
Category Definitions

Brazilian Regulated Funds

Morningstar Research
30 April 2021

Equity

Brazil Large-Cap Equity

Brazil large-cap equity funds invest principally in the equities of large-cap Brazilian companies. Equities in the top 70% of the capitalization of the Latin American equity market are defined as large-cap. These funds invest at least 80% of total assets in equities and do not invest heavily in foreign stocks.

Morningstar Category Index: BM&FBOVESPA IBRX 50 IBXL TR BRL

Brazil Mid- & Small-Cap Equity

Brazil mid- & small-cap equity funds invest principally in the equities of small-cap and mid-cap Brazilian companies. Their holdings typically fall in the bottom 30% of the capitalization of the Latin American equity market. These funds invest at least 80% of total assets in equities and do not invest heavily in foreign stocks.

Morningstar Category Index: BM&FBOVESPA Small Cap SMLL TR BRL

Brazil All-Cap Equity

Brazil all-cap equity funds invest in equities across the market-cap spectrum from Brazil. Funds in this category can invest in companies of any size, though many exhibit a large-cap bias. These funds invest at least 80% of total assets in equities and do not invest heavily in foreign stocks.

Morningstar Category Index: Morningstar Brazil NR BRL

Equity Long Biased

These funds primarily take long and short positions in equities. Equity market risk can be high through a typically significant net long exposure to equities, and this exposure may be gained directly and/or via derivative instruments. These funds typically have at least 80% long exposure to equities.

Morningstar Category Index: Morningstar Brazil NR BRL

Equity Long-Short

These funds primarily take long and short positions in equities. Equity market risk is limited, and the net long exposure to equities is typically low; this exposure may be gained directly and/or via derivative instruments.

Morningstar Category Index: Taxa DI (CDI)

Sector Equity

Sector equity funds have meaningful sector concentrations but do not fit in any equity category. These funds invest at least 80% of total assets in equities but tend to concentrate their assets in a specific segment of the market such as infrastructure or natural resources.

[Funds in this category do not receive a Morningstar Rating™.]

Single-Company Equity

Single-company equity funds invest principally in one company. At least 80% of total assets are invested in equities.

[Funds in this category do not receive a Morningstar Rating™.]

US Equity

A US Equity fund invest significantly in companies outside of Brazil. At least 80% of total assets are invested in US equities.

Morningstar Category Index: S&P 500 TR USD

Global Equity

A Global Equity fund invest significantly in companies outside of Brazil. Fund invests no more than 80% of its portfolio in one specific domicile or region.

Morningstar Category Index: MSCI World PR USD

Foreign Equity Other

A Foreign Equity Other fund invest significantly in companies outside of Brazil. Fund invests at least 80% of total assets on a specific domicile or region, except US.

[Funds in this category do not receive a Morningstar Rating™.]

Allocation

Allocation, up to 20% Equity

Allocation funds invest in a combination of equity, bond, and cash investments. These portfolios are usually dominated by domestic holdings and typically have up to 20% long equity exposure.

Morningstar Category Index: Morningstar Brazil NR BRL

Allocation, 20% to 40% Equity

Allocation funds invest in a combination of equity, bond, and cash investments. These portfolios are usually dominated by domestic holdings and typically have between 20% and 40% long equity exposure.

Morningstar Category Index: Morningstar Brazil NR BRL

Allocation, 40% to 60% Equity

Allocation funds invest in a combination of equity, bond, and cash investments. These portfolios are usually dominated by domestic holdings and typically have between 40% and 60% long equity exposure.

Morningstar Category Index: Morningstar Brazil NR BRL

Equity-Biased Allocation

Allocation funds invest in a combination of equity, bond, and cash investments. These portfolios are usually dominated by domestic holdings and typically have between 60% and 80% long equity exposure.

Morningstar Category Index: Morningstar Brazil NR BRL

Alternative

Debt & Currencies

These funds invest in fixed-income instruments (government and corporate bonds) and a combination of currency strategies through the use of derivative instruments.

Morningstar Category Index: Taxa DI (CDI)

Multistrategy

These funds have an unconstrained mandate to invest in a range of asset types (equities, government debt, corporate debt, currencies, and so on). Category constituents may take (directly or via other funds) long and short positions in equities, fixed income, currencies, and so on.

Morningstar Category Index: Taxa DI (CDI)

Target Date

These funds invest with a target date in the horizon, reducing the risk exposure as the target date approaches.

[Funds in this category do not receive a Morningstar Rating™.]

Currency

Funds that have its risk coming from the exposure in currency instruments, such as short-term money market instruments; derivative instruments, forward currency contracts, index swaps and options; and cash deposits. These funds include both systematic currency traders and discretionary currency traders.

[Funds in this category do not receive a Morningstar Rating™.]

Alt – Other

Alt – Other funds do not fit into any other category.

[Funds in this category do not receive a Morningstar Rating™.]

Fixed Income

BRL Corporate Bond

BRL corporate bond funds invest principally in fixed-income securities of Brazilian corporate issuers denominated in or hedged into BRL.

Morningstar Category Index: Taxa DI (CDI)

BRL Diversified Bond – Government Biased

BRL diversified bond – government biased funds invest principally in Brazilian corporate- and government-issued bonds denominated in or hedged into BRL. At least 50% of total assets are typically invested in Brazilian government bonds.

Morningstar Category Index: Taxa DI (CDI)

BRL Diversified Bond – Corporate Biased

BRL diversified bond – corporate biased funds invest principally in Brazilian corporate- and government-issued bonds denominated in or hedged into BRL. At least 50% of total assets are typically invested in corporate issuers' bonds.

Morningstar Category Index: Taxa DI (CDI)

BRL Government Bond

BRL government bond funds invest principally in Brazilian government or explicitly government-backed agency securities denominated in or hedged into BRL.

Morningstar Category Index: Taxa DI (CDI)

BRL Bond – USD Hedged

BRL bond – USD hedged funds invest principally in Brazilian fixed-income securities and hedge their currency exposure back into USD.

Morningstar Category Index: Dólar Comercial

Foreign Bond

Foreign bond funds invest significantly in bonds from issuers outside of Brazil.

[Funds in this category do not receive a Morningstar Rating™.]

Money Market

BRL Money Market

BRL money market funds invest in money market instruments or very short-dated bonds, denominated in or hedged into BRL. The residual aggregate maturity does not exceed 12 months.

Morningstar Category Index: Taxa DI (CDI).

[Funds in this category do not receive a Morningstar Rating™.]

Miscellaneous

Restricted and Exclusive

Restricted and exclusive funds are restricted to a single investor or a small and defined group of investors.

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