

Recent trends in the Investment Fund's Industry

A. European Investment Funds' Market

The combined assets of the Investment Fund market in Europe, i.e. the market for UCITS Funds and AIF, decreased by 0.6 percent in October 2016 to stand at EUR 13,755.9 billion¹ at month end. This represents a 3.3 percent increase since the beginning of the year.

At the end of the month, total net assets of UCITS Funds stood at EUR 8,427.6 billion, representing a 0.3 percent decrease since end September 2016 and 2.7 percent more than at the end of 2015. Total net assets of AIF registered a decrease of 1.1 percent in October 2016 to stand at EUR 5,328.3 billion at month end. Since the beginning of the year, the assets of these Funds rose 4.2 percent.

In October 2016, European Investment Funds recorded positive net sales of EUR 62.3 billion. UCITS Funds experienced net inflows of EUR 47.4 billion while Non-UCITS Funds registered net inflows of EUR 14.9 billion.

In 2016, there has been a net inflow to European Investment Funds amounting to EUR 399.7 billion (net sales of EUR 244.2 billion related to UCITS and net inflows of EUR 155.5 billion to AIF).

	Total Net Assets (October 2016)		Total Net Assets (December 2015)		Growth 2016 (%)	Total Net Sales (EUR billion)	
	EUR billion	% Total	EUR billion	% Total		October 2016	Total 2016
Luxembourg	3,626.5	26.4%	3,506.2	26.3%	3.4%	7.0	100.7
Ireland	1,970.4	14.3%	1,898.8	14.3%	3.8%	7.6	92.1
Germany	1,859.1	13.5%	1,729.2	13.0%	7.5%	9.9	85.1
France	1,751.5	12.7%	1,682.8	12.6%	4.1%	27.0	55.1
UK	1,375.8	10.0%	1,479.7	11.1%	-7.0%	0.9	-3.6
Italy	285.7	2.1%	280.7	2.1%	1.8%	0.7	5.8
Spain	263.3	1.9%	254.4	1.9%	3.5%	2.8	11.2
Portugal	20.1	0.1%	22.6	0.2%	-10.8%	0.1	-0.8
Greece	7.0	0.1%	7.0	0.1%	-1.2%	0.0	-0.1
TOTAL	13,755.9	100.0%	13,320.0	100.0%	3.3%	62.3	399.7

Luxembourgish Funds hold the largest share of European Investment Funds' industry, with total net assets standing at EUR 3,626.5 billion, which represents 26.4 percent of the total.

France and Germany recorded the highest net sales, in October 2016, with EUR 27.0 billion and EUR 9.9 billion, respectively.

¹ Source: The last information disclosed by EFAMA refers to the end of October 2016. Includes UCITS and AIF (including Real Estate Funds).

B. Portuguese Mutual Funds' Market – December 2016²

On December 31, 2016, total net assets of Portuguese Mutual Funds stood at EUR 11,100.7 million, which reflects an increase of 2.3 percent when compared with the previous month. Since end December 2015, total net assets decreased 7.0 percent.

In December 2016, Portuguese Mutual Funds recorded subscriptions of EUR 453.9 million, while redemptions amounted to EUR 291.9 million. There was also an outflow of € 1.1 million that derived from the liquidation of one Fund, listed below. Therefore, there was a total outflow of EUR 293.0 million, which resulted in monthly net sales of EUR 160.9 million. Total net sales registered in 2016 are negative, reaching a total of EUR 923.0 million.

During the month there was no new Fund's launch and the Fund BPI Poupança Acções was liquidated. Therefore, the number of active Mutual Funds dropped to 174, one less than at the end of the previous month.

	December 2016	November 2016	December 2015
Total Net Assets (EUR million)	11,100.7	10,847.8	11,938.1
Change (%)*	-	2.3%	-7.0%
Number of Funds	174	175	190

* - Change between December 2016 and the month in question.

	December 2016	Since December 2015
Subscriptions (EUR million)*	453.9	4,480.3
Outflow (EUR million)*	293.0	5,403.3
Redemptions (EUR million)	291.9	5,314.1
Funds' Liquidation (EUR million)	1.1	89.1
Net Sales (EUR million*)	160.9	-923.0

* - In December 2016 were not included the values of subscriptions and redemptions of the Funds managed by LYNX Asset Managers since they are not available yet.

Management Companies

In December 2016, Caixagest was the Management Company with the largest market share, with total net assets standing at EUR 3,519.0 million, which represents 31.7 percent of the total. BPI Gestão de Activos ranks second, with total net assets of EUR 3,054.1 million and a market share of 27.5 percent and IM Gestão de Ativos ranks third, with EUR 1,673.2 million of assets under management and a market share of 15.1 percent.

² The data presented does not include information of the Fund EuroBox which was liquidated in April 2016. Additionally, since March 2016, the figures do not include information about "Fundo de Gestão Passiva", which was liquidated in July 2016.

Bankinter Gestão de Ativos was the Management Company that registered the highest percentage growth, with a 14.3 percent increase over the previous month (EUR 5.0 million). The largest growth in total net assets belonged to BPI Gestão de Activos that increased EUR 89.7 million (3.0 percent).

Since end December 2015, Invest Gestão de Activos is the Management Company registering the highest percentage growth, with 34.2 percent (EUR 4.7 million), and the largest increase in total net assets belonged to BPI Gestão de Activos, with EUR 262.6 million (9.4 percent).

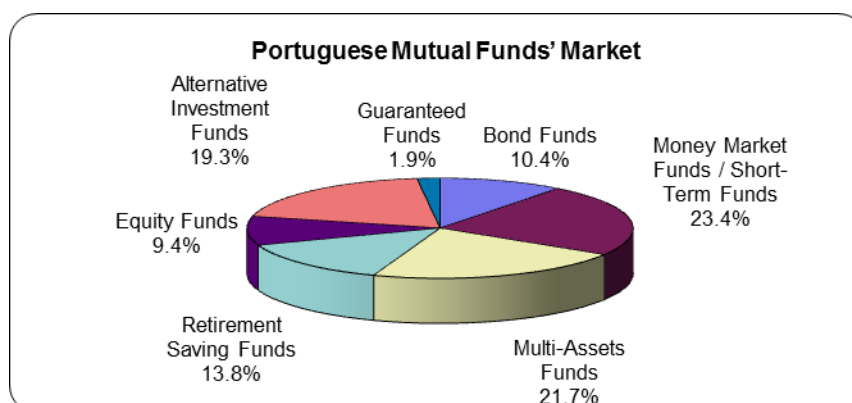
Management Company	December 2016		November 2016		December 2015		Monthly Change (%)	Change Year-to-date (%)
	Million €	Share	Million €	Share	Million €	Share		
Caixagest	3,519.0	31.7%	3,492.2	32.2%	4,185.9	35.1%	0.8%	-15.9%
BPI Gestão de Activos	3,054.1	27.5%	2,964.4	27.3%	2,791.5	23.4%	3.0%	9.4%
IM Gestão de Activos	1,673.2	15.1%	1,610.7	14.8%	1,636.0	13.7%	3.9%	2.3%
Santander Asset Management	1,511.4	13.6%	1,475.2	13.6%	1,574.2	13.2%	2.4%	-4.0%
Crédito Agrícola Gest	407.5	3.7%	381.0	3.5%	382.1	3.2%	7.0%	6.7%
GNB - SGFIM	303.3	2.7%	302.3	2.8%	356.7	3.0%	0.3%	-15.0%
Montepio Gestão de Activos	177.4	1.6%	177.2	1.6%	219.0	1.8%	0.1%	-19.0%
Popular Gestão de Activos	145.5	1.3%	146.8	1.4%	158.6	1.3%	-0.9%	-8.2%
Optimize Investment Partners	95.9	0.9%	91.8	0.8%	74.9	0.6%	4.4%	28.0%
Banif Gestão de Activos	53.7	0.5%	52.6	0.5%	373.3	3.1%	2.1%	-85.6%
Dunas Capital - Gestão de Activos	46.2	0.4%	46.4	0.4%	61.3	0.5%	-0.4%	-24.6%
Bankinter Gestão de Ativos	40.2	0.4%	35.2	0.3%	30.9	0.3%	14.3%	30.1%
LYNX Asset Managers	35.0	0.3%	34.9	0.3%	50.4	0.4%	0.2%	-30.6%
MCO2	19.7	0.2%	19.7	0.2%	21.0	0.2%	-0.3%	-6.3%
Invest Gestão de Activos	18.5	0.2%	17.2	0.2%	13.8	0.1%	7.8%	34.2%
Patris Gestão de Activos	-	-	-	-	8.5	0.1%	-	-100.0%
Total	11,100.7	-	10,847.8	-	11,938.1	-	2.3%	-7.0%

BPI Gestão de Activos was the Management Company that recorded the highest net sales in December 2016, with EUR 67.8 million, followed by IM Gestão de Activos, with EUR 48.5 million, and by Crédito Agrícola Gest, with EUR 25.5 million.

Since end December 2015, BPI Gestão de Activos is the Management Company with the largest inflows, with total net sales amounting to EUR 247.9 million, followed by IM Gestão de Activos, with EUR 33.2 million, and by Crédito Agrícola Gest, with EUR 21.6 million.

Management Company	Net Sales in December 2016 (EUR Million)	Net Sales since the beginning of the year (EUR Million)
BPI Gestão de Activos	67.8	247.9
IM Gestão de Ativos	48.5	33.2
Crédito Agrícola Gest	25.5	21.6
Santander Asset Management	15.8	-66.1
Caixagest	6.7	-730.6
Bankinter Gestão de Ativos	4.9	8.6
Optimize Investment Partners	1.9	18.6
Invest Gestão de Activos	0.8	4.4
LYNX Asset Managers	n.a.	-13.6
Patris Gestão de Activos	-	-8.1
Banif Gestão de Activos	-0.4	-312.8
Dunas Capital - Gestão de Activos	-0.5	-17.4
GNB - SGFIM	-2.5	-54.2
Popular Gestão de Activos	-3.2	-13.3
Montepio Gestão de Activos	-4.3	-41.1
Total	160.9	-923.0

Categories of Funds



Defensive Multi-Assets Funds are the largest category of Funds with the EUR 1,577.2 million of assets under management. PPR Funds ranks second, with EUR 1,537.4 million, followed by Euro Short Term Funds with 1,314.6 million.

Short Term Alternative Investment Funds registered the highest relative growth, with a 6.6 percent increase from the previous month (EUR 32.7 million), while the largest growth in total net assets belonged to Euro Short Term Funds that increased EUR 72.9 million (5.9 percent).

Since end December 2015, Equity Alternative Investment Funds is the category that registered the highest relative growth, with a 61.6 percent increase (EUR 0.7 million), while the largest growth in total net assets belonged to Euro Short Term Funds that increased EUR 416.6 million (46.4 percent).

Category of Funds	December 2016		November 2016		December 2015		Monthly Change (%)	Change Year-to-date (%)
	Million €	Share	Million €	Share	Million €	Share		
Defensive Multi-Assets Funds	1,577.2	14.2%	1,560.3	14.4%	1,664.3	13.9%	1.1%	-5.2%
PPR Funds	1,537.4	13.8%	1,483.0	13.7%	1,381.1	11.6%	3.7%	11.3%
Euro Short Term Funds	1,314.6	11.8%	1,241.6	11.4%	897.9	7.5%	5.9%	46.4%
Euro Money Market Funds	1,278.5	11.5%	1,272.6	11.7%	1,773.1	14.9%	0.5%	-27.9%
Euro Floating Rate Bond Funds	750.6	6.8%	737.8	6.8%	753.5	6.3%	1.7%	-0.4%
Short Term Money Market AIF	544.4	4.9%	524.5	4.8%	558.7	4.7%	3.8%	-2.6%
Short Term AIF	527.5	4.8%	494.9	4.6%	497.0	4.2%	6.6%	6.1%
Money Market AIF	512.7	4.6%	521.2	4.8%	696.4	5.8%	-1.6%	-26.4%
Flexible Funds	493.3	4.4%	492.1	4.5%	593.6	5.0%	0.2%	-16.9%
Other AIF	466.7	4.2%	471.0	4.3%	565.0	4.7%	-0.9%	-17.4%
Other International Equity Funds	381.1	3.4%	362.7	3.3%	309.1	2.6%	5.1%	23.3%
Euro Bond Funds	347.4	3.1%	348.3	3.2%	346.7	2.9%	-0.3%	0.2%
Balanced Multi-Assets Funds	261.2	2.4%	258.5	2.4%	299.0	2.5%	1.0%	-12.7%
E.U., Switzerland and Norway Equity Funds	255.8	2.3%	241.5	2.2%	281.9	2.4%	5.9%	-9.3%
Domestic Equity Funds	174.3	1.6%	168.6	1.6%	220.3	1.8%	3.4%	-20.9%
North America Equity Funds	169.2	1.5%	163.4	1.5%	172.5	1.4%	3.6%	-1.9%
Structured Funds	130.9	1.2%	130.7	1.2%	126.2	1.1%	0.1%	3.7%
Guaranteed Funds	81.4	0.7%	81.0	0.7%	158.2	1.3%	0.5%	-48.6%
Aggressive Multi-Assets Funds	77.8	0.7%	76.8	0.7%	88.7	0.7%	1.2%	-12.4%
Sector Equity Funds	54.4	0.5%	52.1	0.5%	66.4	0.6%	4.3%	-18.1%
International Bond Funds	51.8	0.5%	51.3	0.5%	74.2	0.6%	1.0%	-30.3%
Bond AIF	41.2	0.4%	41.3	0.4%	315.7	2.6%	-0.3%	-87.0%
Absolute Return AIF	24.5	0.2%	24.4	0.2%	31.1	0.3%	0.3%	-21.3%
Other Funds	16.3	0.1%	16.0	0.1%	19.8	0.2%	2.3%	-17.6%
Flexible AIF	14.5	0.1%	14.6	0.1%	27.0	0.2%	-0.6%	-46.4%
Multi-Assets AIF	10.5	0.1%	10.3	0.1%	11.0	0.1%	1.7%	-4.4%
PPA Funds	3.8	0.0%	5.5	0.1%	8.3	0.1%	-31.0%	-54.3%
Equity AIF	1.9	0.0%	1.8	0.0%	1.1	0.0%	2.8%	61.6%
Total	11,100.7	-	10,847.8	-	11,938.1	-	2.3%	-7.0%

Notes: Series adjusted due to the change of some funds' classification.

PPR Funds – Retirement Saving Funds; PPA Funds – Equity Saving Funds; AIF – Alternative Investment Funds.

Euro Short Term Funds was the category of Funds that attracted most new money in December, registering EUR 72.6 million in net sales. PPR Funds recorded a monthly inflow of EUR 39.9 million and net sales of Short Term Alternative Investment Funds totaled EUR 74.6 million.

Since December 2015, Euro Short Term Funds were the most demanded by investors, with total net sales of EUR 414.3 million, followed by PPR Funds, with EUR 149.2 million, and by Other International Equity Funds, with EUR 38.8 million.

Category of Funds*	Net Sales in December 2016 (EUR Million)	Net Sales since the beginning of the year (EUR Million)
Euro Short Term Funds	72.6	414.3
PPR Funds	39.9	149.2
Short Term AIF	32.6	30.2
Short Term Money Market AIF	19.9	-14.4
Euro Floating Rate Bond Funds	11.4	-12.4
Other International Equity Funds	9.7	38.8
Euro Money Market Funds	5.8	-495.8
North America Equity Funds	1.2	-21.4
Other Funds	0.1	-4.5
Multi-Assets AIF	0.0	-2.6
Equity AIF	0.0	-0.1
Structured Funds	0.0	0.0
Absolute Return AIF	0.0	-5.1
International Bond Funds	0.0	-25.6
Flexible AIF	-0.1	-11.6
Guaranteed Funds	-0.3	-71.7
Bond AIF	-0.5	-270.8
Aggressive Multi-Assets Funds	-0.7	-11.2
Sector Equity Funds	-1.0	-7.3
E.U., Switzerland and Norway Equity Funds	-1.2	-25.9
PPA Funds	-1.9	-3.6
Domestic Equity Funds	-2.0	-26.0
Other AIF	-2.1	-114.2
Balanced Multi-Assets Funds	-2.6	-38.1
Euro Bond Funds	-2.6	-1.5
Defensive Multi-Assets Funds	-3.1	-103.5
Flexible Funds	-5.9	-104.3
Money Market AIF	-8.5	-184.0
Total	160.9	-923.0

Note: Series adjusted due to the change of some funds' classification.

* - In December 2016 were not included the values of subscriptions and redemptions of the Funds managed by LYNX Asset Managers since they are not available yet.

Fund's performance during the 12 month period ending on December 31, 2016³

Categories with the largest assets under management on December 31, 2016:

Category of Funds	Assets under management ⁴	Average Return ⁵	Funds ⁶	Management Company	Assets under management ⁷	Annuali. Return ⁸	Risk Class ⁹
Defensive Multi-Assets Funds	1,577.16	1.15%	Montepio Multi Gestão Prudente	Montepio Gestão de Activos	4.35	2.11%	4
			Santander Private Defensivo	Santander Asset Management	107.05	1.47%	3
PPR Funds	1,537.44	0.65%	Bankinter PPR Acções 55	Bankinter Gestão de Activos	7.53	3.26%	4
			Optimize Capital Reforma PPR Moderado	Optimize Investment Partners	6.72	2.59%	3
Euro Short Term Funds	1,314.57	0.25%	NB Tesouraria Ativa	GNB - SGFIM	38.32	1.15%	1
			Banco BIC Tesouraria	Dunas Capital Gestão de Activos	30.01	0.95%	1

Categories with the highest average return⁵:

Category of Funds	Assets under management ⁴	Average Return ⁵	Funds ⁶	Management Company	Assets under management ⁷	Annuali. Return ⁸	Risk Class ⁹
Equity AIF	1.85	73.62%	BPI Brasil Valor - F.I.A.	BPI Gestão de Activos	1.85	73.62%	7
Multi-Assets AIF	10.52	19.41%	Banco BIC Brasil - F.I.A.	Dunas Capital Gestão de Activos	10.52	19.41%	4
North America Equity Funds	169.21	13.16%	Santander Acções América	Santander Asset Management	42.72	17.24%	6
			Caixagest Acções EUA	Caixagest	96.24	13.11%	6

Funds with the highest return⁸:

Funds	Category of Funds	Management Company	Assets under management ⁷	Annuali. Return ⁸	Risk Class ⁹
BPI Brasil Valor - F.I.A.	Equity AIF	BPI Gestão de Activos	1.85	73.62%	7
BPI Brasil	Flexible Funds	BPI Gestão de Activos	30.42	57.21%	7

The yields published represent past data, and do not constitute a guarantee of future returns, since the value of the units may increase or decrease in accordance with the level of risk, which varies between 1 (minimum risk) and 7 (maximum risk).

³ - Closed-ended Mutual Funds are not considered in this analysis.

⁴ - Assets under management by all the Funds of the Category, in EUR million.

⁵ - Average return weighted by the total net assets of each Fund in the previous month.

⁶ - Funds with the highest return within each category.

⁷ - Assets under management by the Fund, in EUR million.

⁸ - Annualized Return of the last 12 months.

⁹ - Class Risk in the last 12 months (Based on the registered volatilities and in accordance with the following classes: 1 – 0% a 0,5%; 2 – 0,5% a 2%; 3 – 2% a 5%; 4 – 5% a 10%; 5 – 10% a 15%; 6 – 15% a 25% e 7 – Greater than 25%).