



ANF

SOCIÉTÉ DE GESTION

THE BRAZILIAN ASSET MANAGEMENT COMMUNITY DOMESTIC AND INTERNATIONAL PERSPECTIVES

**LUXEMBURGO
OCTOBER 03 2014**

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C.E.O. ANF LUXEMBOURG SA**

The Brazilian Asset Management Community Index



Part I Brazil – The country in figures

I. Introduction - Overview of the Brazilian Economy

II. Domestic Savings rate

III. Wealth Distribution

IV. Wealth Formation and Concentration

V. Financial Markets

VI. Interest Rates – Historic, Local currency fixed income markets,
Treasury Bills and bonds, Tesouro Direto

VII. Foreign Exchange – Historical values, current and forecasts

VIII. Stock Exchange – BOVESPA, Bolsa de Valores do Estado de São Paulo

IX. The Fund Industry

The Brazilian Asset Management Community Index



Part II The Brazilian Asset Management Community The Investment Funds Industry

- I. Brief History
- II. The players
- III. Size of the Market
- IV. Number and types of funds
- V. Regulators and auto regulatory system
- VI. Perspectives – Domestic
- VII. Perspectives – International

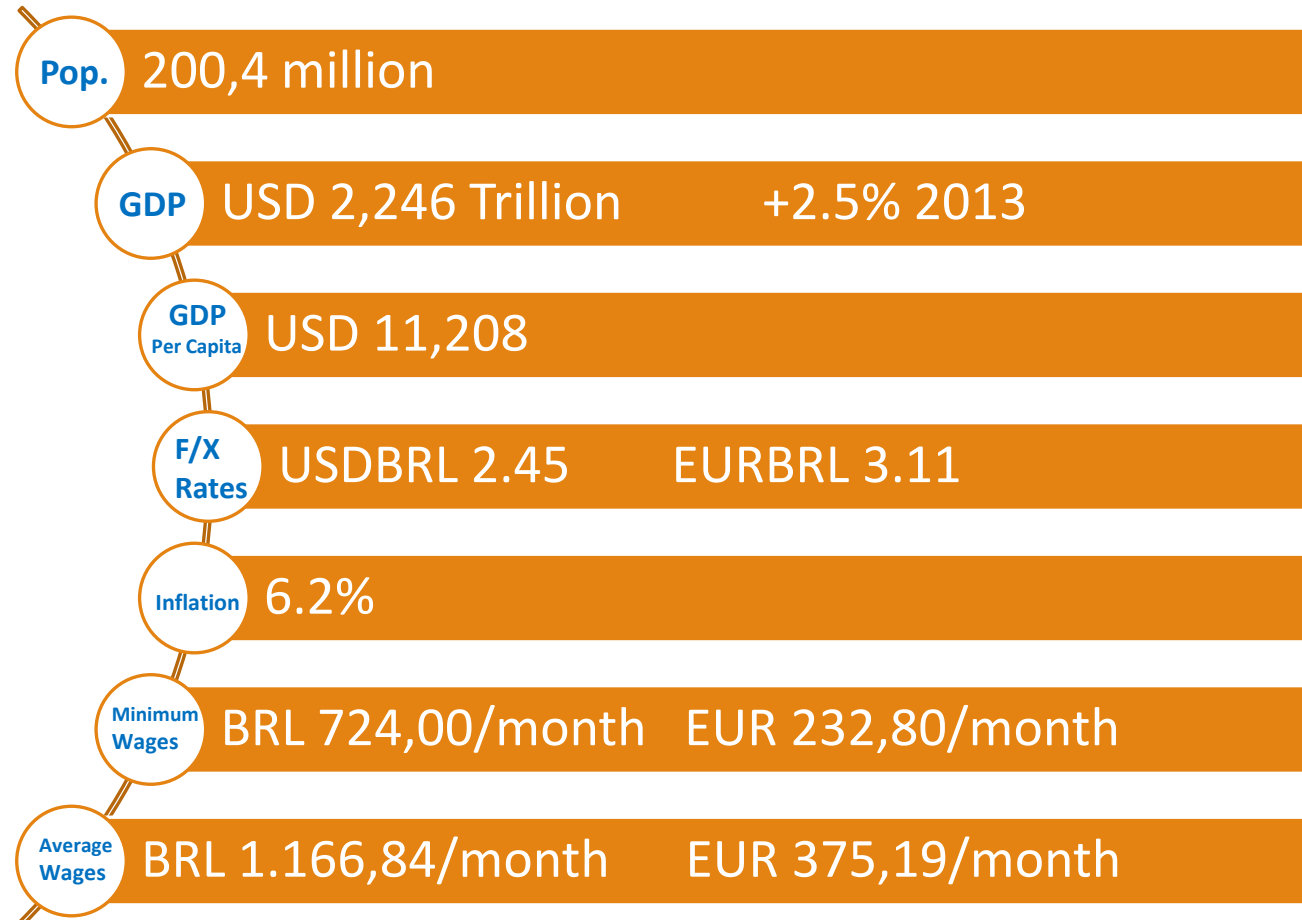
Part III. Conclusion – perspectives

PART I The Country in figures



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Part I Brazil – The country in figures



Luxembourg

- EUR 1.921,03/month
 - EUR 2.305,23/month
- Qualified worker
- EUR 5.138,00 (LUX)

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Part I Brazil – The country in figures



Overview of the Brazilian Economy

- Top 5 Products exported by Brazil Iron Ore (13%), Crude Petroleum (8.4%), Soybeans (7.0%), Raw Sugar (5.3%), and Poultry Meat (2.8%)
- Top 5 Products imported by Brazil Refined Petroleum (7.3%), Crude Petroleum (5.7%), Cars (4.3%), Vehicle Parts (3.1%), and Petroleum Gas (2.7%)
- Top 5 Export destinations of Brazil China (17%), United States (11%), Argentina (7.2%), Netherlands (5.4%), and Germany (3.9%)
- Top 5 Import origins of Brazil China (15%), United States (14%), Argentina (7.4%), Germany (6.6%), and South Korea (4.6%)
- Brazil is ranked 56 with an Economic Complexity Index (ECI) of 0.315644

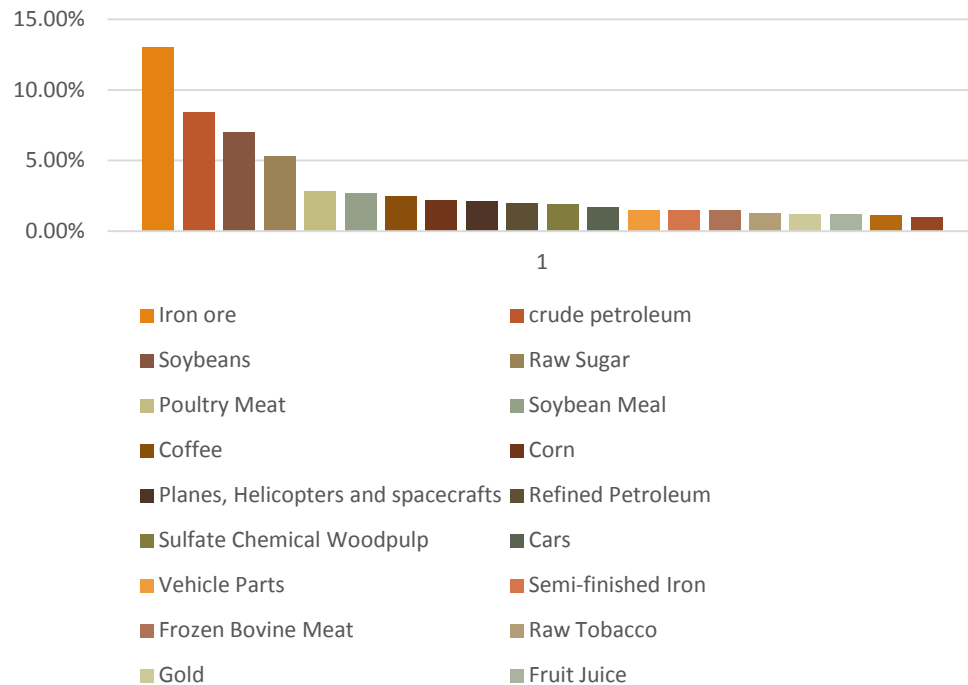
Brazil is the top exporter of Raw Sugar, Coffee, Sulfate Chemical Woodpulp, Poultry Meat, Frozen Bovine Meat, Fruit Juice, Raw Tobacco, Alcohol > 80% ABV, Flexible Metal Tubing, and Other Metals.

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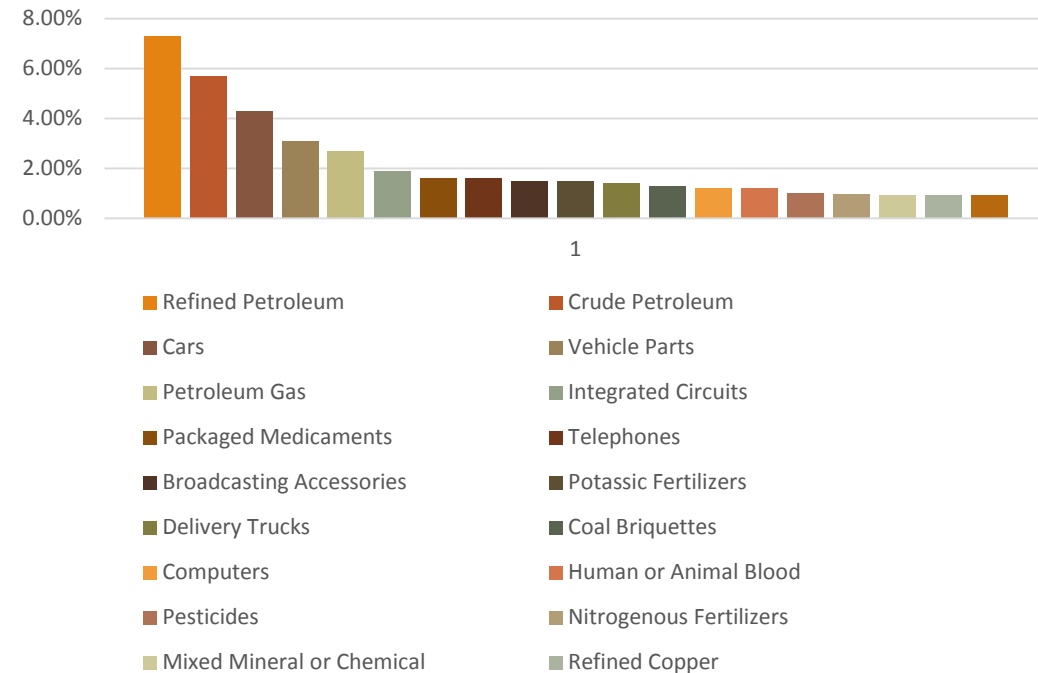
Part I Brazil – The country in figures



Brazil Exports



Brazil Imports



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Part I Brazil – The country in figures



- Economic Openness Index:
- 21,38%



- Economic Openness Index:
- 63,08%

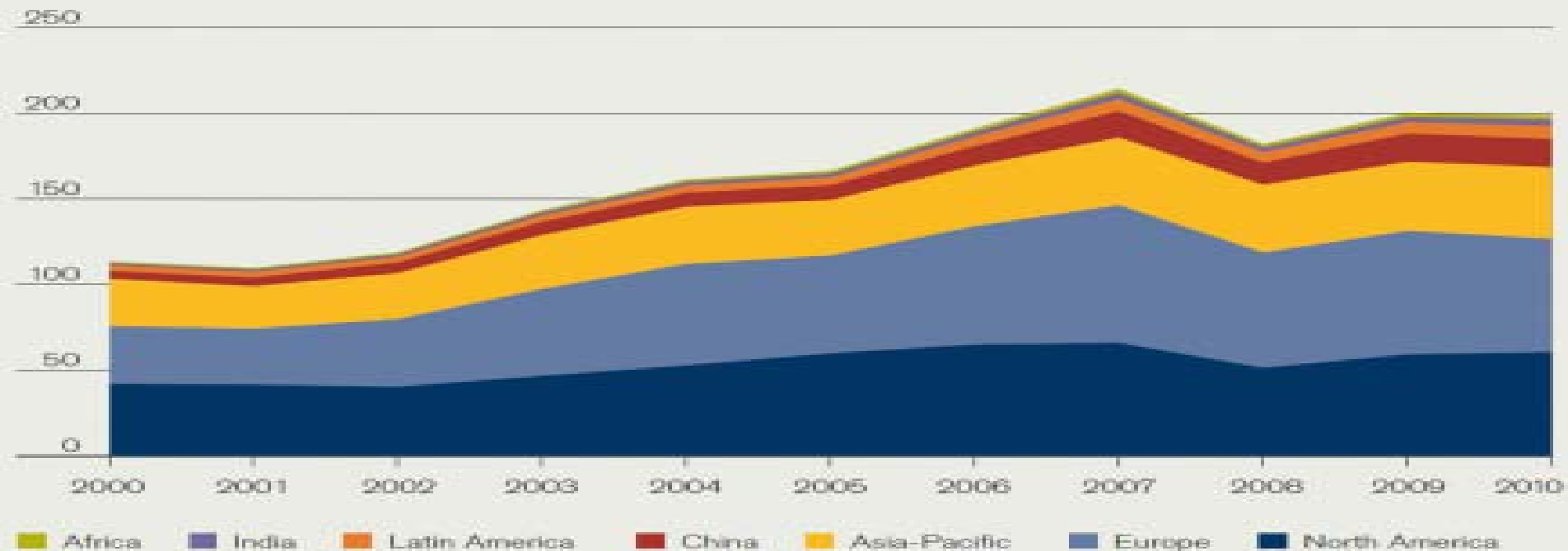
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Figure 1

World wealth by region, in USD trillions

World wealth adds up to USD 200 trn, with the Asia-Pacific region and China making up an increasing segment.



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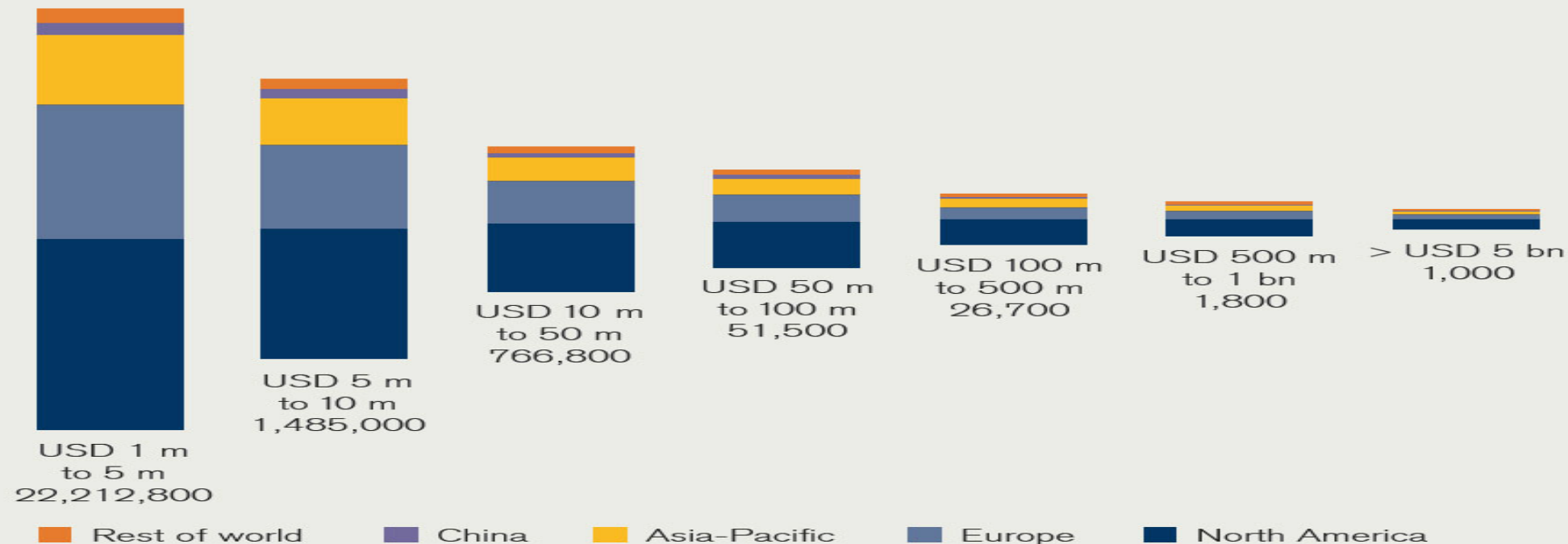
Part I The Wealthy by region



Figure 3

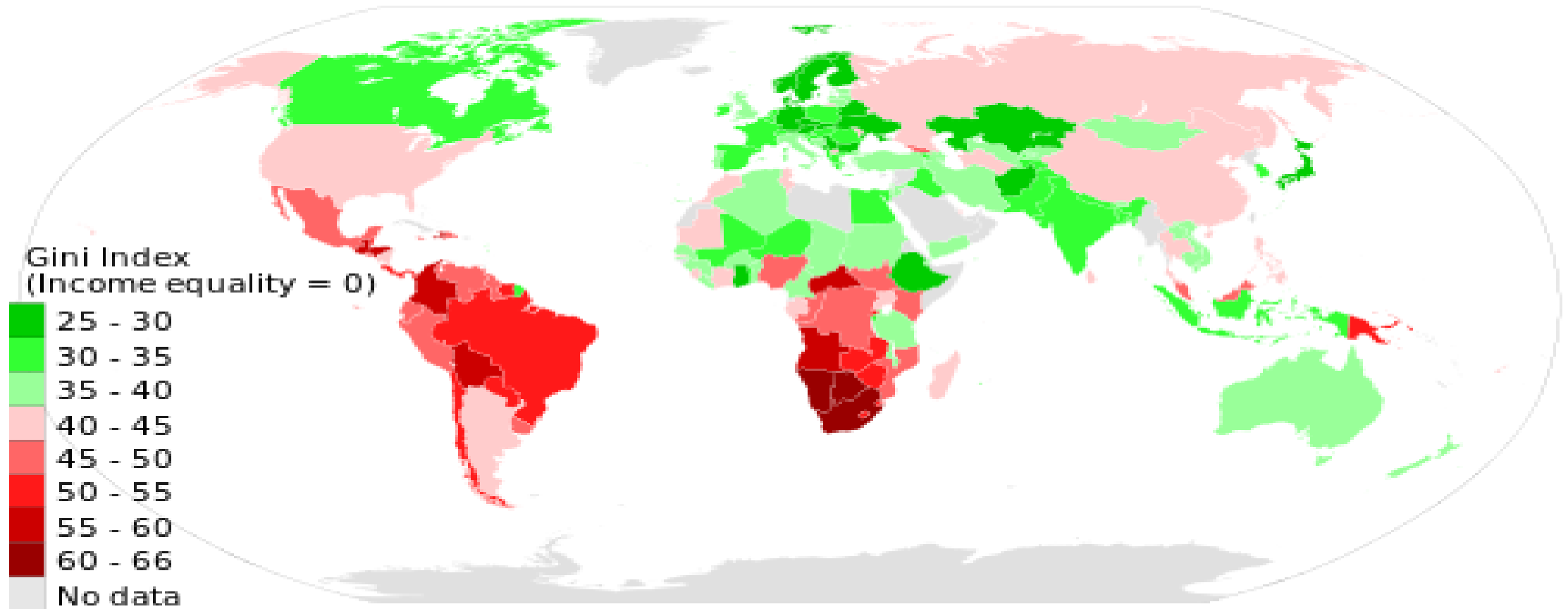
The wealthy by region

Representation by region in the upper echelons of the world's wealthy.



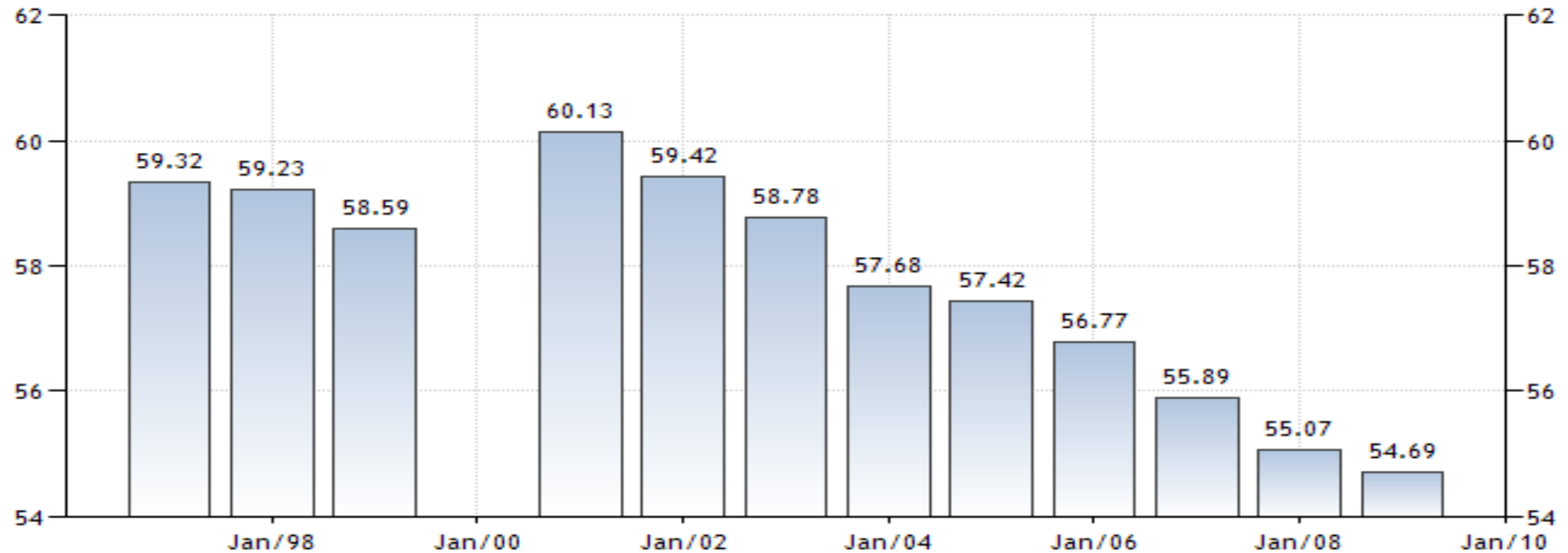
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Part I Brazil – The country in figures



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Part I Brazil – GINI Index



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Part I Brazil – BOVESPA INDEX



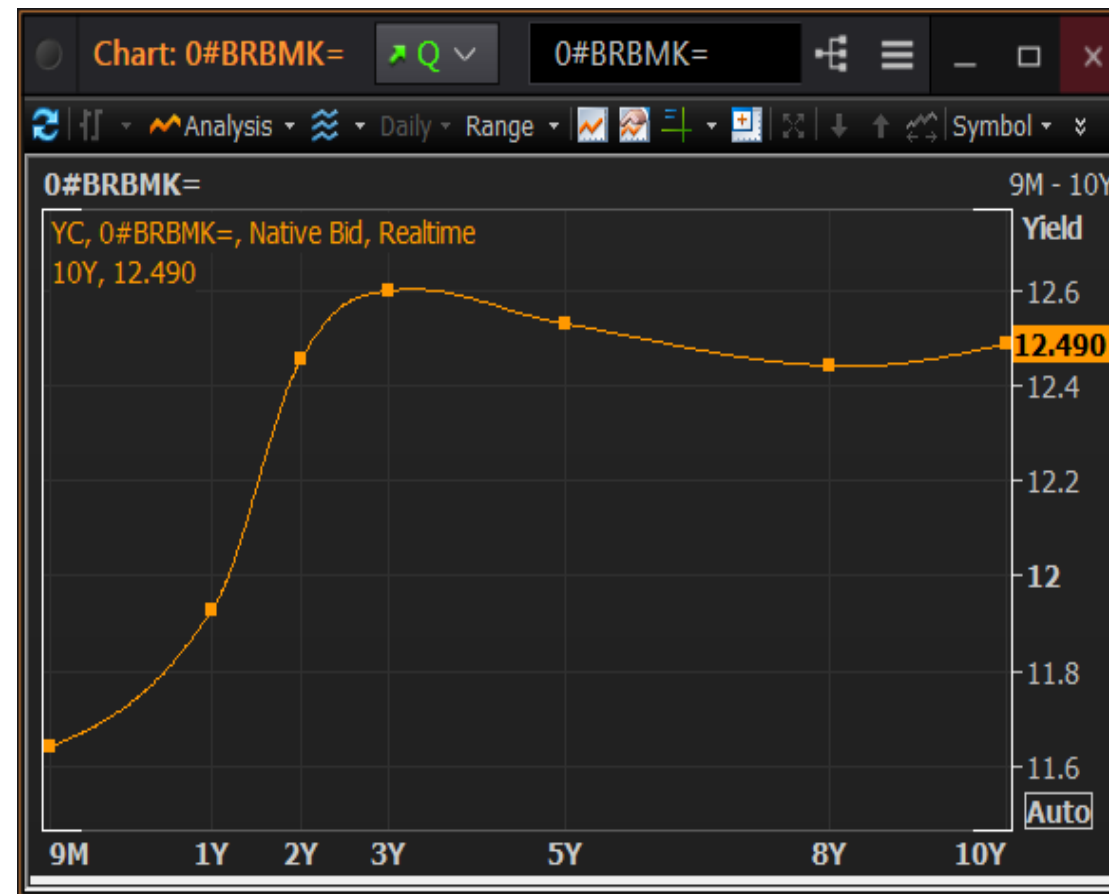
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Part I Brazil – Foreign Exchange



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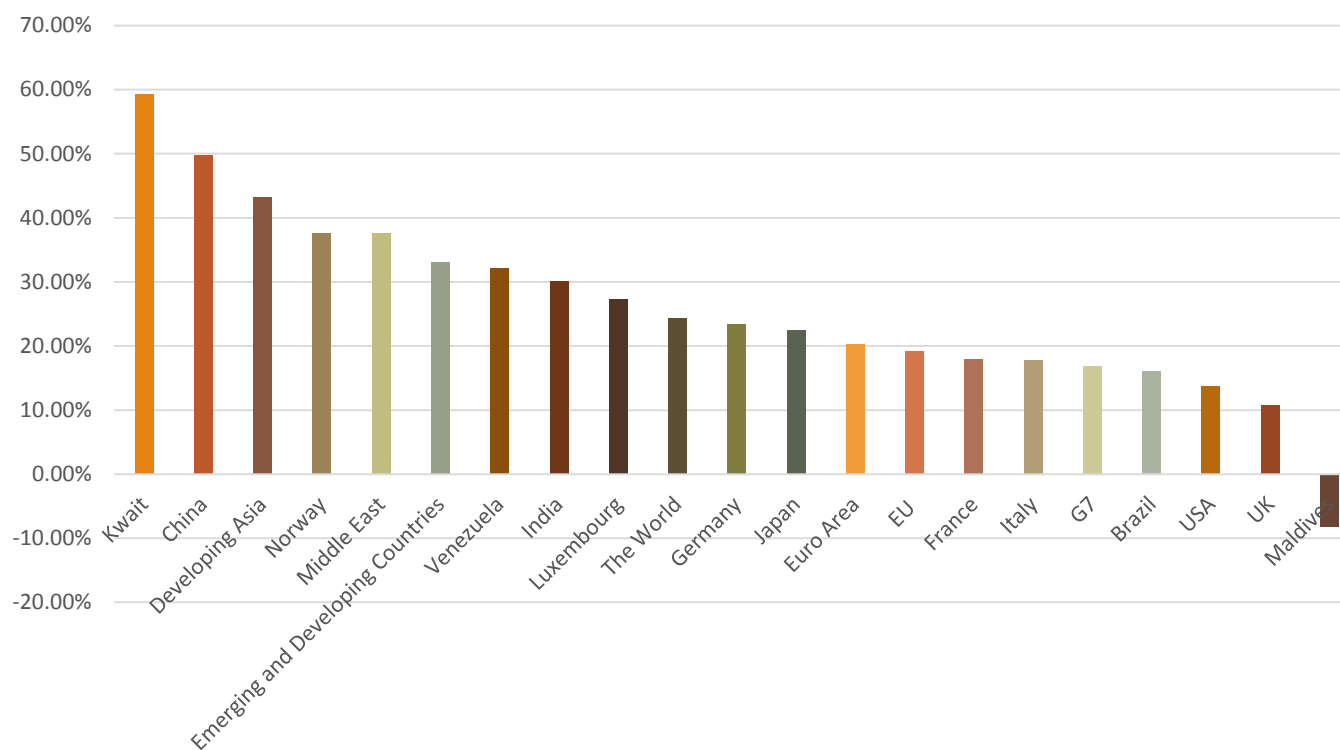
Part I Brazil – SELIC Rate and Market Yield curve



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Part I - Gross National Savings Rate (% of GDP)

Gross National Savings Rate (% of GDP)



Gross National Savings Rate (% of GDP)	
Kwait	59,24%
China	49,70%
Developing Asia	43,18%
Norway	37,64%
Middle East	37,61%
Emerging and Developing Countries	33,10%
Venezuela	32,09%
India	30,20%
Luxembourg	27,25%
The World	24,37%
Germany	23,46%
Japan	22,44%
Euro Area	20,35%
EU	19,15%
France	17,92%
Italy	17,89%
G7	16,89%
Brazil	16,15%
USA	13,84%
UK	10,75%
Maldives	-8,11%

Part II The Funds Industry in Brazil

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Part II Brazil – The fund industry in numbers



AuM

BRL 2.659.291,60

EUR 855.077,69

USD 1.085.425,14

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Part II Brazil – The fund industry in numbers



	Aug/14	% Chg. - M	Dec/13	% Chg. - Year	Aug/13	% Chg. - 12M
Assets under Management (R\$ billion)	2.599,2	1,99	2.409,8	7,86	2.365,0	9,90
Number of Funds	14.470	-0,05	14.125	2,44	13.574	6,60
Investment Funds	8.569	-0,01	8.214	4,32	7.857	9,06
Funds of Funds	5.901	-0,10	5.911	-0,17	5.717	3,22
Net Balance (beginning - end)	-13		117		80	
Number of Accounts	11,4	0,31	11,0	3,41	10,8	5,00
Investment Funds	2,7	-1,23	3,4	-21,84	3,5	-23,14
Funds of Funds	8,7	0,79	7,6	14,75	7,4	18,24

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Part II The Fund Industry in Brazil



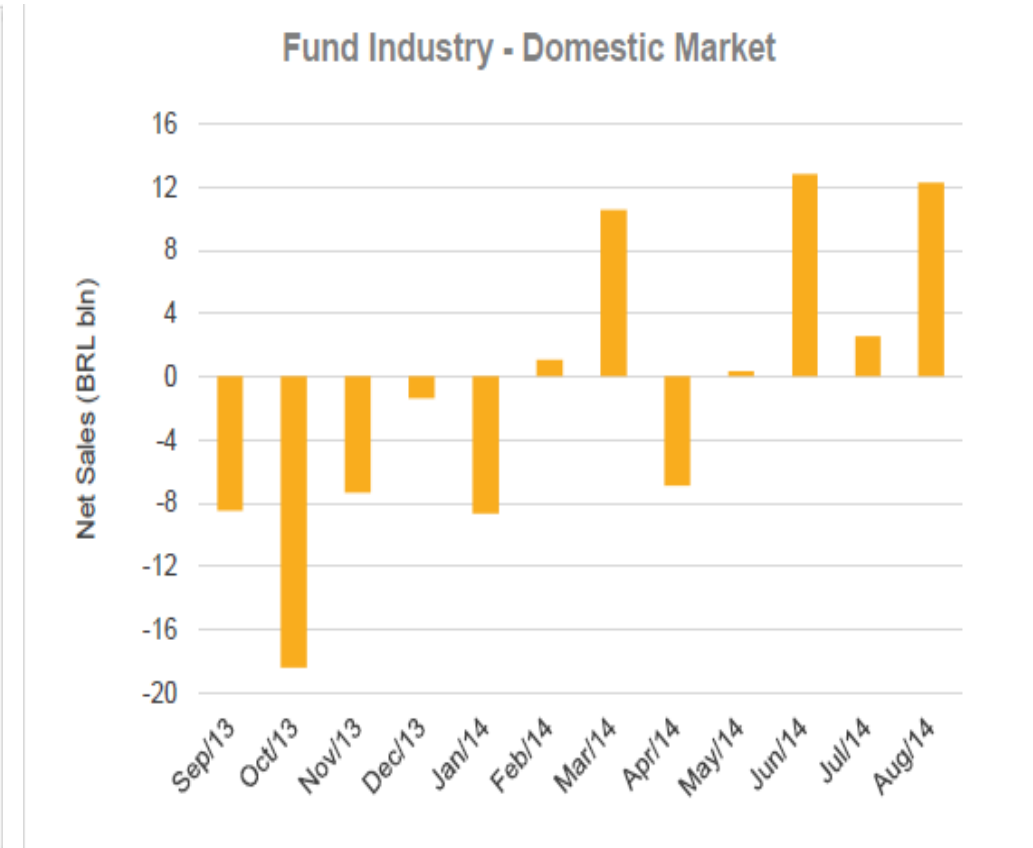
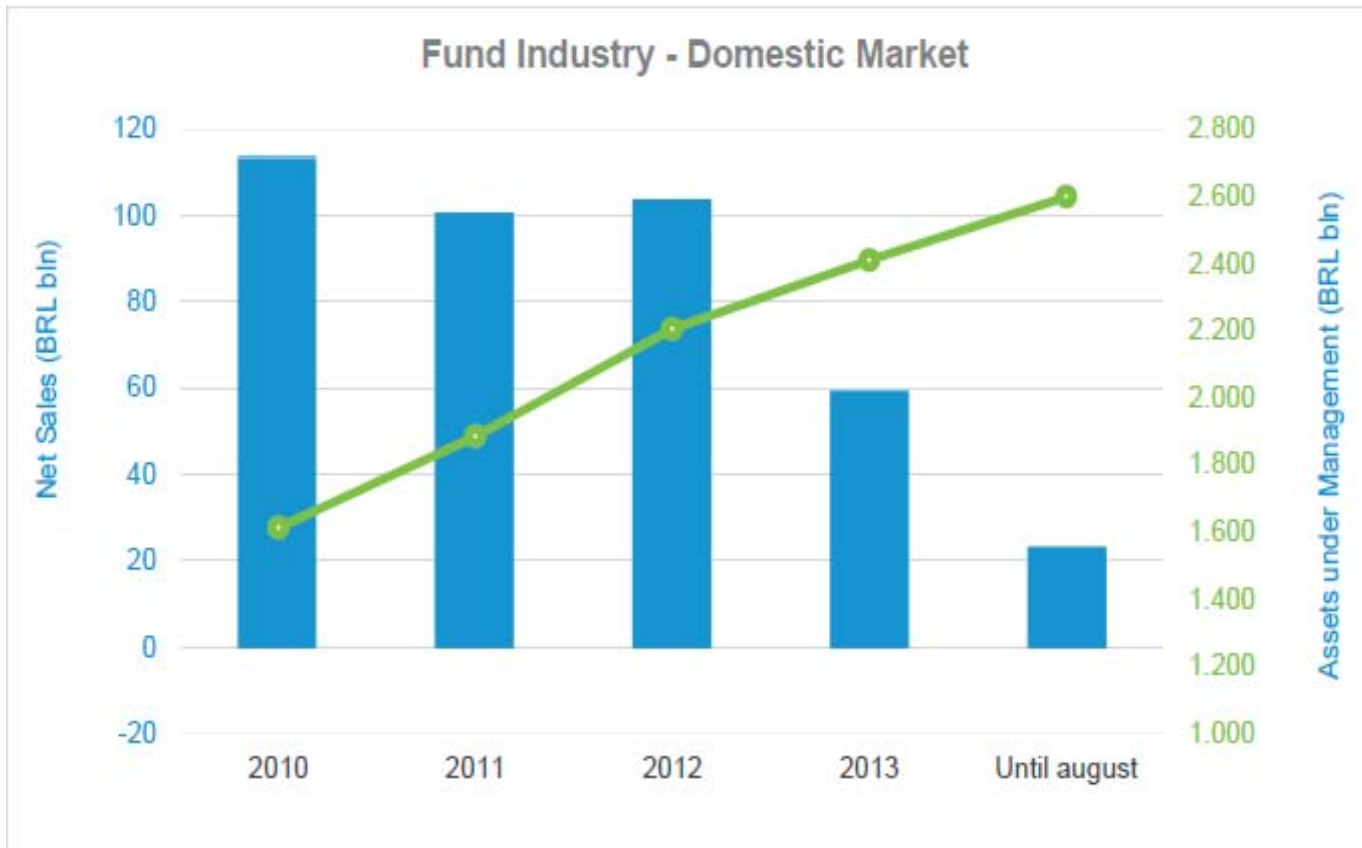
	Aug/14	% Chg. - M	Dec/13	% Chg. - Year	Aug/13	% Chg. - 12M
Off - Shore **						
Assets under Management (R\$ billion)	57,3		59,6	-3,87	61,4	-6,7
Number of Funds	128		128	0,00	131	-2,29
Industry Total						
Assets under Management (R\$ billion)	2.656,5	1,94	2.469,5	7,57	2.426,5	9,48
Number of Funds	14.598	-0,05	14.253	2,42	13.705	6,52
Number of Administrators	99		98		101	
Number of Managers	524		503		495	

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

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

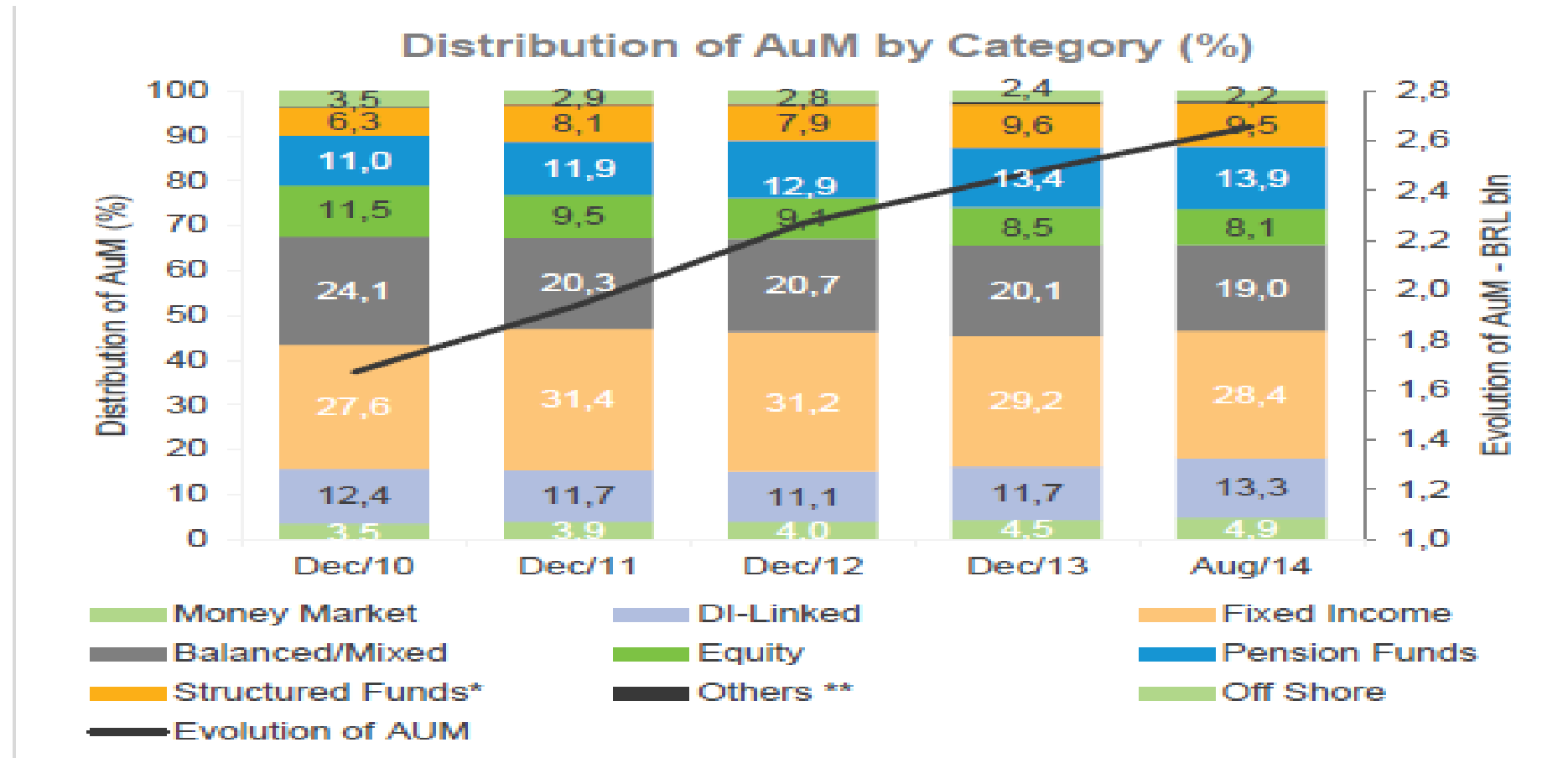
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Part II Fund Industry – Domestic Market



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Part II Distribution of AuM by Category (%)



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Part II Distribution of AuM by Category (%)

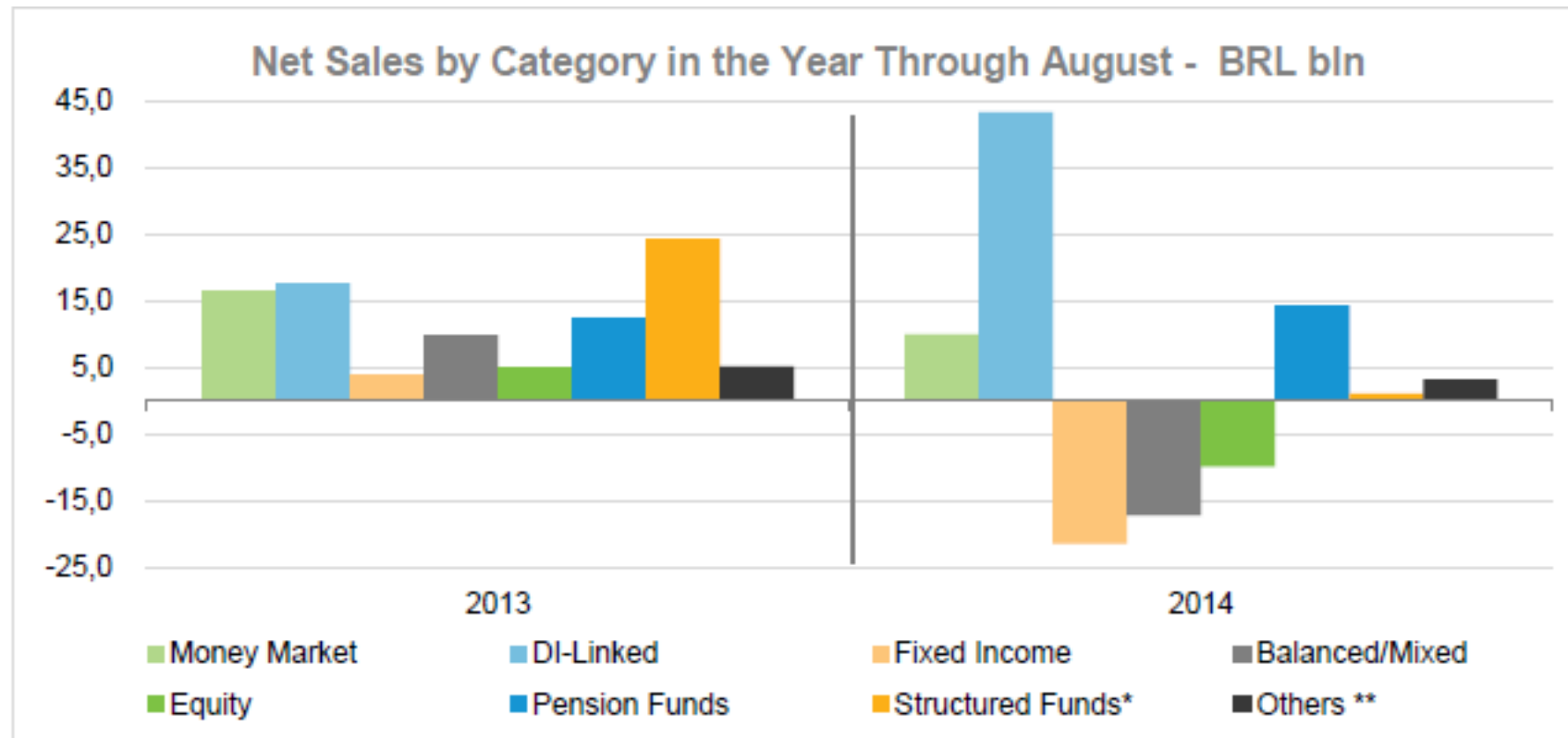


Net Sales - BRL bln										
ANBIMA Category	August					Year to august				
	AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM	Sales	Redemptions	Net Sales	Net Sales % of AuM	
Money Market	129,1	113,6	115,3	-1,8	-1,36	774,7	764,7	10,0	9,07	
DI-Linked	353,8	108,2	91,6	16,6	4,99	709,8	666,4	43,4	14,98	
Fixed Income	754,9	77,5	78,6	-1,1	-0,15	692,3	713,7	-21,4	-2,97	
Balanced/Mixed	505,6	23,1	23,2	-0,1	-0,02	213,7	230,8	-17,1	-3,44	
Foreign Exchange	2,8	0,4	0,1	0,2	8,79	2,7	2,0	0,7	33,24	
External Debt	1,0	0,0	0,0	0,0	-0,30	0,1	0,3	-0,2	-14,72	
Equity	214,8	2,0	3,4	-1,4	-0,67	21,0	30,9	-9,9	-4,70	
Pension Funds	370,4	8,4	7,0	1,3	0,37	87,9	73,6	14,3	4,32	
Closed and Exclusive	14,1	0,2	0,1	0,1	0,42	2,9	0,3	2,6	22,91	
Credit receivables	62,4	10,9	14,0	-3,1	-4,77	109,6	121,4	-11,9	-15,33	
Real Estate	46,5	-	-	-	-	-	-	-	-	
Private Equity	143,9	1,9	0,6	1,3	0,95	14,2	1,2	13,0	10,44	
Domestic Total	2.599,2	346,2	334,0	12,1	0,48	2.628,9	2.605,3	23,7	0,98	
Off shore	57,3	-	-	-	-	-	-	-	-	
Industry Total	2.656,5	346,2	334,0	12,1		2.628,9	2.605,3	23,7		

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

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Part II Net Sales by Category (%) Year to August

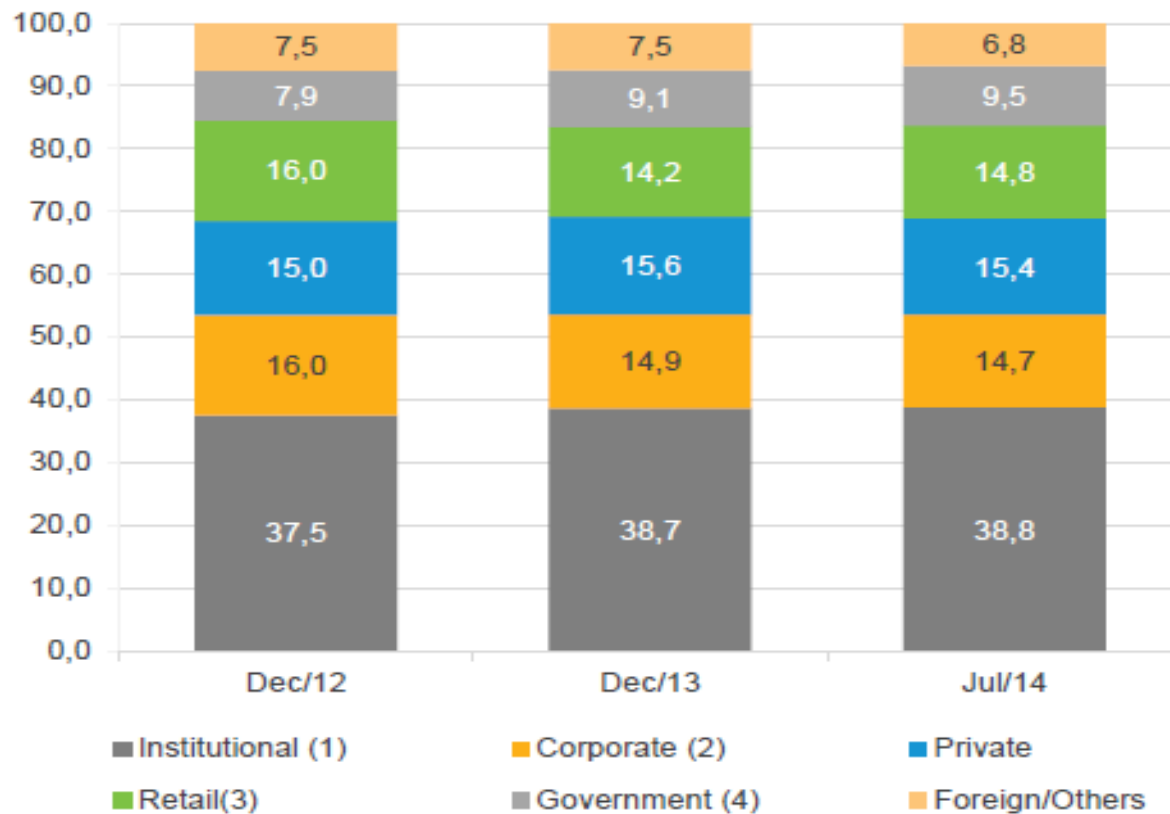


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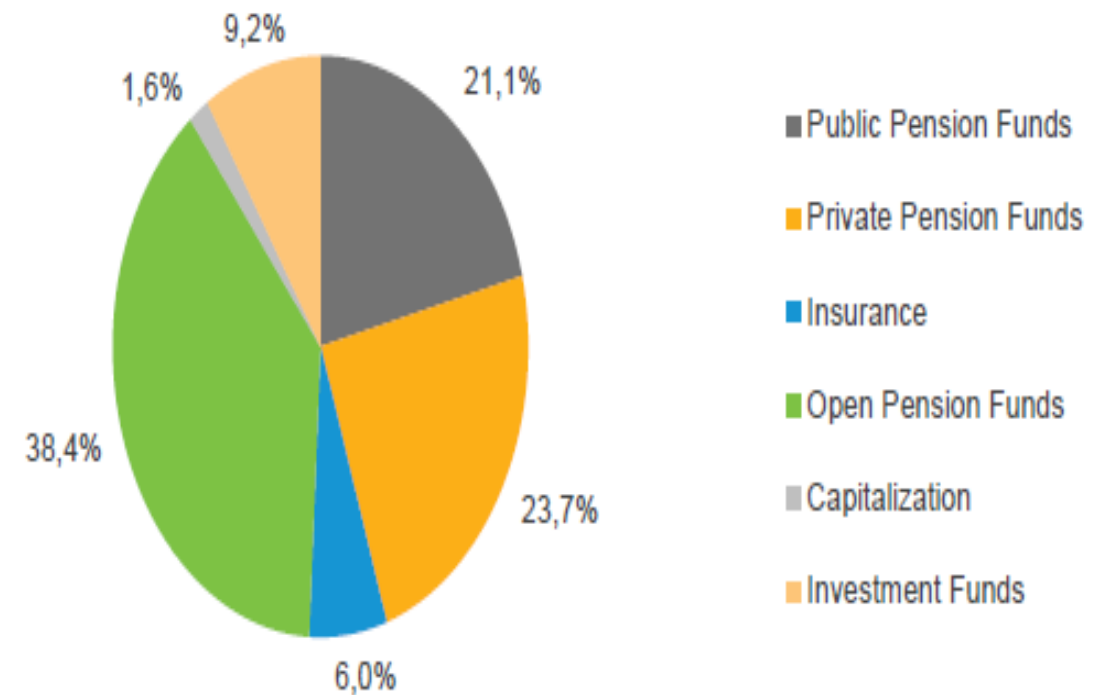
Part II Distribution of AuM by Segment



Distribution of AuM by Investor Segment (%)



Distribution of AuM by Institutional Investors %



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Part II Distribution of AuM by Segment



AuM Distribution by Asset (BRL bln) - Jul/2014 *						
Asset	Jul/2014	% Chg. Month	Dec/2013	% Chg. Year	Jul/2013	% Chg. 12M
Fixed Income	2.154,9	1,06	2.031,0	6,10	2.036,8	5,80
Repo Operations	650,2	0,32	571,3	13,82	589,9	10,23
Federal Govt. Bonds	872,3	1,26	868,3	0,46	870,2	0,24
Private Securities	632,3	1,57	591,3	6,93	576,7	9,64
CDB/RDB	92,8	-1,16	103,4	-10,18	103,1	-9,95
Financial Bills	253,2	1,85	213,2	18,72	206,9	22,37
Collateral Time Deposits (DPGE)	15,0	-2,50	14,9	0,76	13,7	9,60
Debentures	94,3	0,01	88,6	6,36	88,3	6,72
Commercial Papers	6,4	3,27	5,7	11,58	1,6	292,77
CCB/CCCB	2,5	0,02	2,7	-7,23	2,9	-14,74
Credit Receivables	42,8	4,88	51,5	-16,85	53,9	-20,55
Real Estate Sec.	53,5	-1,22	44,9	19,13	39,5	35,22
Others	71,9	7,61	66,4	8,23	66,7	7,74
Variable Income	324,2	1,59	331,1	-2,09	307,3	5,49
Equities	320,2	1,48	328,3	-2,44	304,9	5,05
Options	0,5	39,04	1,2	-58,96	1,7	-71,08
Others	3,4	8,41	1,6	109,14	0,8	355,77
Total	2.479,1	1,13	2.362,1	4,95	2.344,2	5,75

Source: ANBIMA

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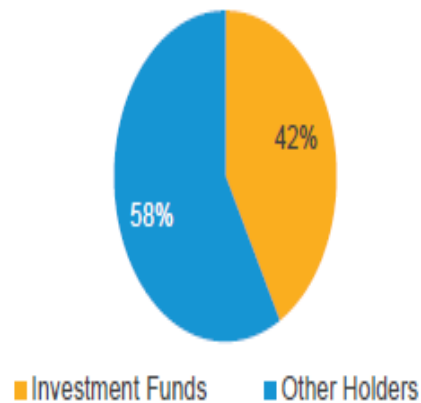
Part II % Retained by Fund Industry



% Retained by Fund Industry in Jul/14

In Federal Govt. Bonds **

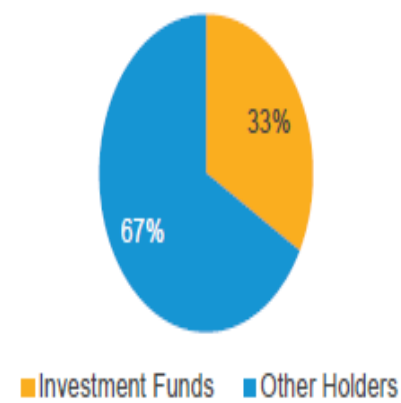
Amount: BRL 2,082.0 bln



Source: ANBIMA and Nat. Treasury.

In Private Securities

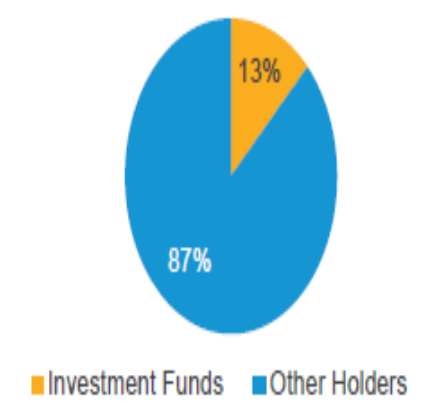
Amount: BRL 1,910.0 bln



Source: ANBIMA and CETIP

In Equities

Amount: BRL 2,498.2 bln



Source: ANBIMA and BM&FBovespa

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Part II % Retained by Fund Industry

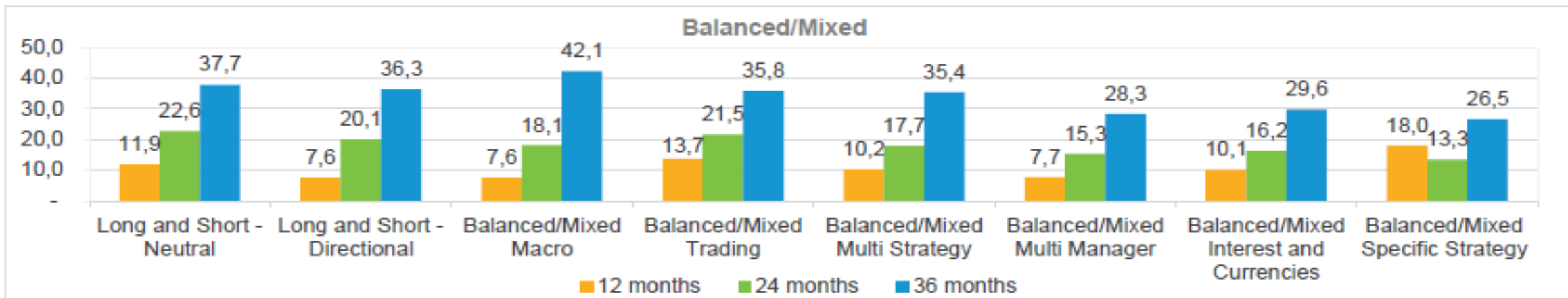
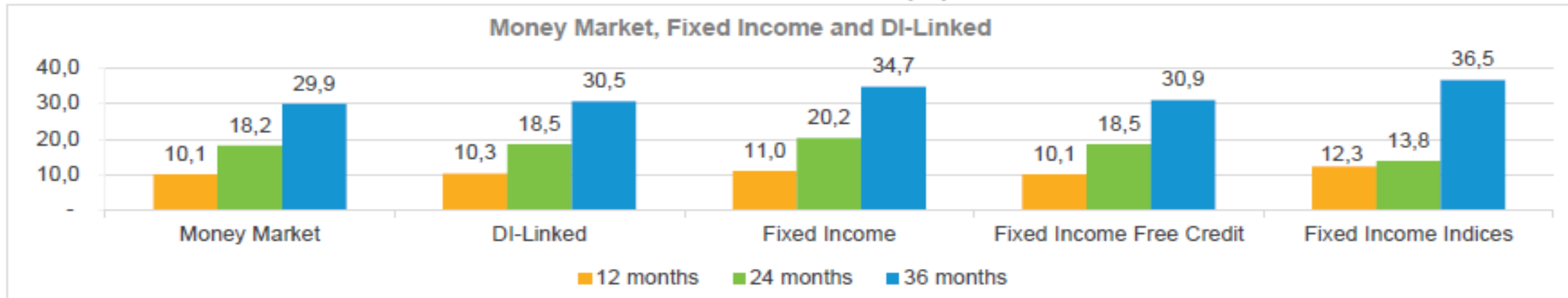


Returns		
ANBIMA Types	%	
	Month	Year
Money Market	0,86	6,88
DI-Linked	0,87	6,98
Fixed Income	1,08	7,77
Fixed Income Free Credit	0,85	6,93
Fixed Income Indices	2,61	11,19
Long and Short - Neutral	1,32	8,24
Long and Short - Directional	1,68	4,88
Balanced/Mixed Macro	1,15	4,14
Balanced/Mixed Trading	4,57	13,92
Balanced/Mixed Multi Strategy	1,76	6,51
Balanced/Mixed Multi Manager	0,80	4,23
Balanced/Mixed Interest and Currencies	1,01	6,90
Balanced/Mixed Specific Strategy	2,25	10,68
Equity Ibovespa Active	6,75	9,07
Equity IBRX Active	9,10	15,21
Equity Free Portfolio	5,97	8,42
Equity Small Caps	6,72	3,28
Equity Dividends	7,31	14,01
Equity Sustainability/Governance	6,39	11,13

Indicators	%	
	Month	Year
IMA-GENERAL	2,64	11,38
IMA-S	0,86	6,87
IRF-M	1,59	9,76
IMA-B	4,82	16,09
IHFA	0,88	3,29
CDI	0,86	6,87
CDI 30 X 30	0,86	6,87
IBrX	9,59	17,92
IBOVESPA	9,78	18,99
DOLLAR	-1,23	-4,40

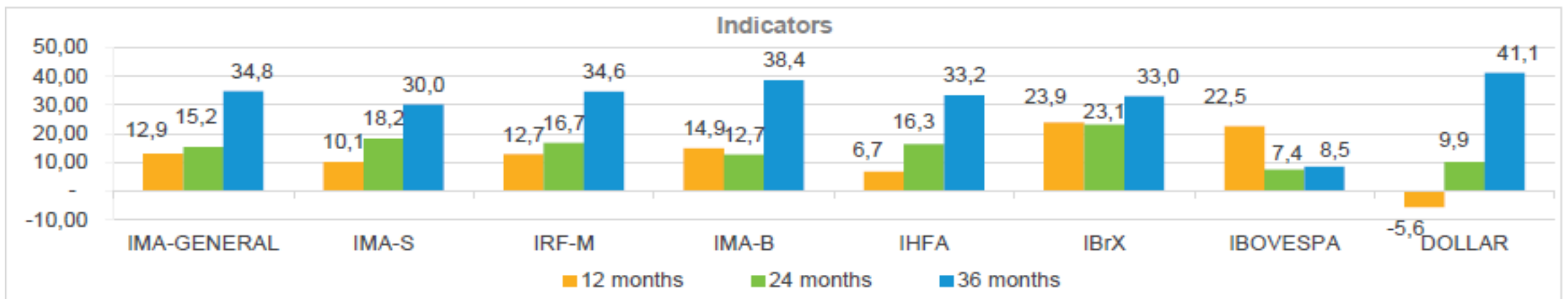
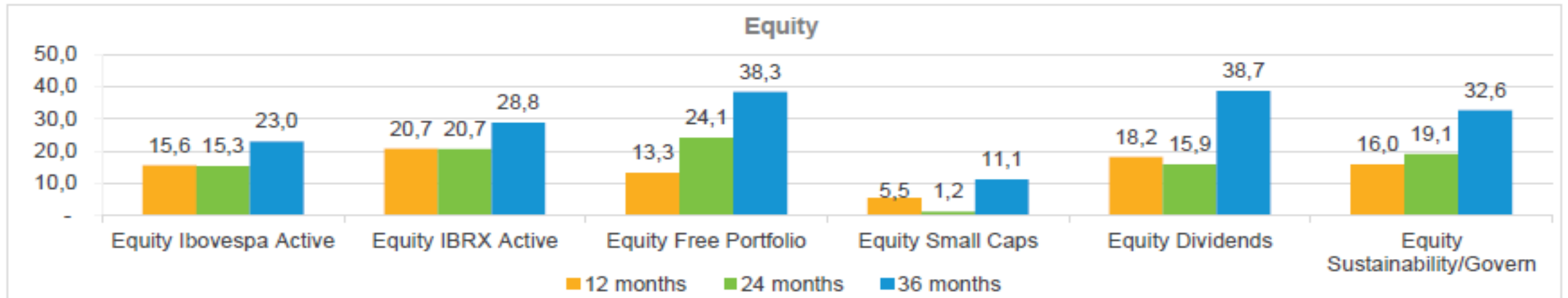
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Part II % Returns by Fund Category/Type



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Part II % Returns by Fund Category/Type



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Part II Private Banking



Private Banking	
AuM	
	EUR 185 billion
São Paulo	EUR 102,9 billion
Rio de Janeiro	EUR 32,1 billion
Minas Gerais/Espírito Santo	EUR 10,6 billion
Distribution	
Funds	EUR 87,9 billion
Financial Securities	EUR 84,1 billion
Savings Accounts	EUR 1,2 billion
Private Pension Plans	EUR 12 billion
Professionals	1,928
Certified Professionals	545

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Part II Brazil – Private Banking Sector- Anbima

According to statistics from ANBIMA, the private banking sector as a whole increased by 11.3% in the number of customers in the past year, to **54,314**, while the average equity per investor decreased by 1.8% to BRL 10,6 million. A greater input of account holders with less volume of funds for banks.



0,02662% of total population

Part III The Funds Industry in Brazil Perspectives – Domestic and International

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Part III Scenario - Domestic



Politics

Economy

Markets

Funds Industry

Central Bank Interventions FX
Central Bank lost Independence and
autonomy
Wealth distribution
Knowledge and access/financial literacy



Tesouro Direto

LCI and LCA

F/X versus Interest Rates
Well informed investors/Qualified Investors

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Part III The Funds industry – Perspectives

International



Returns

Competition

Retrocession fees

MiFID II

remuneration

History and purpose

FATCA

Thank you!



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