Category Definitions
Brazilian Regulated Funds

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 67% of total assets in equities and do not invest meaningfully in foreign stocks.
Morningstar Category Index: BOVESPA IBRX 50

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 67% of total assets in equities and do not invest meaningfully in foreign stocks.
Morningstar Category Index: BOVESPA Small Cap

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 67% of total assets in equities and do not invest meaningfully in foreign stocks.
Morningstar Category Index: BOVESPA Ibovespa

Sector Equity
Sector equity funds have meaningful sector concentrations but do not fit in any equity category. These funds invest at least 67% 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™ owing to the diverse nature of the constituents.]

Single-Company Equity
Single-company equity funds invest principally in one Brazilian company. At least 67% of total assets are invested in equities.
[Funds in this category do not receive a Morningstar Rating™ owing to the diverse nature of the constituents.]
Foreign Equity
Foreign equity funds invest significantly in companies outside of Brazil. At least 67% of total assets are invested in equities.

[Funds in this category do not receive a Morningstar Rating™ owing to the diverse nature of the constituents.]
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™ owing to the diverse nature of the constituents.]
**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™.]

**Allocation**

**Allocation**
Allocation funds invest in a combination of equity, bond, and cash investments.
Morningstar Category Index: 15% BOVESPA Ibovespa & 85% Taxa DI (CDI)

**Miscellaneous**

**Restricted and Exclusive**
Restricted and exclusive funds are restricted to a single investor or a small and defined group of investors.
[Funds in this category do not receive a Morningstar Rating™ owing to the diverse nature of the constituents.]

Alternative

Alt – 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)

Alt – 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.
Morningstar Category Index: Taxa DI (CDI)

Alt – 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)

Alt – 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. Funds in this category usually carry more volatility risk than multistrategy low-risk funds.
Morningstar Category Index: Taxa DI (CDI)

Alt – Other
Alt – other funds do not fit into any other category.
[Funds in this category do not receive a Morningstar Rating™.]

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