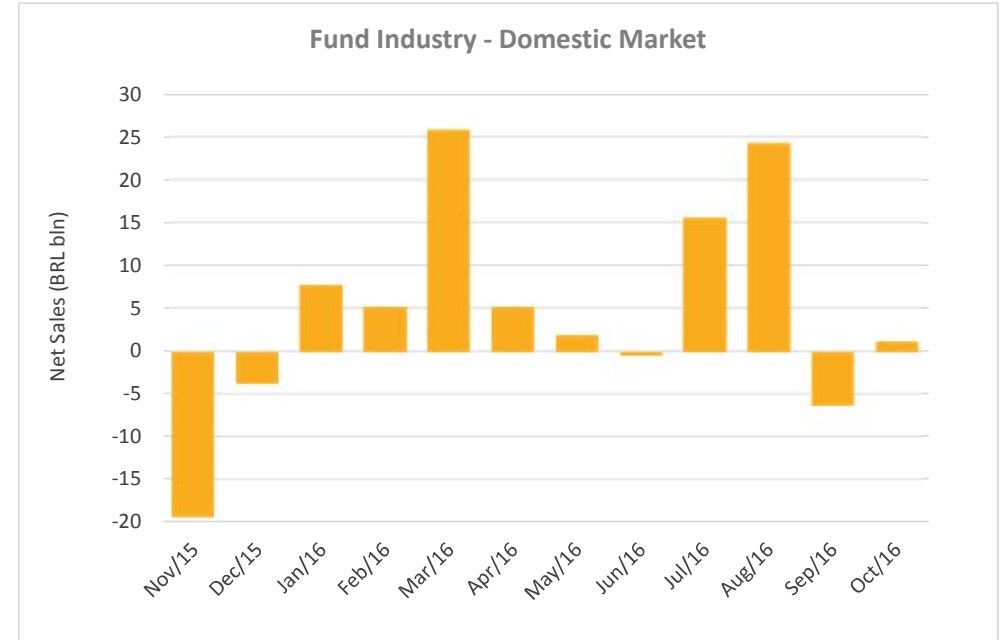
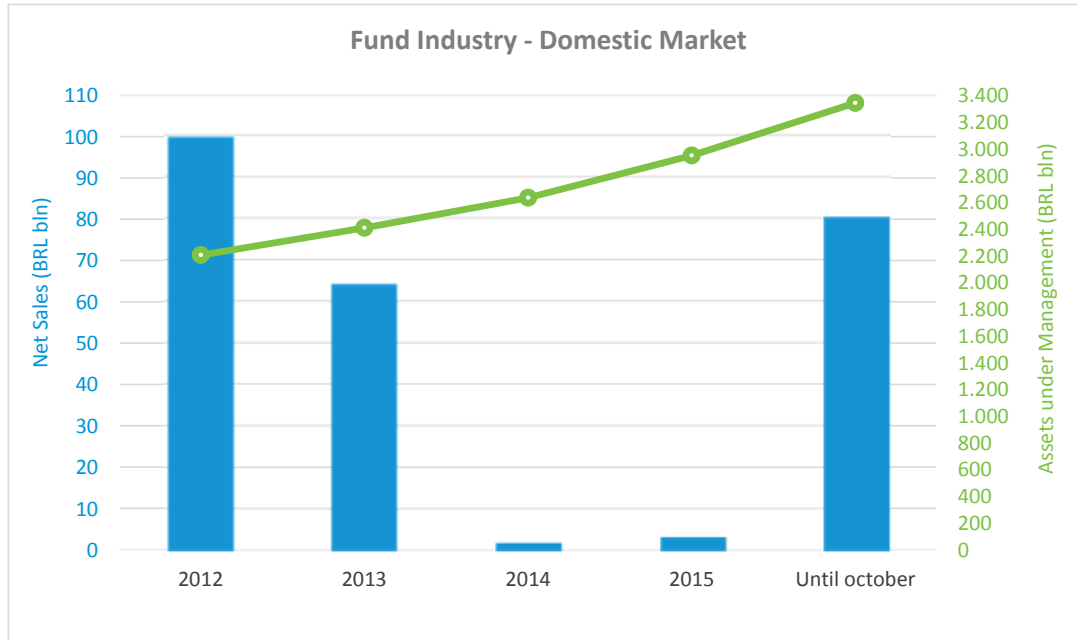
In addition to contributing to the month's positive net sales, with net inflow of 3 bln reais, the Pension Funds recorded year-to-date net sales of 32.1 bln reais, the highest ten-month figure since the series began in 2002. After adapting to the change in the portfolio composition rules in 2013, which initially led to certain negative results and an increase in investors' risk aversion, these funds resumed their growth trajectory, compatible with their status as the main alternative to supplementary private pension plans for Brazilians.

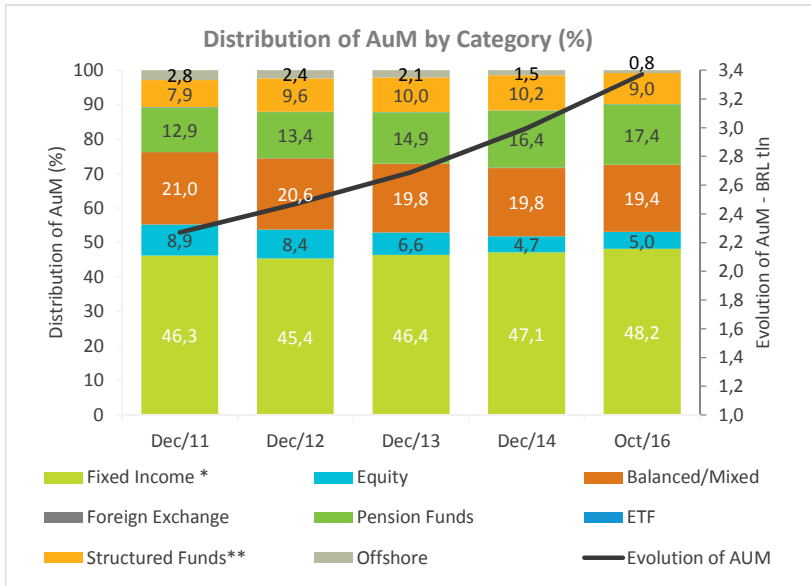
The Fund Industry in Numbers - October/2016

Domestic Market						
	Month		Year		12M	
Accumulated Net Sales (R\$ billion)	1.2		80.5		57.5	
Sales (R\$ billion)	360.6		3,594.4		4,355.7	
Redemptions (R\$ billion)	359.4		3,513.9		4,298.2	
Net Sales as % of AuM *	0.03		2.73		1.97	
	Oct/16	% Chg. - M	Dec/15	% Chg. - Year	Oct/15	% Chg. - 12M
Assets under Management (R\$ billion)	3,343.4	1.09	2,949.7	13.35	2,917.9	14.58
Number of Funds	14,669	0.07	14,467	1.40	14,418	1.74
Investment Funds	9,217	0.11	8,997	2.45	8,934	3.17
Funds of Funds	5,452	0.00	5,470	-0.33	5,484	-0.58
Net Balance (beginning - end)	20		62		-14	
Number of Accounts	11.9	-0.61	11.7	1.93	11.6	2.89
Investment Funds	2.2	-6.20	2.1	2.63	2.0	6.36
Funds of Funds	9.8	0.72	9.6	1.78	9.5	2.15
Off - Shore **						
Assets under Management (R\$ billion)	27.3		45.2	-39.58	50.5	-45.9
Number of Funds	121		133	-9.02	135	-10.37
Industry Total						
Assets under Management (R\$ billion)	3,370.7	1.08	2,995.0	12.55	2,968.4	13.55
Number of Funds	14,790	0.07	14,600	1.30	14,553	1.63
Number of Administrators	102		103		102	
Number of Managers	537		550		549	

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

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





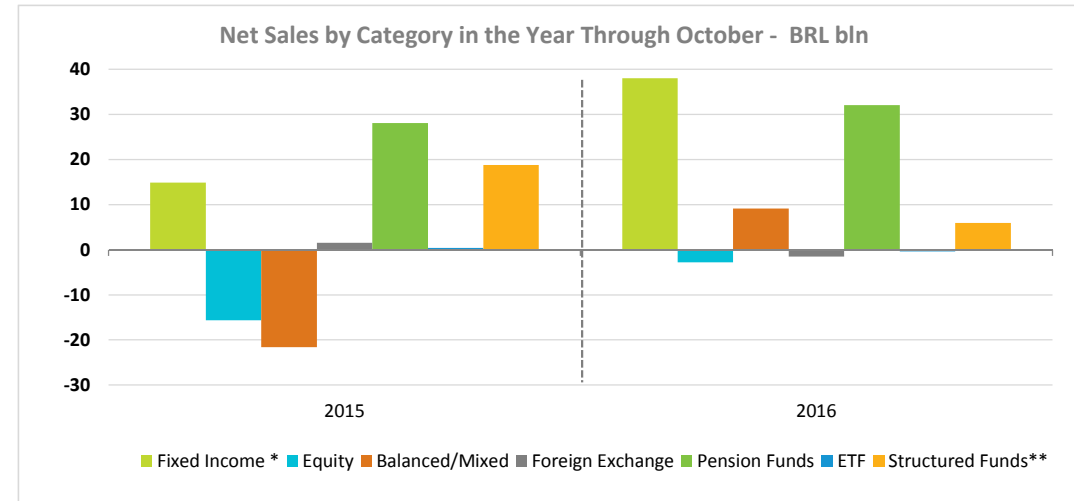
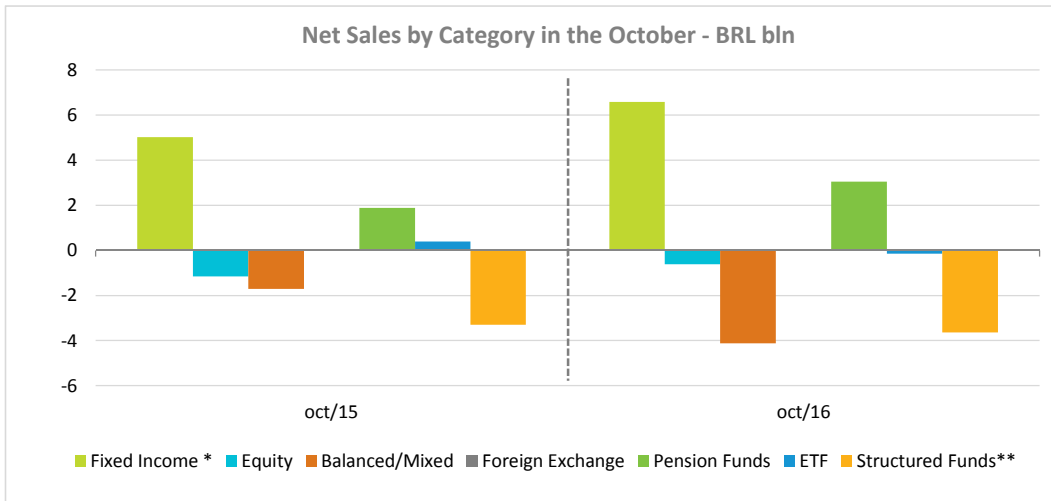
Net Sales - BRL bln

ANBIMA Category	October					Year to October			
	AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM
Fixed Income	1,623.3	301.9	295.3	6.6	0.41	2,911.0	2,873.0	38.0	2.69
Equity	167.8	2.1	2.7	-0.6	-0.39	29.3	32.1	-2.8	-2.00
Balanced/Mixed	654.1	27.8	31.9	-4.1	-0.63	319.1	309.9	9.2	1.54
Foreign Exchange	3.8	0.3	0.2	0.1	1.44	4.3	5.8	-1.5	-23.46
Pension Funds	586.3	14.1	11.1	3.0	0.53	180.7	148.6	32.1	6.54
ETF	3.8	0.4	0.6	-0.1	-4.19	2.6	2.9	-0.4	-13.34
Sub Total	3,039.1	346.6	341.8	4.8	0.16	3,447.0	3,372.4	74.6	2.77
Credit Receivables	71.0	13.2	17.7	-4.4	-5.90	133.9	139.0	-5.1	-6.81
Real Estate	175.3	0.8	0.0	0.8	0.45	13.5	2.5	11.0	6.44
Private Equity	58.0	-	-	-	-	-	-	-	-
Sub Total	304.3	14.0	17.7	-3.6	-1.18	147.4	141.5	6.0	1.95
Domestic Total	3,343.4	360.6	359.4	1.2	0.03	3,594.4	3,513.9	80.5	2.73
Off Shore	27.3	-	-	-	-	-	-	-	-
Industry Total	3,370.7	360.6	359.4	1.2		3,594.4	3,513.9	80.5	

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.

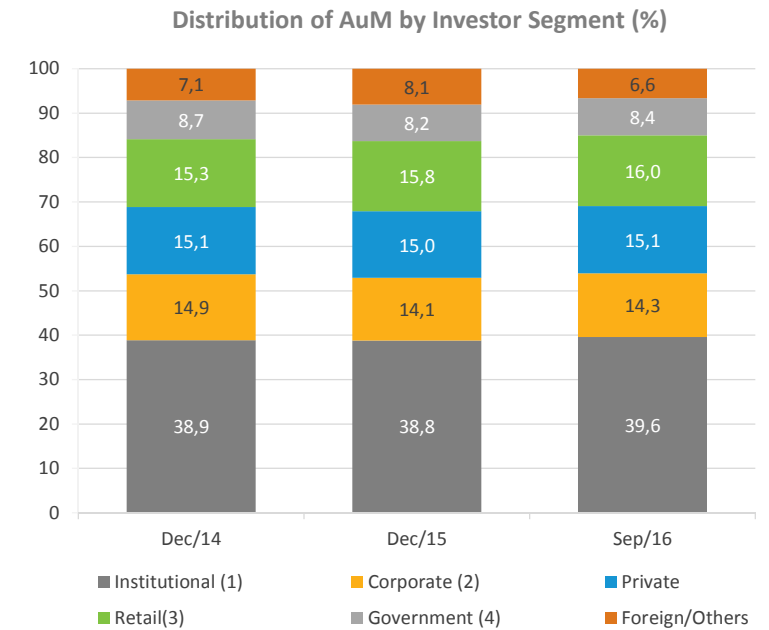


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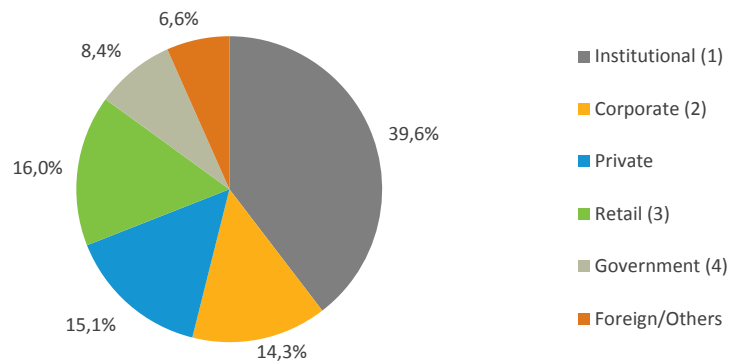
** Credit receivables and Private Equity.

AuM Distribution BRL bln - Sep/16 *

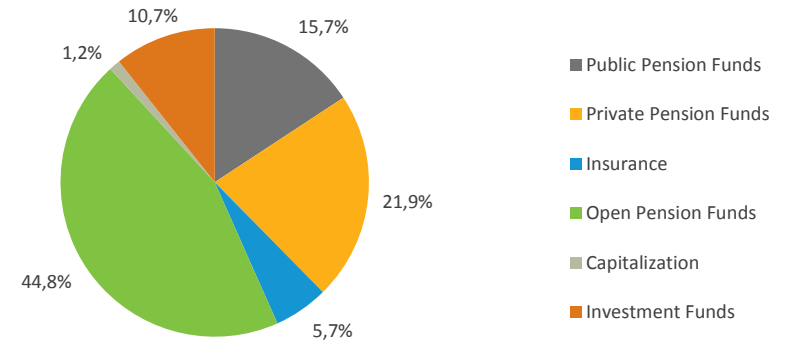
ANBIMA Category	Institutional ⁽¹⁾	Corporate ⁽²⁾	Private	Retail ⁽³⁾	Government ⁽⁴⁾	Foreign	Others	Total
Fixed Income	409.0	318.9	131.8	464.5	258.2	3.2	20.7	1,606.3
Equity	87.7	1.4	43.7	15.8	3.5	0.7	6.6	159.4
Balanced/Mixed	193.2	82.1	267.8	39.1	12.5	26.2	30.3	651.3
Foreign Exchange	0.6	1.4	0.6	1.1	0.0	0.0	0.1	3.8
Pension Funds	575.6	0.0	0.0	0.6	0.0	0.0	0.5	576.6
ETF	1.1	0.0	0.0	0.2	0.0	0.0	2.2	3.6
Sub Total	1,267.2	403.9	443.9	521.3	274.3	30.1	60.4	3,001.1
Credit Receivables	17.2	44.0	6.3	1.1	1.8	3.6	1.5	75.3
Real Estate	31.8	19.7	41.7	2.4	2.1	71.4	4.8	174.0
Private Equity	3.8	9.4	12.8	7.5	0.7	1.6	20.9	56.6
Sub Total	52.8	73.0	60.8	11.0	4.6	76.6	27.2	305.9
Off Shore	0.0	0.0	0.1	0.1	0.0	24.9	1.8	26.9
Total	1,320.0	476.9	504.7	532.4	278.9	131.6	89.4	3,333.9



Distribution of AuM by Investor Segment %



Distribution of AuM by Institutional Investors %



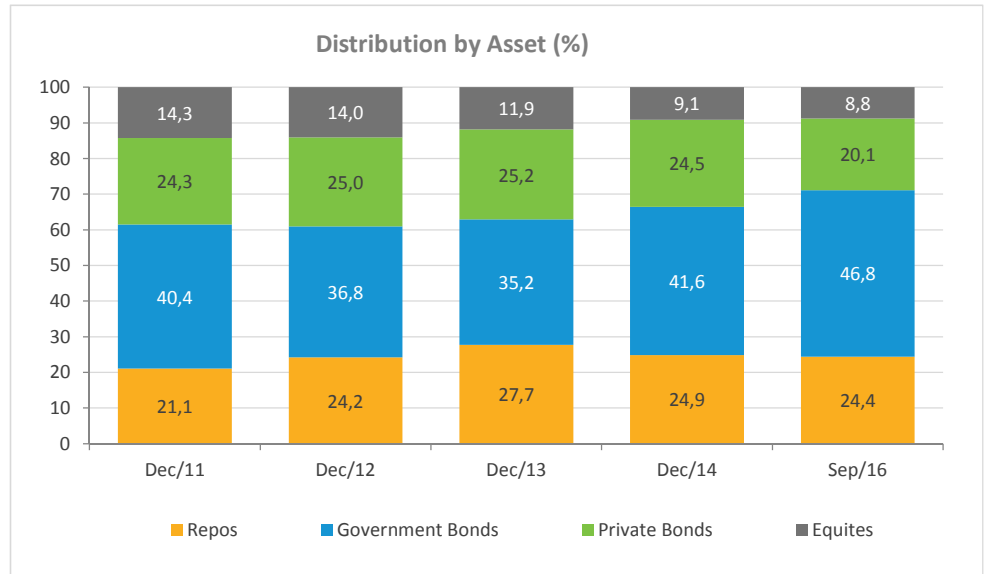
Obs.: (1) Closed Pension Funds , Open Pension Funds, Insurance Companies, Capitalization, Investment Funds; (2) Corporate and Middle Market ;(3) Retail and Retail High Net Worth; (4) Government and Public Pension Funds

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

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

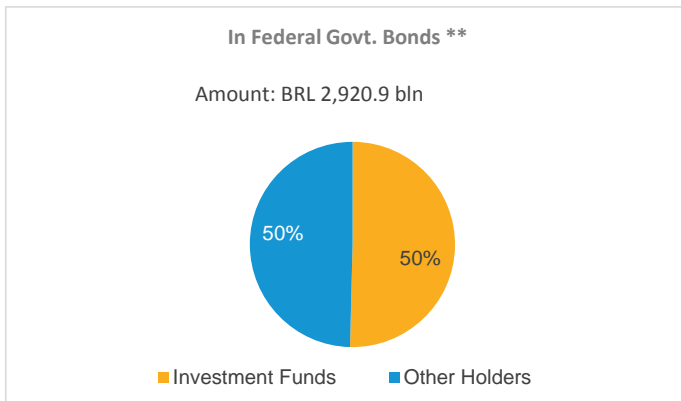
Asset	Sep/2016	% Chg. Month	Dec/2015	% Chg. Year	Sep/2015	% Chg. 12M
Fixed Income	2,869.2	0.71	2,547.7	12.62	2,481.0	15.65
Repo Operations	766.4	-1.11	696.9	9.97	670.3	14.35
Federal Govt. Bonds	1,471.4	3.58	1,164.8	26.32	1,136.6	29.45
Private Securities	631.4	-3.39	686.0	-7.95	674.1	-6.34
CDB/RDB	75.2	-1.36	74.8	0.52	80.3	-6.44
Financial Bills	301.3	-6.56	323.1	-6.74	305.6	-1.41
Collateral Time Deposits (DPGE)	8.2	-3.46	11.0	-25.01	12.1	-31.83
Debentures	81.5	0.33	91.1	-10.49	92.6	-11.97
Commercial Papers	0.7	17.03	0.8	-10.58	2.7	-73.72
CCB/CCCB	1.9	22.94	1.8	3.30	1.9	-0.01
Credit Receivables	40.6	-1.01	43.0	-5.66	40.7	-0.16
Real Estate Sec.	57.7	2.32	61.3	-5.84	61.0	-5.38
Foreign Investments	26.3	-1.97	45.6	-42.33	48.6	-45.90
Others	37.9	-2.71	33.4	13.43	28.5	32.88
Variable Income	275.9	-0.70	255.3	8.08	293.0	-5.83
Equities	274.4	-0.43	237.9	15.31	273.6	0.28
Options	-12.4	1.11	21.4	-157.87	25.1	-149.21
Others	13.9	-4.34	-4.0	-446.75	-5.7	-342.98
Total	3,145.1	0.58	2,803.0	12.21	2,774.0	13.38

Source: ANBIMA

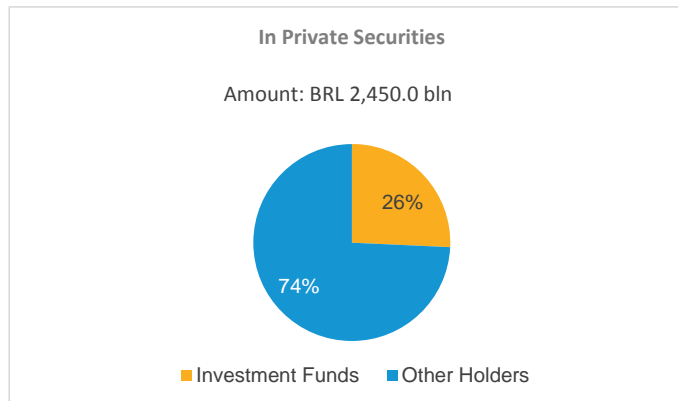


Source: ANBIMA

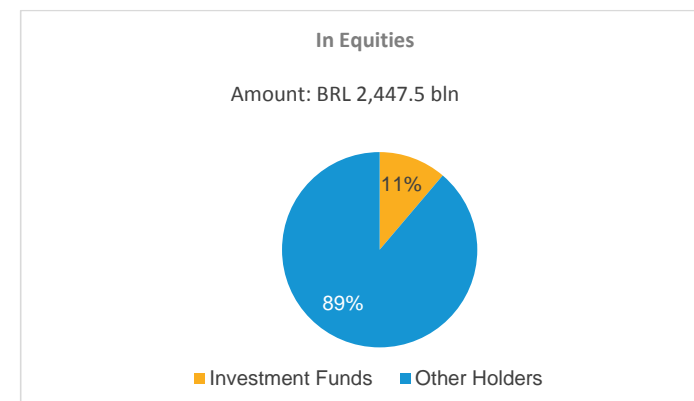
% Retained by Fund Industry in Sep/16



Source: ANBIMA and Nat. Treasury.



Source ANBIMA and CETIP



Source: ANBIMA and BM&FBovespa

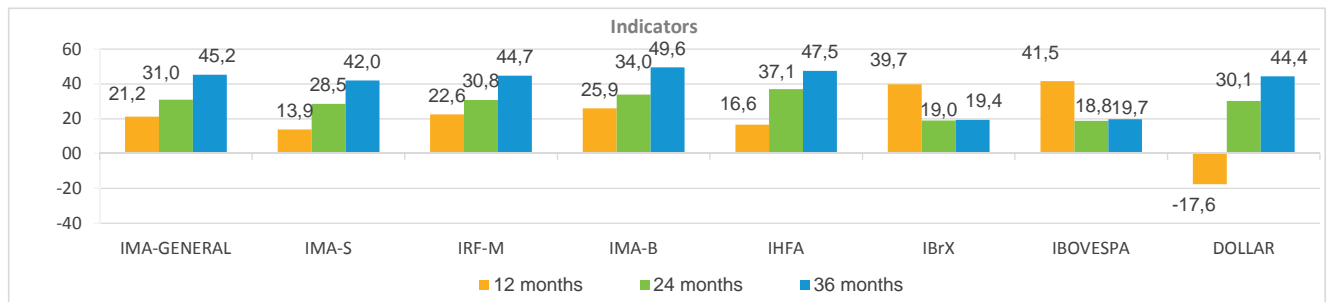
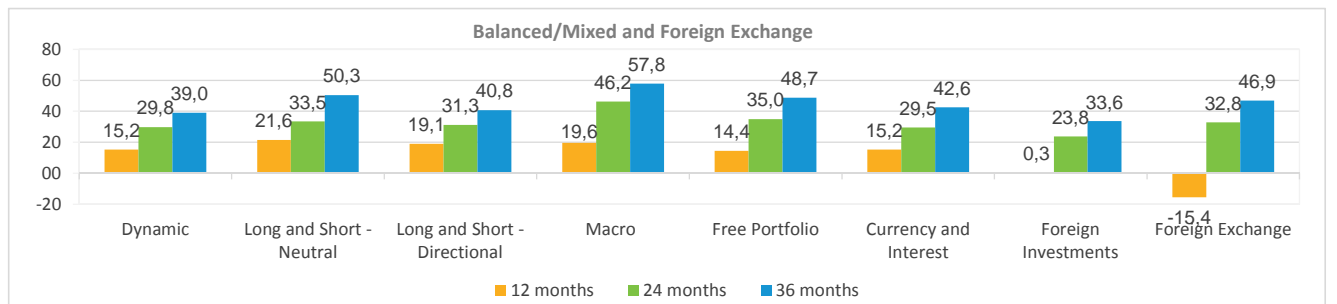
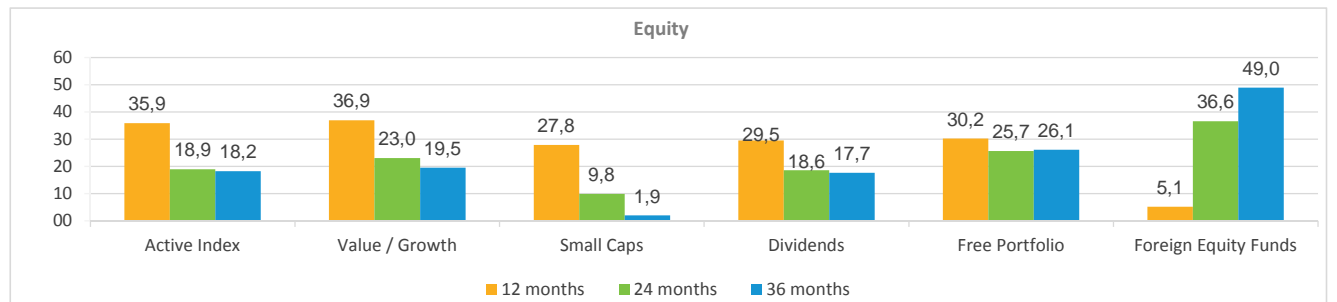
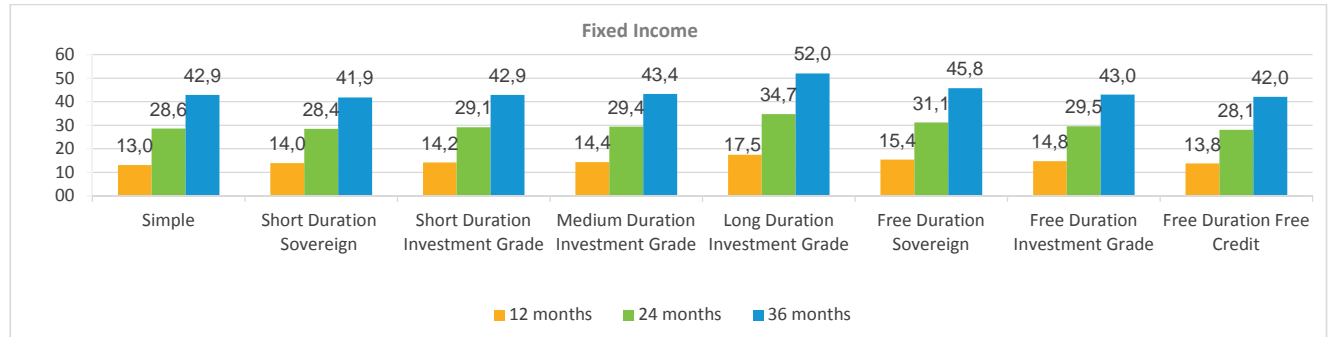
* The figures given are for the stock on the last day of the reporting period.

** Excludes Repo Transactions. Federal Govt. Bonds, plus the Repo Operations backed by those securities in Investment Funds Portfolio is equivalent to 77% of the outstanding Federal Govt. Bonds

Returns		
ANBIMA Types	%	
	October	Year
Fixed Income Simple (1)	0.94	10.66
Fixed Income Short Duration Sovereign (1)	1.04	11.51
Fixed Income Short Duration Investment Grade (1)	1.06	11.71
Fixed Income Mid Duration Investment Grade (1)	1.06	11.82
Fixed Income Long Duration Investment Grade (1)	0.65	14.13
Fixed Income Free Duration Sovereign (1)	0.86	12.50
Fixed Income Free Duration Investment Grade (1)	0.93	12.09
Fixed Income Free Duration Free Credit (1)	0.93	11.25
Equity Index Enhanced (1)	9.68	41.01
Equity - Value / Growth (1)	7.69	38.82
Equity - Small Caps	6.01	31.74
Equity - Dividends	7.78	32.16
Equity - Free Portfolio	7.25	33.05
Foreign Equity Funds (1)	1.89	7.41
Balanced / Mixed Dynamic (1)	3.20	14.06
Balanced / Mixed Long and Short - Neutral	2.25	18.67
Balanced / Mixed Long and Short - Directional	3.11	16.56
Balanced / Mixed - Macro	1.79	16.68
Balanced / Mixed - Free Portfolio	1.39	12.63
Balanced / Mixed - Currency and Interest	0.96	12.54
Balanced / Mixed - Foreign Investments (1)	0.61	-0.82
Foreign Exchange	-1.80	-17.85
Indicators	%	
	October	Year
IMA-GENERAL	0.90	18.76
IMA-S	1.04	11.45
IRF-M	1.22	20.75
IMA-B	0.64	22.78
IHFA	1.93	13.55
CDI	1.05	11.58
CDI 30 X 30	1.05	11.58
IBrX	10.75	47.66
IBOVESPA	11.23	49.77
DOLLAR	-2.01	-18.53

(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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