

REGULATIONS OF INTEREST TO FOREIGN INVESTORS



COMPLETE TEXT OF CVM INSTRUCTION # 409, DATED AUGUST 18, 2004, WITH THE AMENDMENTS INTRODUCED BY CVM INSTRUCTIONS # 411, DATED 11.26.2004 , # 413, DATED 12.30.2004, # 450, DATED 03.30.2007, # 456, DATED 06.22.2007 AND # 465, DATED 02.20.2008

CVM INSTRUCTION 409, DATED AUGUST 18, 2004

Consolidated Version

This is a Free Translation prepared by the CVM. Any questions arising from the text should be clarified by consulting the original

Regulates the constitution, administration, operation and disclosure of information on investment funds.

The Chairman of the Securities and Exchange Commission of Brazil - CVM announces that the Board of Commissioners, in a meeting held on this date, and in view of Articles 2 and 19 of Law 6.385 of December 7, 1976, decided to issue the following Instruction:

CHAPTER I

SCOPE AND PURPOSE

Article 1. The present Instruction regulates the general rules that govern the constitution, administration, operation and disclosure of information on investment funds which invest in investment fund shares defined and classified in this Instruction.

Sole paragraph. The following funds governed by their own regulations are excluded from the discipline of this Instruction:

I – Private Equity Funds;

II – Investment Funds, which Invest in Private Equity Fund Shares;

III – Credit Rights Investment Funds;

IV – Credit Rights Investment Funds within the Scope of the Implementation of Social Interest Projects Incentive Program;

V – Credit Funds, which invest in Credit Rights Investment Fund Shares;

VI – National Movie Industry Finance Fund;

VII – Mutual Privatization Funds – FGTS;

VIII – Mutual Privatization Funds – FGTS – Free Portfolio;

IX – Venture Capital Investment Funds;

X – Index Fund whose shares are traded in the Stock Exchange or Organized Over-the-counter Market;

XI – Venture Capital Mutual Investment Funds – Foreign Capital;

XII – Conversion Funds;

XIII – Real Estate Investment funds;

XIV – Privatization Fund – Foreign Capital;

XV – Mutual Investment Funds which Invest in Incentivated Stocks; and

XVI – Cultural and Artistic Investment Funds.

XVII – Innovative Venture Capital Funds;

Item XVII amended by CVM Instruction 450, dated March 30, 2007.

XVIII – Individual Retirement Plan Program - FAPI; and

Item XVIII amended by CVM Instruction 450, dated March 30, 2007.

XIX – Non-Standardized Credit Rights Investment Fund (FIDC-NP)

Item XIX amended by CVM Instruction 450, dated March 30, 2007.

CHAPTER II

CHARACTERISTICS AND CONSTITUTION

Section I

Characteristics

Article 2. The investment fund is a gathering of resources constituted under the form of a condominium aimed at the application of financial assets considering the provisions herein.

Caput of Article 2 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 1 For the purpose of this Instruction, the following financial assets are considered:

I – Public Debt Securities;

II – Derivatives Contracts;

III – shares, debentures, subscription bonus, their coupons, rights, subscription slips and share split certificates, certificates of deposit of securities, debenture bills, quotas of investment funds, promissory notes, and any other securities that are not referred to in subparagraph IV, with the condition that the issuance of the negotiation is the object of the registry or the authorization granted by the CVM;

Item III amended by CVM Instruction 456, dated June 22, 2007.

IV – collective investment contracts or titles registered at the CVM and publicly offered that generate participation, partnership or remuneration rights, including those resulting from the provision of services whose revenue comes from the efforts of the entrepreneur or of third parties;

V – Certificates or slips of deposit issued abroad and backed by securities issued by a Brazilian Publicly-Held Company;

VI – gold financial assets, if negotiated at an internationally accepted standard;

VII – any titles, contracts and financial institution obligation or co-obligation operational modalities; and

VIII – warrants, trading contracts for the purchase and sale of products, merchandise or services for future delivery or future provision, titles or certificates representing such contracts and any other credits, titles, contracts and operational modalities if expressly stated in the regulation.

Paragraph 2 The assets which liquidation can be performed by means of a delivery of products or services shall:

I – be negotiated in a commodities and futures exchange that guarantee their liquidation,

according to what is set forth in Paragraph 5 of article 16; or

II – be the object of a contract that assures to the fund the right of its alienation before its term, with a guarantee of a financial institution or of an insurance company, observing, in the latter, the regulation of the Private Insurance Superintendence (Superintendência de Seguros Privados – SUSEP).

Paragraph 2 amended by CVM Instruction 456, dated June 22, 2007.

Paragraph 3 The fund's portfolio can only be composed of financial assets approved for trading on either the Stock Exchange or the Futures and Commodity Exchange, or recorded in the registration system, with custody or financial net liquidation duly authorized by the Central Bank of Brazil or the Brazilian Securities and Exchange Commission (CVM), in their respective areas of competence.

Paragraph 4 Quotas of open investment funds do not depend on the registration set forth in Paragraph 3.

Paragraph 5 The financial assets referred to in Paragraph 1 include the financial assets of the same nature traded abroad, in the cases and in the limits admitted in that Instruction, if the possibility of its acquisition is expressly stated in the regulation, and:

I – be admitted to negotiation in the stock exchange and in the commodities and futures exchange, or be registered in the registry, custody or financial liquidation systems duly authorized in their original countries and supervised by a recognized local authority; or

II – which existence is assured by the custodian of the fund, which shall hire, specifically for this purpose, third parties duly authorized for such activity of custody in signatory countries of the Asuncion Treaty or in other jurisdictions, since, in this case, the third parties are supervised by a recognized local authority.

Paragraph 5 amended by CVM Instruction 465, dated February 20, 2008.

Paragraph 6 To the purposes of Paragraph 5, we recognize the authority with which CVM has signed a mutual cooperation agreement that allows the exchange of information for operations performed in the markets supervised by it, or with any party that is a signatory to the multilateral memorandum of understanding of the International Organization of Securities Commissions – IOSCO.

Paragraph 7 To the purpose of this Instruction:

I – the financial assets negotiated in countries signatory of the Treaty of Asunción are the same as the financial assets negotiated in the national market; and

II – the BDRs classified as level I, according to what is set forth in article 3, Paragraph 1, subparagraph I and Paragraph 2, of CVM Instruction # 332, dated April 2, 2000, are the same as the financial assets negotiated abroad.

Paragraph 7 amended by CVM Instruction 456, dated June 22, 2007.

Paragraph 8 The registrations set forth in Paragraphs 3 and 5, subparagraph II herein shall be performed in specific deposit accounts opened directly under the name of the fund. (NR)

Paragraphs 1, 2, 3, 4, 5, 6, 7 and 8 added by CVM Instruction 450, dated March 30, 2007.

Article 3. The fund shall be constituted by a deliberation of a manager that shall fulfill the requirements established in this Instruction, to whom it is entrusted to approve the fund's regulation, in the same act.

Sole paragraph. Legal persons approved by CVM for the professional exercise of portfolio management can be investment fund managers in compliance with article 23 of Law 6.385 dated 7 December 1976.

Article 4. The fund name shall include the expression "Investment Fund", added by the reference of the fund class, according to the classification established in section II of chapter VIII.

Sole paragraph. No other terms or expressions that might induce an undue interpretation of its objectives, its target public or possible specific tax treatment that the fund or its quota holders might be subjected to shall be added to the fund's name, in compliance with what is set forth in the paragraphs of art. 92." (NR)

Sole paragraph of Article 4 amended by CVM Instruction 450, dated March 30, 2007.

Article 5. The fund can be constituted as an open-end condominium, in which quota holders can request a redemption of their quotas at any time, or close-end, in which quotas can only be redeemed at the end of the fund's term.

Sole paragraph. The amortization of quotas is admitted both in the open-end and in the closed-end fund by means of the uniform payment to all quota holders of a part of the value of their quotas without the reduction of the number of issued quotas, made in compliance with what is disposed in this respect by the ruling of the quota holders general assembly.

Article 6. The fund will be governed by the regulations and it needs to disclose its main characteristics to the public through a brochure elaborated in compliance with what was set forth in Section V of Chapter III, except for what was set forth on article 100 item II of this Instruction.

Section II

Funds Registration

Article 7. The fund functioning depends on a previous registration with CVM, which shall be processed through the sending, by the administrator of the documents set forth on article 8, through the Document Sending System available on the World Wide Web page of the CVM, and shall be automatically granted on the date of the respective sending protocol.

Article 8. The registration request shall be instructed together with the following documents and information:

I – fund regulation, elaborated according to this Instruction's dispositions;

II – the data regarding the regulation registration in the civil registry office;

III – a brochure, elaborated in compliance with what was set forth on Section V, Chapter III, exception made to what was set forth on article 110 item II;

IV – declaration by the fund administrator stating that he/she has signed the contracts mentioned on article 57, if it is the case, and that they are at the disposal of the CVM;

V – name of the independent auditor;

VI – fund enrollment in CNPJ (National Register of Legal Persons); and

VII – a standard form duly filled out with the fund basic information, according to a model available at the World Wide Web page of the CVM.

Article 9. CVM shall cancel the registration:

I – of the open-end fund, which has not met what was set forth on article 105;

II – of the closed-end fund, when the minimum number of quotas representing its initial capital were not subscribed in a term of 180 (one hundred and eighty) days, in compliance with what was set forth on Section II of Chapter III.

Sole Paragraph. Due to a well-founded request and at its own discretion, CVM, can extend the

term set forth on item II, once, for a maximum period equal to the initial term.

Section III

The Quotas

Article 10. The fund quotas correspond to ideal fractions of its net equity and shall be nominative and registered.

Paragraph 1 The quotas of the fund shall confer equal rights and dues to the quota holders.

Paragraph 2 The value of the quota of the day will be the result of the division of the value of the stockholders' equity by the number of fund quotas, both of which shall be verified the end of the day, which is understood for the purposes of this Instruction as the time the markets close in the areas where the funds operate.

Paragraph 3 The regulation of the fund can establish that the value of the quota of the day be calculated based on the previous day's equity and duly updated by 1 (one) day when it is an investment fund:

I – classified according to art. 92 as “Short Term”, “Fixed Income” and “Referred”; or

II – registered as “Exclusive” or “Welfare” according to arts. 111-A and 116.

Paragraphs 1, 2 and 3 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 4. For the purposes of what is set forth on paragraph 3, the possible adjustments arising from the movements occurred during the day shall be registered against the applications or redemption of the quota holders that have made those movements or, still, against the fund assets, as the regulations set.

Paragraph 5 When dealing with funds that trade on foreign markets, the value of the quota of the day can be calculated at the time of market closing as indicated in the regulation.” (NR)

Paragraph 5 amended by CVM Instruction 450, dated March 30, 2007.

Article 11. The quality of quota holder is characterized by the inscription of the title holder's name in the fund's quota holders register.

Sole paragraph. The fund administrator, the third hired for this aim, in the form of article 57 and the intermediary organization referred to in Section IV of Chapter III of this Instruction are responsible for the registration referred to in the caput of this article, according to the case.

Article 12. The quota of open-end funds cannot be object of a cession or transference, unless by a legal decision, execution of guarantee or universal succession.

Paragraph 1. The quota of a closed-end fund can be transferred, by means of a term of cession and transference, signed by the assignor and the assignee, or through a Stock Exchange or organized over-the-counter legal entity in which the fund quotas are admitted for trade.

Paragraph 2. The transference of a closed-end fund quotas' title holding is conditioned to the checking on the part of the administrator on the fulfillment of both the ruling and the present Instruction established formalities.

Article 13. In the event of a negative equity, the quota holders may respond without prejudicing the responsibility of the administrator or manager, in the case of non-observance of either the investment policy or the concentration limits put forward in the regulation and in this Instruction.

Caput of Article 13 amended by CVM Instruction 450, dated March 30, 2007.

Sole paragraph. Without harm to what is set forth in the caput, the administrator and the manager, if there is one, shall be responsible before the quota holders for the non compliance

with the investment policy or the concentration limits set forth in the regulations.

Section IV

Quotas Issuance and Redemption

Article 14. In the issuance of fund quotas the value of the quota/day and day following the day of effective availability shall be used by the invested resources administrator or intermediary, according to what was set forth in the regulations.

Caput with wording amended by CVM Instruction 411 dated November 26, 2004.

Sole paragraph. The subscription of the fund quotas value shall be made in national current money, except for the hypothesis of item I in article 110.

Article 15. The fund quotas redemption shall obey the following rules:

I – the regulation shall establish the term between the request of the redemption and the date the quotas were converted, as such, for the effects of this Instruction, the date the quota value was found in order to pay the redemption;

II – The conversion of quotas shall be calculated considering the value of the quota on the day of conversion, and observed, depending on the case, in the form of the calculation of the quota of the day permitted by Paragraph 3 of art. 10;

III – the redemption payments shall be in check, deposit into current account or payment order at the terms established in the regulation, and shall occur within 5 (five) business days since the date of the conversion of the quotas, with an exception for the hypothetical situation outlined in subparagraph IV of art. 110

Items II and III amended by CVM Instruction 450, dated March 30, 2007.

IV – the regulation shall establish a grace period for the redemption, with or without yield;

V – Exception made to the hypothesis set forth in article 16, a fine of 0,5% (point five percent) of the redemption value shall be due to the quota holder, to be paid by the fund manager per day of payment delay on the quotas redemption.

Sole paragraph. The fund which regulation establishes a different date for the quotas conversion and redemption, a different date for redemption payment and request of redemption and grace period for redemption shall observe what was set forth in paragraph 3 of article 40.

Article 16. In exceptional cases of non-liquidity of assets which are part of the fund's portfolio, including the ones arising from redemption requests incompatible with the existing liquidity, or that might imply in an alteration of the fund tax treatment or the quota holders group, to the harm of the latter, the administrator shall declare the closing of the fund for redemptions, being the call for an Extraordinary General Meeting compulsory in a maximum term of 1 (one) day, in order to deliberate on the following possibilities in a term of 15 (fifteen) days from the date it was closed for redemption:

I – substitution of the administrator, manager or both;

II – reopening or maintenance of the fund closing for redemption;

III – possibility of redemption payment in securities;

IV – scission of the fund; and

V – liquidation of the fund.

Paragraph 1. The administrator is responsible for the non-use of powers conferred in the **caput** of this article, in the event its omission causes harm to the remaining quota holders.

Paragraph 1 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 2. The fund closing for redemption shall, in any case, be immediately communicated to CVM.

Paragraph 3. The meeting the caput refers to shall be held even if the administrator deliberates to re-open the fund before the meeting set up date.

Paragraph 3 added by CVM Instruction 411, dated November 26, 2004.

Paragraph 4. The administrator shall request CVM for a specific authorization to proceed with the fund scission before its re-opening for redemptions, being new applications in the fund resulting from its scission forbidden in this case, and being obliged, in any case, to hold the meeting set forth in the caput.

Paragraph 4 added by CVM Instruction 411, dated November 26, 2004.

Paragraph 5. It is the duty of the officer to take the necessary measures to avoid the occurrence of the hypothesis set forth in the caput due to the physical liquidation of the funds assets, according to what is set forth in subparagraph I of Paragraph 2 of article 2." (NR)

Paragraph 5 added by CVM Instruction 456, dated June 22, 2004.

Article 17. It is to the administrator discretion to suspend new applications on the fund at any moment, since such suspension is applied indistinctively to new investors and present quota holders.

Paragraph 1. The suspension of new applications for one day does not impede future re-opening of the fund for applications.

Paragraph 2. The administrator shall immediately communicate the intermediaries about the possible existence of funds that are not admitting funding.

Paragraph 3. The fund shall remain closed for applications for the duration of redemptions suspension.

Paragraph 3 added by CVM Instruction 411, dated November 26, 2004.

Article 18. The regulation shall foresee the reception of applications and redemptions conditions during state and municipal holidays.

CHAPTER III

QUOTA SUBSCRIPTION AND DISTRIBUTION

Section I

Registration of Quota Distribution

Article 19. The open-end fund quotas distribution is independent from previous registration in CVM and shall be done through intermediary institutions integrating the securities distribution system.

Article 20. The closed-end fund quotas distribution depends on a previous registration in CVM, according to section II of this Chapter and can only be accomplished by institutions integrating the securities distribution system.

Article 21. The administrator is obliged to supply hired intermediaries with all the fund advertising material required by the regulation in force, responding for its contents' precision of information.

Sole paragraph. The investment fund administrator is obliged to inform hired intermediaries of any alteration that might occur to the fund, especially if it arises from a change in the regulation, occasion in which the administrator shall immediately replace the advertising material in the hands of hired intermediaries.

Section II

The registration of Closed-End Funds Distribution

Article 22. The distribution of closed-end fund quotas that is not directed exclusively to qualified investors shall be preceded by a registration of a public distribution offer in the terms of CVM Instruction 400, dated December 29, 2003.

Article 23. The registration of closed-end fund quotas directed exclusively to qualified investors shall depend on the sending of the documents set forth in article 24, through the Document Sending System available in the World Wide Web page of the CVM and shall be considered automatically granted in the date written in the respective sending slip.

Article 24. The request for distribution of closed-end fund quotas directed exclusively to qualified investors shall be followed by:

I – advertising material to be used during quota distribution;

II – information regarding maximum and minimum number of quotas to be distributed, emission value and other distribution important information;

IV – declaration by the administrator that a distribution agreement was signed with an institution that is part of the distribution system and that it is at the disposal of CVM whenever applied; and

V – Brochures, when applicable.

Paragraph 1. A brochure shall be sent to the quota holders in the distributions that follow the initial one.

I – A communication about the beginning of distribution in at least 10 (ten) days notice; and

II – A communication about the end of distribution in up to 10 (ten) days after such end, explaining the result of the distribution.

Paragraph 2. The administrator shall keep for 5 (five) years at the disposal of CVM the proofs of sending both communications referred to in the previous paragraph.

Article 25. The administrator shall send, through the Document Sending System available in the World Wide Web page of the CVM, the list of closed-end quota subscription in a two-business day's term after the closing of the quota subscription.

Article 26. The fund quotas new distribution shall not be admitted before the previous distribution is subscribed.

Article 27. The subscription of closed-end fund quotas shall be closed in a maximum term of 180 (one hundred and eighty) days from the distribution starting date.

Paragraph 1. In case the administrator decides, during the quotas distribution process, to alter some previously disclosed conditions, the distribution shall be suspended, so that the subscribers may agree with the new conditions.

Paragraph 2. Quota holders who do not agree with the proceeded alterations, shall have the right to a subscribed value refund, added proportionally of the fund application income gain, net from duties and taxes.

Paragraph 3. Once observed what was set forth in the previous paragraphs, effective restitution of dissident quota holders values included, and previously to the distribution restart, the correction of the brochure and the other documents and information shall be proceeded, from which date a new term of 180 (one hundred and eighty) days for the quotas placement shall start.

Article 28. The amounts received from the quotas subscription during the closed-end fund quotas distribution process shall be deposited in a commercial bank or a multiple bank with

commercial portfolio or a Savings Bank in the name of the fund, being its immediate application in federal government bonds or investment fund classified quotas compulsory, in compliance with what was set forth in article 93.

Paragraph 1. During the distribution period, the administrator should send the portfolio applications report monthly through the Document Sending System available on the World Wide Web page of the CVM in a maximum term of 10 (ten) days from the closing of the month.

Paragraph 1 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 2. In the case of an already functioning fund, the new quotas distribution related values shall be kept separately from other fund applications in the books up to the closing of the distribution.

Paragraph 3. The quota holders meeting that deliberate on the closed-end fund new quotas distribution shall dispose on both the minimum number of quotas that shall be mandatorily subscribed so that distribution continues and the treatment to be applied in case the total subscription of predicted quotas does not occur.

Paragraph 4. in the case of the forgoing paragraph, if the minimum number of quotas previewed is not subscribed in a term of 180 (one hundred and eighty) days extendable for an equal period according to what was disposed on article 9, counted from the date of the concession of the registration, the subscribed values shall be immediately restituted to the subscribers, added proportionally of the yield gained by the applications of the fund, net from duties and taxes.

Paragraph 5. In case there has not been a total distribution of the quotas previewed and the deliberation of the quota holders meeting has not fixed a minimum number of quotas to be subscribed, the subscriber of the quotas can opt between stay in the fund or receive the devolution of the subscribed value, added proportionally by the yield gained by the applications in the fund, net from duties and taxes.

Article 29. the advertising material of distribution of quotas of the closed-end fund shall contain at least the following information:

I – name of the fund;

II – name and address of the administrator and manager, if there is one;

III – name and address of the institutions responsible for the distribution;

IV – investment policy, target public and the main characteristics of the fund;

V – market where the quotas of the fund are traded;

VI – conditions for subscription and payment;

VII – date of the beginning and end of the distribution;

VIII – clarification that further information and copies of the brochure and the regulations can be obtained in the institutions responsible for the distribution of quotas or in the World Wide Web page of the CVM;

IX – the text in a highlighted way: "The concession of registration of the present distribution does not imply, on the part of CVM in a guarantee of veracity of the information rendered and the judgment on the quality of the fund, of its administrator or the quotas to be distributed".

Section III

Quota Subscription or Acquisition

Article 30. All quota holders when enter in the fund shall attest, before an own written term

that:

I – he has received the regulations and, if it's the case, the brochure;

II – he has acknowledged the risk involved and the investment policy;

III – he has acknowledged the possibility of occurrence of negative net equity, if that's the case, and in this case of his responsibilities for a further input of additional resources.

Paragraph 1. The administrator shall make available to CVM the term that contains the declarations referred to in the caput of this article, duly signed by the investor, or registered in the electronic system that guarantees the compliance with what was set forth on the caput.

Paragraph 2. The regulation and, if it is the case, the brochure shall be delivered by the administrator in its current and updated versions.

Paragraph 2 amended by CVM Instruction 450, dated March 30, 2007.

Article 31. The administrator shall inform the date of the first payment of the quotas of the fund through the Document Sending System available in the World Wide Web page of the CVM in a term of two business days.

Article 32. Without harm to eventual sanctions, CVM shall suspend the issuance, subscription and distribution of quotas of the fund made in disagreement with the present Instruction.

Section IV

Subscription or Acquisition of Quotas on One's Behalf

Article 33. The investment fund may contract, in writing, intermediate institutions that are part of the securities distribution system to distribute the quotas, and authorize them to conduct the subscription of the quotas for the account and order for its respective clients.

Article 3 amended by CVM Instruction 450, dated March 30, 2007.

Article 34. For the adoption of the procedure herein, the administrator and the intermediary institution shall establish, in writing, the obligation of the latter in creating a complementary registration of quota holders that is specific for each fund in which such modality of subscription of quotas might occur, in such a way that:

Caput of Article 34 amended by CVM Instruction 450, dated March 30, 2007.

I – the intermediary institution inscribe in the quota holders complimentary registration the title holder of the quotas in the name of the investors, attributing to each quota holder a client code and informing such code to the fund's administrator; and

II – the hired, administrator or institution, keeps account of the quotas in a special way in the fund's quota holders registration, adopting, in the identification of the title holder, the name of the intermediary institution, added by the client's code supplied by the intermediary institution and that identifies the complimentary quota holder.

Article 35. The applications or redemptions done in the investment funds by means of intermediary institutions that act on behalf of the clients shall be done in a segregated form, in a way that the goods and rights part of the assets of each of the clients, as well as its fruits and yields, do not communicate with the assets of the intermediary institution.

Sole paragraph. The goods and rights of the clients of the intermediary institutions do not answer directly or indirectly for any obligation contracted by such institutions, being forbidden the constitution, to its own benefit, of the real guarantee burden or rights in favor of third parties over the funds quotas.

Article 36. The intermediary institutions that act on behalf of the clients, assume burden and responsibilities related to the clients, including as to their registration, identification and other procedures that, in the form of this Instruction, shall be originally to the charge of the

administrator, especially in what regards:

I – the supply of brochures, regulations and terms of adhesion to the clients to be obligatorily sent by the administrators to the intermediaries, for such end;

II – the responsibility of letting the quota holder know that the distribution is done on behalf of someone;

III – the obligation of letting the clients know any requirements formulated by CVM;

IV – the control and maintenance of internal registrations regarding the compatibility between the movement of the client's funds, and his/her financial capacity and economic activities in the terms of the norms of protection and fight against money laundering or hiding of goods, rights and values;

V – the regularity and guard of the client's registration documentation, in the strict terms of the regulation in force, as well as for the compliance with all the legal requirements as to the aforementioned registration documentation;

VI – the rendering of information directly to CVM about the registration data of the clients that apply the funds, whenever this information is requested;

VII – the communication to the clients about the call for general quota holder meetings and about its deliberations, according to the instructions and information that with a sufficient time and in advance, receive from the administrators of the investment funds, in compliance with what was set forth on article 37;

VIII – the maintenance of a customer service for the elucidation of doubts and for the reception of claims;

IX – to the zeal so that the final investor have full access to all documents and information previewed in this Instruction, in equality of conditions with the other quota holders of the investment fund object of this application;

X – the maintenance of updated information that allow the identification, at any time, of each one of the final investors as well as the updated registration of all applications and redemptions done in the name of each one of the final investors; and

XI – the obligation to make retention and the payment of the levied taxes in the applications or redemption in investment funds according to what the tax legislation determines.

Sole Paragraph. The documentation referred to in item X should remain in the possession of the institution that is acting on behalf of the clients, at the disposal of CVM, for a term of 5 (five) years.

Article 37. Previously to the realization of the general quota holders meeting, the intermediary that is acting on behalf of the clients shall supply to the clients that wish so a declaration of the quantity of quotas held by it, indicating the fund, the client's name or company's name, the client's code and the number of his/her enrollment with the Taxpayer's Roll – CPF or with the CNPJ (National Register of Legal Persons), both from the Ministry of Finance, according to the case, being such document an appropriate proof of the title holder of the quotas, for the end of the exercise of voting rights.

Sole paragraph. The intermediary that is acting on behalf of the clients can attend and vote in the general quota holder's meeting of the fund, representing the interest of its clients, if holding a power of attorney with specific powers, discriminating also the day, hour and place of the afore mentioned meeting.

Article 38. In case the rescission of the contract signed between the fund and the intermediary that is acting on behalf of the clients, it shall be given the option to the quota holder to remain as an investor of the fund and in this case the intermediary institution commits to identify and supply to the administrator all registration documents of the client.

Section V

Brochure

Article 39. The brochure shall contain all information relevant to the investor related to the fund's investment policy and the risks involved.

Paragraph 1. The updated brochure shall be at the disposal of potential investors during the distribution period, in places where it is done in sufficient number.

Paragraph 2. The fund administrator shall send the CVM, by electronic means through the Document Sending System available on the CVM World Wide Web page, all alterations made in the brochure, which shall be made available for public consultation, in a term of (one) business day.

Article 40. The brochure shall contain, in clear and accessible language to the fund target public, information regarding the following topics, as well as any other information considered relevant:

I – management targets as well as fund objectives and target public;

II – investment policy and range of assets allocation, discriminating their process of analysis and selection;

III – list fund service providers;

IV– clear specification of fund taxes and other expenses;

V – detailed presentation of the administrator and manager, whenever the case, with information about their registration in the CVM, their technical departments and other resources and services used to manage the fund;

VI – fund quota acquisition conditions, comprehending the minimum and maximum limits of investment, as well as minimum values for the movement and permanence of the fund;

VII – conditions for quotas redemption and, if it's the case, grace period;

VIII – policy of results distribution, if there is any, specifying terms and payment conditions;

IX – identification of the fund assumed risks;

X – information about the administration policy for risks incurred by the fund, including the methods used to manage such risks;

Item X amended by CVM Instruction 450, dated March 30, 2007.

XI – information on the fund and quota holders applicable taxes, contemplating the policy to be applied by the administrator as to the tax treatment to be followed;

XII – policy related to the exercise of the voting right of the fund, by the administrator or by its legally constituted representatives in general meetings of the companies in which the fund holds an investment;

XIII – policy of information disclosure, including the information related to portfolio composition, which shall be identical to all who request it;

Item XIII amended by CVM Instruction 450, dated March 30, 2007.

XIV – identification of the fund's risk classification agency, whenever there is one, as well as the obtained classification;

XV – observing what was set forth on article 75, the indication on the place, means and form of obtaining the fund results in previous years, as well as other information regarding previous years, such as accounting statements, fund administrator's reports and other pertinent documents that might have been disclosed or elaborated due to applicable ruling dispositions; and

XVI – the maximum percentage of quotas one sole quota holder can retain.

Paragraph 1. The brochure shall contain, in a way that stands out, the text "the registration concession for the selling of this fund quotas does not imply, on the part of CVM in a guarantee of veracity of the rendered information or the adequacy of the fund's regulation or its brochure to the law in force or the judgment over the quality of the fund or of its administrator, manager and other service providers".

Paragraph 2. The fund that intends to make operations with derivatives which might result in asset loss or, especially, take to the occurrence of a net equity loss, shall print on its brochure cover and on all advertising material, in a clear and legible way that stands out, one of the following warnings, according to the case:

I – "This fund uses strategies with derivatives as an integrant part of its investment policy. Such strategies may cause their quota holders, as currently adopted, significant asset loss"; or

II – " This fund uses strategies with derivatives as an integrant part of its investment policy. Such strategies may cause their quota holders, as currently adopted, significant asset loss; also incur in losses superior to the applied capital and a consequent quota holder obligation to cover the fund loss by bringing in additional monies."

Paragraph 3. In case the regulation establishes a conversion date different from those of the redemption request or the redemption grace period, such facts shall be included in a way that stands out, in the brochure cover and in all advertisement material in a clear and legible form.

Paragraph 4. In the event the administrator has hired a risk classification agency, the brochure shall include a warning that the maintenance of this service is not obligatory, and may be discontinued by the administrator of the fund or the general assembly of the quota holders.

Paragraph 5. In the description of the risk administration policy, the prospectus shall contain a warning that the methods used by the administrator to manage risks do not constitute a guarantee against possible property losses that the fund might incur.

Paragraph 6. As an advisory of the risks incurred by the fund set forth in subparagraph IX of the **caput** of this article, funds that use the prerogative set forth in Paragraph 3 of art. 10 must mention in their brochures the possibility of losses as a result of price volatility of the assets that are part of its portfolio.

Paragraphs 4, 5 and 6 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 7. In the case the investment policy provides for the possibility of allocation of more than 30% (thirty percent) of the equity of the fund in the assets described in article 98, the brochure shall emphasize such possibility." (NR)

Caput of Article 40 amended by CVM Instruction 456, dated June 22, 2007.

Paragraph 8. Alterations to the risk administration policy shall be advertised as a relevant fact.

Paragraph 9. The following facts shall be explicit in the disclosure of information policy definition:

I – minimum periodicity of the advertising of the fund's portfolio composition;

II – level of information detail;

III – place and the medium of information request and dissemination.

CHAPTER IV

REGULATION OF THE FUND

Section I

The Obligatory Regulations Disposition

Article 41. the regulation shall, obligatorily, dispose on:

I – the fund administrator’s qualification;

II – whenever is the case, reference to the qualification of the fund’s portfolio manager;

III – the custodian’s qualification;

IV – kind of the fund, if opened or closed;

V – term of duration, if determined of undetermined;

VI – the investment policy set forth in art. 92 which characterizes the class of the fund;

Item VI amended by CVM Instruction 450, dated March 30, 2007.

VII – Administration fee, fixed and expressed in annual percentage of net equity (base 252 days);

VIII – performance, entrance and exit fee, in compliance with what was set forth on article 62;

IX – other fund expenses in compliance with the dispositions of article 99;

X – conditions for application and redemption of quotas, including what was expressed in art. 10, Paragraph3;

Item X amended by CVM Instruction 450, dated March 30, 2007.

XI – distribution of results;

XII – target public;

XIII – reference to the establishment of an interval to update the quota value whenever applicable;

XIV – fund fiscal year;

XV – the information disclosure policy, including those regarding the portfolio;

Item XV amended by CVM Instruction 450, dated March 30, 2007.

XVI – policy related to the exercise of the voting right of the fund, by the administrator and its legal constituted representatives, in general assembly of the companies in which the fund holds a participation;

XVII – information on the tax applicable to the fund and to its quota holders; and

XVIII – Risk administration policy with a description of the methods used by the administrator to manage the risks to which the fund is subject to.

Item XVIII amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 1. In the definition of the investment policy required on paragraph VI of the caput, information on the following shall be disclosed:

I – the maximum percentage of application in securities issued by the administrator, manager or any company linked to them, bearing in mind what is set forth in art. 86 herein;

Item I amended by CVM Instruction 450, dated March 30, 2007.

II – the maximum percentage of application in investment fund quotas managed by the administrator, manager or a company connected to them;

III – the maximum percentage of application in securities owned by the same issuer, bearing in mind the limits set forth in art. 86 herein; and

Item III amended by CVM Instruction 450, dated March 30, 2007.

IV – the purpose of the fund is to make operations in a value superior to its assets, with the indication of their levels of exposition in risk markets.

Paragraph 2. The information disclosure policy referred to in subparagraph XV of the **caput** shall encompass at least the following:

I – the minimum periodicity for the disclosure of the fund's portfolio composition;

II – the level of detailing of information;

III – the place and means of request and disclosure of information.

Paragraph 2 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 3. The disclosure policy shall be identical to all investment consultants, classification agencies and other interested parties.

Paragraph 3 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 4. It will always be given identical treatment to the group of quota holders as to the disclosure of information, in compliance with the dispositions of this instruction and, if it's the case, those constant of the disclosure policy to which they referred to.

Paragraph 5. In the event the fund hires a risk classification agency:

I – the agency's remuneration shall constitute an expense to the administrator;

II – the contract shall contain a clause obliging the risk classification agency to immediately disclose on its webpage and communicate to the CVM and the administrator any changes in the fund's classification or termination of the contract;

III – In the case set forth on subparagraph II above, the administrator shall immediately disclose any relevant facts to the market; and

IV – information disclosed to it shall encompass those supplied to the quota holders

Paragraph 5 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 6 Termination of the contract signed with the risk classification agency may only be admitted with the observance of a grace period of 180 (one hundred and eighty) days, and at the end of this period a risk classification report issued by the same agency must be presented.

Paragraph 7 Once the hypothesis set forth in Paragraph 6 is verified, from the termination date, the brochure must include a summary of the last report elaborated by the classification agency, the history of the grades obtained by the fund, an indication of the electronic address at which the complete version of the report may be consulted and information stating that it is also available at the administrator's headquarters, bearing in mind Paragraphs 1 and 2 of art. 39.

Paragraph 8 remuneration of the risk classification agency hired by the fund may be an expense of the fund when:

I – it is deducted of the administration fee; and

II – this possibility is stated in the regulation.

Paragraphs 6, 7 and 8 added by CVM Instruction 450, dated March 30, 2007.

Article 42. The administrator can directly destine to the quota holders the amounts that are attribute to the fund regarding dividends, interests on own capital or other yields coming from the assets that are part of its portfolio, if expressly authorized by the regulations.

Section II

Alteration of the Regulation

Article 43. the alteration of the regulation depends on a previous approval on the part of the general quota holders meeting, being valid from the date stated by the meeting.

Sole paragraph. Except if approved by unanimity of the quota holders of the fund, the alterations of regulation will be valid at least 30 (thirty) days after the communication stated on article 55 in the following cases:

Caput of the sole paragraph with wording amended by CVM Instruction 411, dated November 26, 2004.

I – increase or alteration of the calculation of administration, performance, entry and exit fees;

II – alteration in the investment policy;

III – change in the conditions for redeem; and

IV – incorporation, scission or fusion that involves the fund in the form of a closed condominium or that might cause an alteration, for the quota holders involved, of the conditions described in the aforementioned paragraphs.

Article 44. The administration shall send the following documents through the Document Sending System available at the webpage of the CVM on the date the alterations decided in a general meeting become valid:

I – a brochure of the regulation, consolidating the alterations done; and

II – an updated brochure, if that's the case.

Article 44 amended by CVM Instruction 450, dated March 30, 2007.

Article 45. the regulation can be altered independently from the general meeting, always when such alteration arises exclusively from the need to meet CVM express requirements for compliance with the legal or regulation norms or due to the updating of the registration data of the administrator, manager or custodian of the fund such as alteration of company name, address and telephone.

Sole paragraph. The alterations referred to in the caput shall be communicated to the quota holders by mail in a maximum term of 30 (thirty) days, counted from the date in which they are implemented.

Article 46. the administrator has a term of 30 (thirty) days, except for determination in contrary, to proceed the alterations determined by CVM, counted from the reception of the correspondence that formulate the above-mentioned requirements.

CHAPTER V

GENERAL MEETING

Section I

Competence

Article 47. It privately competes to the general quota holders assembly to deliberate about:

I – the accounting statements presented by the administrator;

II – the substitution of the administrator or manager or custodian of the fund;

III – the merge, incorporation, scission, transformation or liquidation of the fund;

IV – the increase of the administration fee;

V – the political alteration of investment of the fund;

VI – the issuance of new quotas in the closed-end fund;

VII – the amortization of quotas, in case it is not set forth in the regulation; and

VIII – an alteration in the regulation.

Section II

Call and Installation

Article 48. The call to the general meeting shall be done by mail sent to each quota holder.

Paragraph 1. the call to the general meeting shall expressly list in the order of the day, all the subjects to be deliberated, not admitting that under the item general matters, be matters that depend upon the deliberation of the meeting.

Paragraph 2. the call to the general meeting shall be done with a 10 (ten) day notice, at least in the date of its accomplishment.

Paragraph 3. in the call should obligatorily be the date, time and place in which the general meeting is to be held.

Paragraph 4. the call shall indicate the place where the quota holder can examine the documents regarding the proposal to be submitted to the appreciation of the assembly.

Paragraph 5. the presence of the totality of the quota holders fulfills the lack of call.

Article 49. Annually the general meeting shall deliberate on the accounting statements of the fund, this being done up to 120 (one hundred and twenty) days after the end of the fiscal year..

Paragraph 1. the general assembly referred to in the caput can only be accomplished with a minimum of 30 (thirty) days after being available to the quota holders the audited accounting statements regarding the end of the fiscal year.

Paragraph 2. The general assembly to which all the quota holders are present can disregard the term established in the paragraph hereinbefore, if it is done by unanimity.

Article 50. Besides the meeting set forth on the previous article, the administrator, manager custodian or quota holder or group of quota holders that hold a minimum of 5% (five percent) of the total number of quotas issued can call a general quota holders meeting at any time, to deliberate on an order of the day in the interest of the fund or of the quota holders.

Sole paragraph. The call by initiative of the manager, custodian or quota holders shall be directed to the administrator, that shall, in a term of 30 (thirty) days counted from the reception, make the call of the general meeting, at the expenses of the petitioner, except if the general meeting called in this way deliberates in contrary.

Article with wording amended by CVM Instruction 411, dated November 26, 2004.

Article 51. the General Assembly shall start in the presence of any number of quota holders.

Section III

Deliberations

Article 52. the deliberations of the general meeting shall be taken by the majority of the votes, where each quota has the right to 1 (one) vote.

Paragraph 1. the regulation shall dispose on the possibility of the deliberations of the meeting being adopted before a process of formal consultation without the need of a quota holders

meeting.

Paragraph 2. the regulation shall be able to establish a quorum qualified for the deliberations, including the ones regarding the matters set forth on article 47.

Paragraph 3. In case the open-end fund administrator is dismissed, the qualified quorum referred to in the caput shall not be more than half plus one of the issued quotas.

Paragraph 3 with wording amended by CVM Instruction 411, dated November 26, 2004.

Article 53. The fund quota holders register in the registry at the date the meeting is called, their legal representatives or legally constituted attorneys-in-fact less than 1 (one) year before are the only ones allowed to vote in the general meeting of the quota holders.

Sole paragraph. The quota holders can vote by means of a written or electronic communication, if it is received by the administrator before the beginning of the meeting, observing what is disposed in the regulation.

Article 54. The people listed below are not allowed to vote in the general meeting of the quota holders:

I – the fund administrator and the fund manager;

Item I with wording amended by CVM Instruction 411, dated November 26, 2004.

II – the partners, directors and employees of the administrator or manager;

Item II with wording amended by CVM Instruction 411, dated November 26, 2004.

III – companies linked to the administrator or manager, their partners, directors, employees; and

Item III with wording amended by CVM Instruction 411, dated November 26, 2004.

IV – the fund service providers, their partners, directors and employees.

Sole paragraph. The people mentioned on item I to IV do not apply to the prohibition set forth in this article when regarding funds that are the sole quota holders, or in the case of express agreement of the majority of the other quota holders, manifested in the meeting itself, or in a power of attorney that is referred specifically to the meeting, or in an instrument that refers specifically to the meeting in which the permission of the vote shall occur.

Sole paragraph with wording amended by CVM Instruction 411, dated November 26, 2004.

Article 55. the summary of the general meeting's decisions shall be sent to each quota holder in a term of 30 (thirty) days after the date the meeting is held. For such end it is possible to send the account statement that is sent after the communication set forth on article 68, II.

Sole paragraph. In case the general meeting is held in the last ten days of the month, the communication set forth in the caput can be done in the account statement regarding the following month to the holding of the meeting.

Article 55 with wording amended by CVM Instruction 411, dated November 26, 2004.

CHAPTER VI

ADMINISTRATION

Section I

General Dispositions

Article 56. the administration of the fund comprehends the group of services related directly or indirectly to the functioning and maintenance of the fund, that can be provided by the administrator himself or by third parties hired by him, in writing, in the name of the fund.

Paragraph 1. On behalf of the fund, the administrator shall hire duly qualified or authorized third parties for the following services, with the exception of any other not listed:

Caput of paragraph 1 amended by CVM Instruction 450, dated March 30, 2007.

I – the management of the fund’s portfolio;

II – the investment consultancy;

III – the securities treasury, control and processing activities;

IV – the distribution of quotas;

V – the writing of the issuance and redemption of quotas;

VI – the custodianship of the securities and other financial assets; and

VII – risk classification per specialized agency constituted in the country.

Item VII with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 2. Management of the fund’s portfolio is the professional management, as established in the regulation, of its securities, developed by a natural or legal person registered in the administrator of the securities portfolio by CVM, having the manager powers to trade, in the name of the investment fund, the above-mentioned securities..

Article 57. The hiring of duly qualified or authorized third parties to provide administration services, as mentioned in art. 56, is a faculty of the fund, but the hiring of independent auditing services (art. 84) is obligatory when the administrator is not duly authorized or qualified for the provision of the services set forth in subparagraphs III, IV, V and VI.

Caput of article 57 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 1. It is the administrator’s duty, in the quality of representative of the fund, to hire the service providers, after a previous and sensible analysis and selection of the hired person, with the need of being in the contract as an approved intervenient.

Paragraph 2. The contracts signed according to Paragraph 1, regarding the services provided in subparagraphs I, III and V of Paragraph 1 of article 56, shall contain a clause that states a common responsibility between the officer of the fund and the third parties hired by the fund for possible harm caused to the quota holders due to conducts contrary to the law, to the regulation and the normative acts issued by the CVM.

Paragraph 2 with wording amended by CVM Instruction 456, dated June 22, 2007.

Paragraph 3. Independently from the solidary responsibility referred to on paragraph 2, the administrator responds for losses arising from own acts and omissions that he admits to have been the cause always when he/she admits to have acted in a way contrary to the law, regulation and normative acts issued by CVM.

Paragraph 4. the administration service provision contracts signed with third parties by the administrator in the name of the fund shall be kept by the administrator and respective contracted people at the disposal of CVM.

Paragraph 6. the funds managed by financial institutions do not need to hire the services set forth on items III and V, of article 56 when they are done by their administrators, that in this case are considered authorized for its rendering.

Article 58. the administrator, observed the legal limitations and those set forth in this

Instruction, has the power to practice all the necessary acts to the functioning of the investment fund, being responsible for the constitution of the fund and for the provision of information to CVM in the form of this Instruction and whenever asked.

Article 59. In case the administrator is not registered at CVM as a service provider for securities custodianship, the fund shall hire a registered institution for such activity.

Sole paragraph. The custodian contracts should contain a clause that:

I – establishes that the custodian institution can accept only the orders issued by the administrator, by the manager or by their legal representatives or attorney;

II – forbids the custodian the execution of orders that are not directly linked to the fund's operations; and

III – clearly establishes the price of the services.

Article 60. sales and purchase orders of securities and other assets available in the scope of the financial and capital market shall be issued with a precise identification of the investment fund in whose they should be executed.

Sole paragraph. The grouping of orders between the funds of sales and purchases made through equal and pre-established criteria will be admitted when the same legal person manages many funds and if the administrator has implemented a system that allows the share, being such department's registration available to CVM for the minimum period of 5 (five) years.

Section II

Remuneration

Article 61. The regulation shall regulate the administration fee, that will remunerate all the services indicated in items I to V of paragraph 1 of article 56, being allowed remuneration based on the result of the fund (performance fee) in the terms set forth in this Instruction, as well as the entrance and exit fee.

Paragraph 1. It is the administrator's duty to watch over in order that the hiring of third parties' expenses do not exceed the total amount of the administration fee fixed in the regulation, incurring the payment of any expenses exceeding this limit at his/hers expenses.

Paragraph 2. The fees set forth in the caput cannot be increased without the general assembly's previous approval, but they can be reduced unilaterally by the administrator, who shall immediately communicate CVM and the quota holders this fact, making the due alteration to the regulation and, if that's the case, to the brochure.

Paragraph 3. In the open-end funds, the administration and performance fees shall be provisioned per business day, always as a fund expense, and they shall be in accordance to what is established in the regulation.

Paragraph 4. The investment funds and quota investment funds, not directed exclusively to qualified investors who acquire, in the limits of this Instruction, quotas from other investment funds, shall establish in their own regulation that the administration fee charged by the administrator include the administration fee of the investment funds in which they invest.

Paragraph 4 added by CVM Instruction 411, dated November 26, 2004.

Paragraph 5. What was set forth in the previous paragraph does not impede that the fund's regulation establishes a maximum administration fee, including the administration fee of the funds in which they invest, and a minimum administration fee that do not include the administration fee of the funds in which they invest, case in which:

I – the brochure and any other advertising material that mentions the administration fee shall stand out both fees, explaining their differences; and,

II – the brochure and any advertising material that makes a comparison of any nature between the funds, shall refer, in the comparison, only to the maximum tax allowed to the reference, in note, and to the minimum tax and the effective tax in other periods, if there is any.

Paragraph 5 added by CVM Instruction 411, dated November 26, 2004.

Paragraph 6. As well as the expenses associated with the services referred to in the **caput**, the administration fee shall encompass the expenses for the services set forth in subparagraph VII of Paragraph 1 of art. 56, bearing in mind what was set forth in Paragraphs 5 and 7 of art. 41.

Paragraph 6 amended by CVM Instruction 450, dated March 30, 2007.

Article 62. The regulation may establish a collection of the performance fee, saved the prohibition set forth in arts. 93, 94 and 95.

Paragraph 1. The collection of the performance fee shall meet the following criteria:

I – bond to a reference parameter compatible with the fund investment policy and with the securities that are effectively part of it;

II – prohibition of a bond to the performance fee in a percentage that is inferior to 100% of the reference parameter;

III – collection per period, at least half-yearly; and

IV – collection after the deduction of all expenses, including the administration fee.

Paragraph 2. Except for what was set forth in paragraph 4 of this article, the collection of a performance fee is forbidden when the value of the fund's quota is inferior to its value when the collection was made.

Paragraph 3. The collection of an adjustment over the quota holder's individual performance that applies monies in the fund after the date of the last collection, is allowed exclusively in the cases in which the acquired quota value is inferior to its value on the date of the last collection for the performance accomplished.

Paragraph 4. The funds dedicated exclusively to qualified investors can charge a performance fee according to what is set forth in their regulation, being disobliged to observe what was set forth in this article.

~~Paragraph 5. The funds dedicated exclusively to qualified investors that acquire, in the limits of this Instruction, quotas of other Investment Funds, shall establish in their regulation that the administration fee collected by the administrator, comprehends the administration fee of the Investment Funds in which they invest, observing what was set forth in paragraph 1 of article 91 and in paragraph 3 of article 114, if it's the case.~~

Paragraph 5 revoked by CVM Instruction 411, dated November 26, 2004.

Article 63. Advisory councils, technical or investment committees can be constituted, without harm to the responsibilities of each one of the fund administration service providers, by the initiative of the quota holders, administrator or manager, who cannot be remunerated at the fund expenses.

Paragraph 1. The attributions, composition and requirements for a call and the deliberation by councils and committees shall be established in a regulation.

Paragraph 2. The existence of councils does not exempt the administrator or manager from the responsibility over the operations of the fund's portfolio.

Paragraph 3. The council or committee members shall inform the administrator and quota holders about any situation that might put them potentially or effectively in a situation of conflict of interests with the fund.

Section III

Prohibitions

Article 64. The administrator is forbidden to practice the following acts on behalf of the fund:

I – receive a deposit in current account;

II – contract and make loans, except for a modality authorized by CVM;

III – make guarantee, surety and acceptance or take on a common obligation under any other form;

IV – sell quotas in installments, without harm to the term payment of subscribed quotas;

V – promise quota holders a pre-determined yield;

VI – make operations with stocks outside the stock exchange or outside the over-the-counter market organized by a CVM authorized organization, except for the hypothesis of public distributions, exercise of the preemptive right and conversion of debentures in stocks, exercise of subscription bonuses and in the cases in which CVM has given a previous and express authorization.

VII – make use of resources from the fund to pay quota holders' financial loss insurance.

Item VII added by CVM Instruction 411, dated November 26, 2004.

VIII – to practice any act of liberality.

Item VIII added by CVM Instruction 411, dated November 26, 2004.

Sole paragraph. The investment funds shall use their assets to guarantee their own operations as well as to borrow securities, if such activities are performed exclusively through a service authorized by the Central bank of Brazil or by the CVM.

Sole paragraph amended by CVM Instruction 450, dated March 30, 2007.

Section IV

Obligations of the Fund's Administrator

Article 65. We include among the administrator's obligations besides the other ones set forth in this Instruction:

I – Diligence so that the following may be kept, at his/her expenses, updated and in perfect order:

a) The quota holders registry;

b) The general meeting's book minutes;

c) The quota holders' book presence list;

d) The independent auditor's opinion;

e) The accounting record regarding the fund operations and assets; and

f) The documents regarding the fund operations, for a term of five years.

II – in case CVM instates an administrative proceeding, keep the documentation referred to in the item before until the end of it;

III – request, if it's the case, the admission to negotiation of closed-end fund quotas in the stock exchange or in an organized over the counter market;

IV – pay an injunction fine, in the terms of the legislation in force, for each day of delay in the

fulfilling of the terms set forth in this Instruction;

V – exercise, or make a diligence to exercise, all the rights arising from the assets and activities of the fund, except for what is set forth in the regulation on the policy regarding the exercise of the right to vote;

VI – elaborate and advertise the information set forth on Chapter VII of this Instruction;

VII – maintain updated with the CVM the list of service providers hired by the fund, as well as other registry information;

Item VII with wording amended by CVM Instruction 456, dated June 22, 2007.

VIII – employ, in the defense of the quota holders' rights, the diligence required by the circumstances, practicing all the acts needed to assure them, and adopting the due legal measures;

IX – exercise his/her activities always searching the best conditions for the fund;

X – bear the expenses with advertising of the fund, including the elaboration of the brochure;

XI – transfer to the fund any benefit or advantage that he/she might reach due to his/her condition of administrator, exceptionally admitting that the administrator of the investing quota fund be remunerated by the invested fund administrator;

XII – keep the quota holder customer service responsible for the clarification of doubts and the reception of claims according to the definition of the fund's regulation or brochure;

XIII – observe the dispositions part of the regulation and brochure;

XIV – follow the general meeting's deliberation;

XV – inspect the services provided by third parties hired by the fund.

Sole paragraph. The quota holder customer service should be subordinated directly to the director responsible for the fund administration before CVM or to another director especially indicated to CVM for this function, or still, according to the case, to a director indicated by the organization responsible for the fund distribution or management, hired by the fund.

Section IV–A

Norms of Conduct

Art. 65–A. The administrator and the manager are obliged to adopt the following norms of conduct:

I – their activities must always seek the best conditions for the fund, applying all the due care and diligence that any active and virtuous person applies to the administration of his own businesses, acting with loyalty in relation to the interests of the quota holders and the fund, avoiding practices that could harm the fiduciary relationship with them and responding to any infractions or irregularities that might occur under his administration or management;

II – enforce or pay attention so that all the rights arising from property and the activities of the fund can be enforced, excluding what is set forth regularly about the related policy regarding the exertion of the fund's right to vote; and

III – employ, in the defense of the rights of the quota holder, all due diligence required by the circumstances to perform all necessary acts to assure they occur and adopt all due legal measures.

Sole paragraph. The administrator and the manager shall transfer to the fund any and all benefits or advantages they may have due to their condition, admitting, however that the administrator and the manager of the quota fund are remunerated by the administrator of the invested fund.

Article 65-A added by CVM Instruction 450, dated March 30, 2007.

Section V

Substitution of the Administrator and of the Manager

Article 66. The fund's portfolio administrator and manager shall be replaced in case they:

- I – are discredited for the exercise of the portfolio management activity by CVM's decision;
- II – renounce; or
- III – are destitute by a general meeting deliberation.

Article 67. In the case of renunciation or discredit, the administrator shall be obliged to immediately call the general meeting to elect its substitute, election to be held in a term of up to 15 (fifteen) days, the call for a general meeting being also possibly made in both cases by the quota holders who have at least 5% (five percent) of the issued quotas, or by CVM in cases of discredit.

Paragraph 1. In case of renounce, the administrator shall remain in full exercise of his/her functions until his/her effective replacement, that shall occur in a maximum term of 30 (thirty) days, under penalty of the fund liquidation by the administrator.

Paragraph 2. In case of discredit, CVM shall appoint a temporary administrator until the election of the new administration.

CHAPTER VII

DISCLOSURE OF INFORMATION AND RESULTS

Section I

Periodical Information

Article 68. The fund administrator is obliged to:

- I – advertise, daily, the value of the quota and the net equity value for the open fund;
- II – send quota holders monthly the accounts statement containing:
 - a) name and number of the fund's enrollment with the CNPJ (National Register of Legal Persons);
 - b) name, address and registration number of the administrator with the CNPJ (National Register of Legal Persons);
 - c) name of the quota holder;
 - d) balance and value of the quotas in the beginning and in the end of the period and the movement occurred in the middle;
 - e) profitability of the fund between the last business day of the previous month and the last business day of the balance reference month;
 - f) date of issuance of account balance; and
 - g) telephone, electronic mail and correspondence address of the service mentioned in Subparagraph XII of article 65.
- III – make available the information on the fund including the ones related to the portfolio composition, at least in the terms of article 71 regarding the periodicity, term and tenor of the information, in an even way among all quota holders.

Paragraph 1. In case the fund holds positions or operations in course that might be harmed by

their disclosure, the statement of portfolio composition can omit their identification and quantity, registering only the value and their percentage over the total portfolio.

Paragraph 2. The omitted operations based on the paragraph before shall be disclosed according to subparagraph III of the caput in the maximum delay of:

I – 30 (thirty) days, unextendable, in the “Short Term” and “Referenced” funds; and

II – in all other cases, 90 (ninety) days from the end of the month, with this term being extendable once only, based on a request submitted for approval to the CVM with a maximum term of 180 (one hundred and eighty) days..

Paragraph 2 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 3. In case the administrator discloses to third parties information regarding the portfolio composition, the same information shall be made available to the quota holders in the same periodicity, except for the hypothesis of disclosure of information by the administrator to the fund service providers, needed for the execution of their activities, as well as the regulating bodies, auto-regulating organizations and class agencies as to their members to meet legal, ruling and statutory requests formulated by them.

Paragraph 3 with wording amended by CVM Instruction 413, dated December 30, 2004.

Article 69. The administrator is not obliged to comply with what was set forth on Subparagraph II of the previous article in the cases in which quota holders, through the signature in a specific document, expressly choose the non reception of the statement.

Sole paragraph. The administrator shall keep the document set forth in this article at the disposal of the CVM, for a term of 5 (five) years.

Article 70. In case the quota holder does not communicate to the administrator of the fund his/her new address, either for the sending of a correspondence by letter or by electronic means, the administrator will be exonerated from sending the information set forth in this Instruction from the last correspondence that was sent back due to non correction of the declared address.

Sole paragraph. The administrator shall keep the returned mail at the disposal of the inspection of the CVM while the quota holder does not redeem all his/her quotas.

Article 71. The administrator shall submit the following documents through the Document Sending System available on the World Wide Web page of the CVM, according to the templates available on the aforementioned page:

I – daily newsletter, in a term of 2 (two) business days;

II – monthly newsletter, up to 10 (ten) days after the closing of the month to which they refer to:

a) trial balance sheet;

b) statement of the portfolio composition and diversification; and

c) monthly profile.

III – annually, in a term of 90 (ninety) days from the closing of the fiscal year to which the accounting statements accompanied by the independent auditor’s opinion refer to.

IV – standard form with basic information about the fund called “the Statement of Information about the Fund” whenever there is an alteration to the regulation, from the date of the beginning of the validity of the alterations decided in the general meeting.

Item IV amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 1. The delay to rectify the information is 3 (three) business days from the end of the term established to present the documents.

Paragraph 2. When the fund adopts the policy of using the voting right in general meetings in companies in which it holds a participation, the monthly profile shall necessarily include:

a) the summary of the tenor of the votes issued by the administrator or by his/her representatives legally constituted in the general and special meetings of the companies in which the fund has a participation, that have been held in the fiscal year; and

b) summarized justification of the vote issued by the administrator or by his/her legally constituted representatives, or the summarized reasons for his/her abstention or non presence in the general meeting.

Paragraphs 1 and 2 added by CVM Instruction 450, dated March 30, 2007.

Section II

Occasional Information

Article 72. The officer is obliged to immediately disclose, by means of a correspondence to all quota holders and by a communication through the Document Sending System available on the webpage of the CVM, any relevant act or fact occurred or related to the functioning of the fund or the assets part of the portfolio.

Sole paragraph. It is considered relevant any act or fact that might reasonably influence the value of the quotas or in the decision of the investors to acquire, alienate or keep such quotas.

Caput of article 72 with wording amended by CVM Instruction 456, dated June 22, 2007.

Paragraph 1 The relevant fact shall be immediately communicated through the Document Sending System available on the webpage of the CVM, with the information being also disclosed at the address of the CVM on that site.

Paragraph 2 Any changes related to the subjects treated in arts. 40 and 41 herein are considered relevant facts, without exclusion of other facts

Sales and Distribution Information

Article 73. The advertising material of the fund, as well as the information relevant to it, cannot be in non compliance with the brochure, the regulation or the other documents registered at CVM.

Sole paragraph. In case the advertising text presents errors or improprieties which might induce the investor to evaluation mistakes, CVM can require that rectifications and clarifications are advertised, with equal highlight, through the media used to advertise the original advertising text, requiring to put in an express way that the information is being re-published by determination of the CVM.

Article 74. No advertising material can assure or suggest the existence of a guarantee in the future results or risk exemption for the investor.

Article 75. Any advertising of information on the results of the fund can only be made, by any means, after a grace period of 6 (six) months from the date of the first emission of quotas.

Article 76. All advertised information by any means, in which a reference to the fund's yield is included should obligatorily:

I – mention the date it starts functioning;

II – to include, additionally to the information disclosed, the monthly profitability report and the accumulated profitability over the past 12 (twelve) months, bearing in mind what was set forth in art. 75. In this case, the daily description or the description of the period starting from

its constitution are not obligatory;

Item II amended by CVM Instruction 450, dated March 30, 2007.

III – be accompanied by the monthly average net equity in the last 12 (twelve) months or since its constitution if more recent;

IV – advertise the value of the administration fee and the performance fee, if there is any, express in the regulation in force in the last 12 (twelve) months or since its constitution, if more recent; and

V – highlight the fund target public and the restrictions as to the funding, in order to establish permanent or temporary impossibility of access to the fund on the part of the investors in general.

Paragraph 1 In the event the administrator hires a risk classification company, he must present in all of the disclose material the most recent degree conferred to the fund as well as an indication on how to obtain further information about the performed evaluation.

Paragraph 2 In the event there is any change in the classification of a fund (art. 92), or significant change in its investment policy, the administrator shall disclose, additionally and separately to the disclosure referred to in subparagraph II of this article, the profitability related to the period after the change, informing the reasons for this double disclosure

Paragraphs 1 and 2 added by CVM Instruction 450, dated March 30, 2007.

Article 77. The advertising of yield shall be accompanied of a comparison, in the same period, with a market index compatible with a fund investment policy, if there is one.

Article 78. In the case of disclosure of information that have as a basis comparative analysis with other investment funds, we should simultaneously inform the dates, periods and sources of information used, the adopted criteria of comparison and everything else that is relevant to allow an adequate evaluation by the market of the compared data disclosed.

Article 79. Whenever the advertising material presents information regarding previous years yield, a highlighted warning should be included, that:

I – the yield obtained in the past does not represent a guarantee of future results; and

II – the investments in funds are not guaranteed either by the administrator or by any insurance mechanism or, still, by the credit guarantee fund.

Section IV

Financial Statements and Audit Reports

Article 80. The fund shall have its own bookkeeping, having accounts and financial statements segregated from those of the administrator.

Article 81. The fiscal year of the fund shall be closed every 12 (twelve) months when the financial statements of the fund related to the ended year shall be done.

Sole paragraph. The closing date of the fiscal year of the fund shall coincide with the end of one of the months of the civil year.

Article 82. The financial statements shall be put at the disposal of any interested person who requests them for the administrator, in a term of 90 (ninety) days after the closing of the year.

Article 83. the elaboration of financial statements shall observe the specific norms issued by CVM.

Article 84. The fund financial statements shall be annually audited by an independent auditor registered at CVM, observed the norms that discipline the exercise of this activity.

Sole paragraph. The auditing of the financial statements is not compulsory for funds that are in operation for less than 90 (ninety) days.

Sole paragraph of article 84 with wording amended by CVM Instruction 456, dated June 22, 2007.

CHAPTER VIII

PORTFOLIO

Section I

General Dispositions

Article 85. The fund shall maintain its property in securities, financial assets, according to the definition of art. 2, in the terms established in its ruling, bearing in mind the limits that are set forth in this Instruction.

Caput of Article 85 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 1. Regarding what is provided for in paragraphs 5 and 6 of article 2, the fund may maintain in its portfolio financial assets abroad, observing the following conditions:

I – unlimitedly, for the funds classified as “Foreign Debt” and for funds of any class that respect what is stated in article 110-B;

II – up to 20% (twenty percent) for the ones classified as “Multimarkets” and

III – up to 10% (ten percent) of its net equity, for the cases which are not included in items I and II above.

Paragraph 1 amended by CVM Instruction 465, dated February 20, 2008.

The fund shall maintain in its portfolio of financial assets abroad up to 100% (one hundred percent) for the funds classified as “Foreign Debt”, up to 20% (twenty percent) for the ones classified as “Multimarkets”, and up to 10% (ten percent) in the other classes, always bearing in mind what is set forth in Paragraphs 5 and 6 of art. 2.

Paragraph 1 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 2. The applications in assets abroad shall be considered, cumulatively, in all calculations of the corresponding limits of concentration by issuer and modality.

Paragraph 2 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 3. In the situation outlined in Paragraph 1, the regulation, the brochure and the sales material of the fund shall contain a highlighted warning that the fund is authorized to perform applications in foreign financial assets.

Paragraph 3 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 4. In the situation outlined in Paragraph 1, in the event the fund’s investment policy permits the application of quotas in other funds, the administrator shall assure that the limits of application there referred shall not be exceeded in the consolidation of the applications of the investor fund with the invested funds.

Paragraph 4 with wording amended by CVM Instruction 450, dated March 30, 2007.

Section II

Limits per Issuer

Article 86. The fund shall observe the following concentration limits per issuer, without prejudice to the norms applied to its class (art. 92):

I – up to 20% (twenty percent) of the equity of the fund when the issuer is a financial institution authorized by the Central Bank of Brazil; and

II – up to 10% (ten percent) of the equity of the fund when the issuer is a publicly-held company;

III – up to 10% (ten percent) of the equity of the fund when the issuer is an investment fund;

IV – up to 5% (five percent) of the equity when the issuer is a natural person or private company that is not a publicly-held company or financial institution authorized by the Central Bank of Brazil; and

V – There are no limits when the issuer is the Federal Government

Caput of Article 86 and items with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 1. To the purposes of the calculations of the limits established in the **caput**:

I – the natural person or company, the investment fund and the equity separated according to the law, obliged or co-obliged by the liquidation of the financial asset shall be considered the issuer;

II – the financial assets that are responsibility of issuers of the same economic group, i.e., the ones composed by the issuer and their controllers, subsidiary or associated companies or submitted with it to a common control shall be considered as the same issuer;

III – the owner of the rights that assure the preponderance in the deliberations and the power to elect the majority of the administrators, directly or indirectly shall be considered the controller;

IV – two companies when one is the owner of 10% (ten percent) or more of the capital stock or the equity of the other, without being its controller shall be considered associated; and

V – two companies that have the same controller, either direct or indirect, except when they are publicly-held companies with shares traded in a Stock exchange following a list that requires at least 25% of the shares circulating in the market shall be considered submitted to common control.

Paragraph 1 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 2. The fund shall not detain more than 20% (twenty five percent) of its equity in securities issued by the administrator, manager or companies associated to him/her, bearing in mind cumulatively that:

I – the acquisition of stocks issued by the administrator is forbidden, except in the case of a fund whose investment policy allows the search to reproduce a market index in which the shares of the administrator or companies associated with him/her are part, in which case such shares could be acquired at the same proportion of its participation in the respective index; and

II – the regulation shall dispose on the maximum percentage of application in quotas of investment funds administered by its administrator, manager or company associated to him/her in the terms of subparagraph IV of Paragraph 1 of this article..

Paragraph 2 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 3 The values of the positions of the fund in derivative contracts shall be considered in the calculation of the limits established by this article, cumulatively in relation to:

I – the issuer of the subjacent asset; and

II – the counterpart, when it refers to derivatives without guarantee of settlement by the clearing houses or services authorized by the Central Bank of Brazil or the CVM.

Paragraph 4 According to what is set forth in Paragraph 3, derivative contracts shall be considered according to the exposition value, current and potential, that might incur in the positions detained by the fund, verified on a consistent methodology that can be checked.

Paragraph 5. In operations that don't guarantee settlement by clearing houses or services authorized by the Central Bank of Brazil or by the CVM, the positions detained by the fund in operations with the same counterpart shall be consolidated, bearing in mind, in this case, the net positions of exposition, in the event bilateral compensation has not been contractually dismissed.

Paragraph 6. In the committed operations, the limits established to the issuers shall be observed:

I – regarding the issuers of the assets object:

a) when alienated by the fund with a repurchase commitment; and

b) whose acquisition has been hired based on forward operations set forth in art. 1, subparagraph V, of the Regulation annex to Resolution # 3.339, dated January 26, 2006, of the National Monetary Council, without prejudice to what is set forth in Paragraphs 4 and 5 of this article;

II – in relation to the counterpart of the fund, in the operations without the guarantee of a settlement by clearing houses of clearing services authorized by the Central Bank of Brazil or by the CVM.

Paragraph 7 Committed operations shall not be submitted to the limits set forth herein:

I – backed by federal public titles;

II – purchase operations carried out by the fund with a resale commitment if they count on the guarantee of settlement by the clearing houses or services authorized by the Central Bank of Brazil or the CVM; and

III – forward sales referred to in art. 1, subparagraph V, of the Regulation annex to CMN Resolution # 3.339/06.

Paragraph 8 The provisions set forth in Paragraphs 4 to 5 herein shall be observed in the following types of committed operations:

I – those settled at the discretion of one of the parties (art. 1, subparagraph I, letter "c", and subparagraph II, letter "c" of the regulation annex to CMN Resolution # 3.339/06); and

II –forward sales or purchases (art. 1, subparagraphs V and VI of the regulation annex of CMN Resolution # 3.339/06).

Paragraph 9 the limits established in this article do not apply to the quotas of investment funds when acquired by investment funds that invest in quotas of investment funds, which must observe the provision set forth in Chapter XIII of this Instruction.

Paragraph 10. Regarding the applications of the investment funds that are not investment funds that invest in quotas of investment funds, the following are forbidden:

I – the applications of the fund in fund quotas for those who might invest in it; and

II – applications in fund quotas that are not previewed in subparagraph I of art. 87 herein.

Paragraph 11. In the case the investment policy of the fund allows the application in quotas of other funds, the officer shall be assured that in the consolidation of the applications of the investor fund with the invested funds, the limits of application referred to in this article shall not be exceeded, nevertheless considering what is set forth in article 115-A.

Paragraphs 3, 4, 5, 6, 7, 8, 9 10 and 11 added by CVM Instruction 450, dated March 30, 2007.

Paragraph 11 with wording amended by CVM Instruction 456, dated June 22, 2007.

Section III

Limits by Modality of Financial Assets

Article 87. Cumulatively to the limits per issuer, the fund shall observe the following limits of concentration per modality of financial asset, without prejudice to the rules applicable to its class (art. 92).

I – up to 20% (twenty percent) of the equity of the fund for the group of the following assets:

- a) quotas of registered investment funds based on this Instruction;
- b) quotas of investment funds that invest in quotas of registered investment funds based on this Instruction;
- c) quotas of Real State Investment funds – FII;
- d) quotas of Credit Rights Investment Funds – FIDC;
- e) quotas of Investment Funds that invest in Credit Rights Investment Funds – FIC-FIDC;
- f) quotas of funds of index of companies listed on the stock market or in the organized over-the-counter-market;
- g) Certificate of Real Estate Receivables – CRI; and
- h) other financial assets not previewed in subparagraph II herein, if allowed by Paragraph 1 of art. 2 herein.

II – there shall be no limit of concentration by modality of financial asset to the investment in:

- a) public federal titles and committed operations backed by those titles;
- b) gold, if acquired or alienated in negotiations accomplished on Commodities and Futures Exchanges;
- c) titles issued by or co-obligated of a financial institution authorized by the Central Bank of Brazil; and
- d) Securities different from those provided for in subparagraph I, if registered with the CVM and object of a public offer according to Instruction CVM # 400, dated 2003, observed what was disposed on subparagraph II, of Paragraph 10 of article 86.

Letter "d" with wording amended by CVM Instruction 456, dated June 22, 2007.

- e) Derivative contracts, except if referred to in the assets listed on subparagraph I.

Letter "e" with wording added by CVM Instruction 456, dated June 22, 2007.

Paragraph 1. The investment funds may exceed the limit listed in letters “a”, “b” and “f” of subparagraph I, if they comply with what is set forth in articles 113 to 115.

Paragraph 1 of article 87 with wording amended by CVM Instruction 456, dated June 22, 2007.

Paragraph 2. The operations with derivative contracts referred to in the assets listed in subparagraph I of the caput of this article are included in the calculation of the limits established for their assets, observing what is set forth in Paragraph 4 of article 86.

Paragraph 2 of article 87 with wording amended by CVM Instruction 456, dated June 22, 2007.

Paragraph 3. The assets object of the committed operations in which the fund assumes the

commitment of repurchase are applied, the limits of their application are set forth in the **caput**.

Paragraph 3 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 4. In the case the investment policy of the fund allows the application of quotas of other funds, the officer shall be assured that, in the consolidation of the applications of the investor fund with the invested fund, the application limits referred to in this article shall not be exceeded, nevertheless considering what is set forth in article 115-A." (NR)

Paragraph 4 of article 87 with wording amended by CVM Instruction 456, dated June 22, 2007.

Section IV

The Duties of the Administrator and Manager as to the Limits of Concentration

Article 88. The administrator and the manager shall respond to the non-observance of the concentration limits by issuer and by modality of financial asset, portfolio composition and concentration, and concentration of risk factor established in this Instruction and in the Regulation.

Caput of Article 88 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 1. Without prejudice to the responsibility of the manager, the administrator shall inform him/her and the CVM of the occurrence of any non-compliance by the end of the following day of the non-compliance date.

Paragraph 1 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 2. The limits referred to in arts. 86 and 87 or established in the regulation shall be complied daily, based on the equity of the fund from the previous business day.

Paragraph 2 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 3. The regulation may reduce but may not increase the maximum limits established in arts. 86 and 87 herein.

Paragraph 3 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 4 the administrator and manager shall accompany daily all compliances to the limits established herein and the risk factor of the portfolio of the fund in order to maintain the class adopted in the regulation and the investment policy of the fund.

Paragraph 4 added by CVM Instruction 450, dated March 30, 2007.

Paragraph 5 the main risk factor of a fund is understood as the price index, the interest rate, the share index or the price of the asset which variation produces, potentially more effects over the market value of the portfolio of the fund.

Paragraph 5 added by CVM Instruction 450, dated March 30, 2007.

Article 89. The administrator and the manager are not subject to the applicable penalties for the non compliance with the limits of portfolio concentration and diversification and risk concentration, defined in the regulation and investment in the legislation in force, when the non-compliance is caused by passive non compliance, due to facts that are exogenous and foreign to his/her will, that cause unexpected and significant alterations to the net equity of the fund or in the general conditions of the capital market, if this non-compliance does not exceed the maximum term of 15 (fifteen) consecutive days and does not imply in alteration of the tax treatment conferred to the fund or the fund quota holders.

Sole paragraph. The administrator shall communicate to CVM after having exceeded the term of 15 (fifteen) days referred to in the caput, the occurrence of the non-compliance, with the

due justifications, informing the compliance of the portfolio at the moment it occurs.

Article 90. In case CVM verifies that the non-compliance with the portfolio composition, diversification and risk concentration limits defined in the different classes of investment funds, has extended for a period superior to the term set forth in article 89, shall determine to the administrator, without harm to the appropriate penalties, the call for a general quota holders meeting to decide on one of the following alternatives:

I – transference of administration or management of the fund, or both;

II – incorporation to another fund, or

III – liquidation of the fund.

Article 91. At the time of its conception, the fund shall have the following maximum terms to reach the limits of concentration per issuer and per modality of assets established in its regulation:

Caput of Article 91 with wording amended by CVM Instruction 450, dated March 30, 2007.

I – 60 (sixty) days from the date of the first subscription of quotas for open funds; and;

Item I with wording amended by CVM Instruction 450, dated March 30, 2007.

II – 180 (one hundred and eighty) days from the date of the end of distribution for closed funds

Item II with wording amended by CVM Instruction 450, dated March 30, 2007.

III – The acquisition of quotas from investment funds regulated by this Instruction, up to the limit, by each investment fund, of 10% of the net equity of the investor fund, if expressly set forth in the regulation and brochure.

Paragraph 1. The limit set forth on Subparagraph III of this article does not apply to investment funds classified as "Foreign Debt".

Paragraph 1 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 2. Applications in quotas of funds that invest in investor funds are forbidden.

Paragraph 3. The investment funds classified as "Long term", according to the definition stated in the sole paragraph of article 92, can only invest in quotas of investment funds also classified as "Long Term".

Paragraph 3 added by CVM Instruction 411, dated November 26, 2004.

Section V

Classification of the Funds

Article 92. In regard to the composition of its portfolio, the investment funds and the investment funds in quotas are classified as follows:

Caput of Article 92 with wording amended by CVM Instruction 450, dated March 30, 2007.

I – Short Term Fund;

II – Referenced Fund;

III – Fixed Income Fund;

IV – Stocks Fund;

V – Exchange Fund;

VI – External debt Fund; and

VII – Multimarket Fund.

Paragraph 1 The fund classified as "Referenced", "Fixed Income", "Exchange", "Foreign debt" or "Multimarket" that disposes in its regulation or brochure that it is committed to obtaining the tax advantages designed for long term funds provided for in the current tax legislation shall be obliged to:

I – include the expression "Long Term" in the denomination of the fund, and

II – meet the conditions provided for in the referred regulation in order to obtain the above mentioned tax advantages.

Paragraph 2 funds that mention or suggest in their regulations, brochures or any other disclosing materials that they shall try to obtain the tax advantages set up for long term funds but without assuming the commitments for reaching these objectives, or that only shall do so when it is considered convenient for the fund, shall include in their brochures and in disclosure materials the following warning: "There is no guarantee that this fund shall receive the tax advantages for long-term funds."

Paragraph 3 The expression "Long Term" or similar may only be used by funds that meet the provisions set forth in Paragraph 1 of this article; the use of similar terms, abbreviations or expressions in the denominations of the funds that do not meet the provision of the above-mentioned paragraph are forbidden.

Paragraphs 1, 2 and 3 added by CVM Instruction 450, dated March 30, 2007.

Subsection I

Short-Term Funds

Article 93. The funds classified as "Short Term" shall apply their monies exclusively in federal government securities or private funds pre-fixed or indexed to SELIC or another interest rate or securities indexed to price indexes, with a maximum term of 375 (three hundred and seventy five) days, and medium term of a portfolio of fund inferior to 60 (sixty) days, being allowed to the use of derivatives only for the protection of the portfolio and the accomplishment of guaranteed operations in federal government securities.

Caput of Article 93 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 1. The private securities referred in the caput shall have their issuer classified in the category low credit risk or equivalent, with a certification of a risk classification agency with offices in the country.

Paragraph 1 added by CVM Instruction 411, dated November 26, 2004.

Paragraph 2. In the funds which the caput refer to we observe the following:

I –In the issuance of the quotas the quota value found out according to what was set forth on paragraph 3 of article 10, aiming at issuing quotas in the same day of the financial availability of the monies according to the regulation;

II – In the conversion of quotas the value of the quota found out in compliance with what was set forth on paragraph 3 of art can be used, aiming at redeeming in the same day of the order, according to the regulation;

III – It is forbidden the charge of a performance fee, except for when it is a fund addressed to a qualified investor.

Primitive sole paragraph re-numbered as paragraph 2, with wording amended by

CVM Instruction 411, dated November 26, 2004.

Subsection II

Referenced Funds

Article 94. The funds classified as "Referenced" shall identify in their denomination their performance index based on the structure of the financial assets part of the respective portfolios, if the following conditions are cumulatively met:

Caput of article 94 amended by CVM Instruction 450, dated March 30, 2007.

I – They have 80% (eighty percent), at least, in their net equities represented, either isolated or cumulatively, by:

- a) securities issued by the National Treasury and/or The Central Bank of Brazil;
- b) fixed income securities which issuer is classified in the category low credit risk or equivalent, with a certification given by a risk classification agency with offices in the country;

II – stipulate that at least 95% (ninety five percent) of the portfolio is formed of financial assets in a way to accompany, either directly or indirectly the variation of the performance indicator ("*benchmark*") chosen;

III – restrict the respective action in derivative markets, the accomplishment of trades aiming at protecting spot positions held, up to their limits.

Paragraph 1. Do not apply to the funds referenced in indexes in the stock market what was set forth in Subparagraph I, of this article.

Paragraph 2. For the effect of what was set forth in the caput we should observe that the performance indicator should be expressly defined in the fund's denomination.

Paragraph 3. In the funds referenced in the caput we observe the following:

I – In the issuance of the quotas we can use the value of quotas found out in compliance with what was set forth on paragraph 3 of article 10, aiming at the issuance of quotas in the same day of the financial availability of the monies, according to the regulation;

Item I of paragraph 3, with wording amended by CVM Instruction 411, dated November 26, 2004.

II – in the conversion of quotas it is possible to use the quota value found out in compliance with what as set forth on paragraph 3 of article 10, aiming at the redemption in the same day of the order, according to the regulation;

Item II of paragraph 3, with wording amended by CVM Instruction 411, dated November 26, 2004.

III –The collection of a performance fee is forbidden, except for when the fund is a fund aimed at a qualified investor.

Subsection III

Fixed Income Funds

Article 95. The funds classified as "Fixed Income" shall have the variation of the domestic interest rates or price index or both as the principal risk factor of their portfolio.

Caput of article 95 amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 1. The funds classified as "Fixed Income" shall have at least 80% (eighty percent) of their portfolio in assets directly related to the risk factor that names its class or be synthesized through derivatives.

Paragraph 1, with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 2. In the funds classified as "Fixed Income" the following shall be observed:

I – in the issuance of quotas it is possible to use the value of the quota calculated in accordance with what is set forth in Paragraph 3 of art. 10, in order to issue the quotas on the same day of the financial availability of the resources according to the regulation, except for funds classified according to Paragraph 1 of art. 92;

II – for the conversion of quotas, in order to redeem them on the same day as the request, the value of the quota calculated in accordance with the provisions of Paragraph 3 of art. 10, and according to the regulation, except for funds classified according to Paragraph 1 of art. 92; and

III – it is forbidden to charge a performance tax, except for a fund that is aimed at a qualified investor or that is classified according to Paragraph 1 of art. 92.

Paragraph 2, with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 3. We understand as fund principal risk factor the price index, the interest rate, the stocks index, or the asset price which variation produces, potentially, more effects over the market value of the fund's portfolio.

Paragraph 4. The principal risk factors of a portfolio of a fund classified as "Fixed Income" shall be the variation of the domestic interest rate or the price index, or both.

Paragraph 5. The main portfolio risk factor of a fund classified as "Stocks" should be the price variation of the stocks admitted to trade in the spot market at the stock exchange or organized over-the-counter market entity.

Paragraph 6. The principal portfolio risk factor of a fund classified as "Exchange" shall be the price variation of foreign exchange or variation of the exchange coupon.

Paragraph 7. In the funds classified as "Fixed Income" we observe the following:

I – In the issuance of quotas the quota value found out in compliance with what was set forth in paragraph 3 of article 10 can be used, aiming at the issuance of quotas in the same day of the financial availability of the monies, in compliance with what was set forth in the regulation, except for the funds classified according to the sole paragraph of article 92;

II – on the conversion of quotas the value of the quota found out in compliance with what was set forth in paragraph 3 of article 10, aiming at the redemption in the same day of the request, according to what was set forth in the regulation, except for the funds classified in compliance with the sole paragraph of article 92;

III –The collection of a performance fee is forbidden, except when the fund is oriented to a qualified investor, or to an investor classified according to the sole paragraph of article 92.

Subsection IV

Currency Exchange Funds

Art. 95-A. The Funds Classified as Currency Exchange shall have as a principal risk factor of their portfolio the variation of foreign currency prices or the variation of currency exchange coupons.

Sole paragraph. In the funds referred to in the **caput**, at least 80% (eighty percent) of the portfolio shall have assets directly related to the risk factor that gives the name to the class, or be synthesized through derivatives.

Article 95-A, with wording added by CVM Instruction 450, dated March 30, 2007.

Subsection V

Stock Funds

Art. 95-B. The funds classified as "Stocks" shall have as their principal risk factor the variation of the stocks prices listed on the Stock Exchange or on the organized over-the-counter spot markets.

Paragraph 1. In the Funds set forth in the **caput**:

I – at least 67% (sixty seven percent) of their equity shall be set by the following assets:

- a) stocks listed on the Stock Exchange or the organized over-the-counter markets;
- b) bonus or subscription receipts and certificates of deposit of stocks admitted in the entity referred to in letter "a";
- c) quotas of stock funds and quotas of index funds of stocks traded in the entities mentioned in letter "a" above; and
- d) Brazilian Depository Receipts classified as level II and III, according to art. 3, Paragraph 1st, subparagraphs II and III of CVM Instruction # 332/00.

II – the equity of funds that exceed the percentages fixed in subparagraph I shall be applied to any other modality of financial assets, bearing in mind the concentration limits set forth in art. 87.

Paragraph 2. Without any prejudice to what was set forth in the **caput**, investments in the financial assets listed in Paragraph 1 shall not be subject to the concentration limits per issuer, if the regulation, brochure and sales material of the fund, as well as the statements sent to the clients, bear a clear warning that the fund might be exposed to a significant concentration of assets of a few issuers with the risks that this might incur.

Paragraph 3. The provision of Paragraph 2 is not applied to the BDR's classified as level I, according to art. 3, Paragraph 1, subparagraph I of CVM Instruction # 332/00.

Article 95-B, with wording added by CVM Instruction 450, dated March 30, 2007.

Subsection VI

Foreign debt Funds

Article 96. The funds classified as "Foreign Debt" shall apply, at least 80% (eighty percent) of its net equity in securities representing the foreign debt responsibility of the Federal Government, being allowed the application of up to 20% (twenty percent) of the net equity in other credit securities traded in the international market.

Paragraph 1. The securities representing the foreign debt responsibility of the Federal Government shall be kept abroad, in a custody account, in the Euroclear System or in Luxclear - Central Securities Depository of Luxembourg (CEDEL)

Paragraph 1 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 2. The securities which are part of the fund's portfolio shall be kept in the custody of organizations qualified to provide this service by the local competent authority.

Paragraph 2 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 3. The acquisition of quotas of other funds classified as "Foreign Debt" is not subject to the incidence of concentration limits per issuer (art. 86).

Paragraph 3 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 4. Once the composition requirements set forth in the caput are met, the monies

that might remain:

I – can be directed to traded in derivative organized markets abroad, exclusively to the end of "hedge" of the securities part of the respective portfolio, or else they can be kept in a deposit account in the name of the fund abroad, related to this last modality, to the limit of 10% (ten percent) of the respective net equity;

II – they can be directed to operations in derivative organized markets in the country, exclusively to the end of "hedge" of the securities part of the respective portfolio and if they are referred to in titles that represent the Federal Government foreign debt, or else they might be kept in an on sight deposit account in the name of the fund, in the country, observed in the group, the limit of 10% (ten percent) of the respective net equity.

Paragraph 5. for the end of what was set forth in paragraph 4, Subparagraph II:

I – the operations in derivative organized markets can be accomplished both in those administered by the commodities and futures exchange and in the over-the counter ones, in the latter if they are dully registered in the Securities Financial Liquidation and Custody Center - Central de Custódia e de Liquidação Financeira de Títulos - CETIP;

II – the expenses effectively incurred due to provide a margin of guarantee in cash, daily adjustments, premiums and operational costs due to the maintenance of positions in the derivative organized markets in the country shall be taken into consideration.

III – The acquisition of federal government securities to be used as a margin of guarantee to operations in derivatives organized markets in the country is allowed.

Item III added by CVM Instruction 413, dated December 30, 2004.

Paragraph 6. Regarding the credit securities traded in the international market, the total issuance or co-obligation of a same legal person, of its controller, of societies directly or indirectly controlled by him/her and their associated companies under common control cannot exceed 10% (ten percent) of the fund net equity.

Paragraph 7. The maintenance or application in the country of monies obtained by the fund is forbidden, except in the cases set forth in Subparagraph II of paragraph 4 and Subparagraph III of paragraph 5 of this article.

Paragraph 7 with wording amended by CVM Instruction 413 dated December 30 November, 2004.

Subsection VII

Multimarket Funds

Article 97. The funds classified as "Multimarket" shall have investment policies that involve many risk factors, without the commitment of concentrating any special factor or factors that are different from the other classes set forth in art 92.

Paragraph 1 The regulation of the funds in this article shall authorize the application in financial assets abroad to the limit of 20% (twenty percent) of its equity, bearing in mind what is provided for in Paragraphs 2 to 4 of art. 85.

Paragraph 2 The acquisition of quotas of the funds classified as "Foreign Debt" and of quotas of the investments funds based abroad by the funds in this article is not subject to the incidence of concentration limits by the issuer (article 86).

Paragraph 3 The investment in the financial assets listed in subparagraph I of Paragraph 1 of art. 95-B by the funds in this article is not subject to concentration limits per issuer if the regulation, brochure or sales material of the fund, as well as the statements sent to its clients, contains a clear warning that the fund can be exposed to significant concentration of assets in a few issuers with the risks that such shall incur.

Paragraphs 1, 2 and 3 with wording added by CVM Instruction 450, dated March

30, 2007.

Paragraph 2 with wording amended by CVM Instruction 465, dated February 20, 2008.

Subsection VIII

Rules related to the concentration in private credits

Article 98. The investment fund belonging to one of the categories in subsections I, II, III, IV and VII that make applications in any of the assets or operational modalities that are the responsibility of natural persons or legal entities, except in the case of financial assets listed in subparagraph I of Paragraph 1 of art. 95-B, or from public issuers different from the Federal Government that, on the whole exceeds the percentage of 50% (fifty percent) of its equity, shall observe the following rules, cumulatively to those provided for its class:

Article 98 with wording amended by CVM Instruction 450, dated March 30, 2007.

I – the expression “Private Credit” shall be stated in the denomination of the fund;

II – the regulation, brochure and sales material of the fund shall contain a clear warning that the fund is subject to the risk of substantial equity loss in the event of situations that might incur in the non-payment of the assets that are part of its portfolio, or because of an intervention, liquidation, temporary administration regime, bankruptcy, judicial or extrajudicial recuperation of the issuers responsible for the assets of the fund; and

III – the entrance in the fund shall be conditional on the signature of the acknowledgement term for the risks inherent to the composition of the fund portfolio according to the model in Annex II, forbidden the use of electronic systems for this purpose.

Items I, II and III with wording added by CVM Instruction 450, dated March 30, 2007.

Paragraph 1 In the event the fund's investment policy allows the application of quotas of other funds, the administrator shall be assured that the rules set forth in subparagraphs I to III of this article shall be complied when, in the consolidation of the applications of the investor fund with the invested funds, the percentage referred to in the caput is exceeded.

Paragraph 2 the provision of this article is applied to the investment funds that invest in quotas of investment funds.” (NR)

Paragraphs 1 and 2 with wording added by CVM Instruction 450, dated March 30, 2007.

CHAPTER IX

THE FUND'S EXPENSES

Article 99. The following expenses are expenses of the fund that can be directly debited:

I – fees, taxes or federal, state, municipal or autarchic contributions that might fall upon the assets, rights and obligations of the fund;

II – expenses for registration of documents in the notary, printing, mailing and publication of reports and periodic information set forth in this Instruction;

Item II with wording amended by CVM Instruction 413 dated December 30 November, 2004.

III – Expenses with correspondence that are of the fund's interest, including communications to the quota holders;

IV – Fees and expenses of independent audit;

V – Emoluments and commissions paid for the fund’s operations;

VI – Lawyers fees, costs and expenses for related procedures, incurred due to the defense of the fund’s interest, in court or outside it, including the value of a conviction of the fund, if it’s the case;

VII – A part of a damage non covered by insurance policies and non directly due to guilt or fraud of the administration service providers in the fiscal year of their respective functions;

VIII – Expenses directly or indirectly related to the exercise of the fund voting right by the administrator or by its representatives legally constituted in general meetings of the companies in which the fund holds a participation;

IX – Expenses with the custody and liquidation of operations with securities, financial assets and operational modalities;

Item IX with wording amended by CVM Instruction 411, dated November 26, 2004.

X – Expenses with the closing of exchange, linked to its operations or with certificates or deposit slips of securities;

XI – In the case of a closed-end fund, the annual contribution due to the stock exchanges or entities of the organized over-the-counter market in which the fund have its quotas admitted to trade; and

XII – The administration and performance fees according to what was set forth in article 61;

Article 100. Any expenses not set forth as expenses of the fund, including the ones related to the elaboration of a brochure, shall be at the administrator’s expense, and should be hired by him/her.

CHAPTER X

INCORPORATION, MERGE, SCISSION AND TRANSFORMATION

Article 101. The incorporation and merge of funds operations are allowed in the following conditions:

I – If the funds have an investment policy compatible, the implementation of the operation shall occur immediately after the general meeting that deliberates is held;

II – In case the funds have a differentiated investment policy, the implementation of the operation can only occur after the alteration of the regulation done under the terms of article 43.

Paragraph 1. In case of incorporation, scission or merge involving a fund organized under the form of a closed-end condominium, the administrator shall proceed the alterations to the regulation under the terms of article 43 and it shall accept the request of quota redemption of the quota holders that do not agree with the general meeting’s deliberation, abstain or do not come to the meeting.

Paragraph 1 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 2. The request for the redemption of quotas set forth in the previous paragraph shall be formulated up to 10 (ten) days after the communication of the deliberation to the quota holders and the payment of the redemption value is done at a maximum of 10 (ten) days after the quota holder’s request.

Paragraph 2 with wording amended by CVM Instruction 411, dated November 26, 2004.

Article 102. The financial statements of each one of the funds object of the scission, incorporation, merge or transformation, found in the date of the operation, shall be audited in

a maximum term of 60 (sixty) days, counted from the date the event is accomplished by an independent auditor registered at CVM, and the criteria used for such equalization of quotas among the funds shall be part of the explanatory notes.

Sole paragraph. The parameter used for the conversion of fund quotas values in the cases of incorporation, merge or scission as well as the value of the quotas of the funds resulting from such operations shall be part of an explanatory note.

Article 103. In the cases of split-up, merge, incorporation and transformation the following documents shall be delivered to the CVM through the Document Sending System in the date of the beginning of the term of the events deliberated in the meeting:

Caput of article 103 with wording amended by CVM Instruction 456, dated June 22, 2007.

I – new regulation;

II – brochure duly updates, whenever it's the case; and

III – proof of entrance of the request of discharge of the registration with the CNPJ of the funds closed due to merge or incorporation. Sole paragraph. The fund administrator shall keep at the disposal of CVM an auditor's opinion regarding the statement of scission, incorporation or merge.

Article 104. Before a previous authorization of the CVM:

I – the open-end fund can be transformed in a closed-end fund; and

II – the investment club can be transformed in a closed-end or open-end fund.

Paragraph 1. For the purposes of this authorization the fund administrator shall send to CVM, through the Document Sending System available on the World Wide Web page of the CVM, the documents referred to on article 103, in a maximum term of 15 (fifteen) days after the meeting is held.

Paragraph 2. After the authorization of the CVM, the fund officer shall concede a term not inferior to 30 (thirty) days for the request of redemption of quotas of the quota holders that do not agree with the general meeting's deliberation.

Paragraph 3. The redemption of the quotas set forth in the previous paragraph shall be made in the conditions existing before the general meeting that deliberated for the transformation of the open-end fund into a closed-end fund or the investment club into fund was held.

CHAPTER XI

LIQUIDATION AND CLOSING OF THE FUND

Section I

Liquidation

Article 105. After 90 (ninety) days of the beginning of the activities, the open-end fund that keeps, at any time average net equity inferior to R\$ 300.000,00 (three hundred thousand reais) for the period of 90 (ninety) consecutive days shall be immediately liquidated or incorporates to another fund.

Article 106. In case of the fund liquidation by deliberation of a general meeting, the administrator shall promote the division of its assets among the quota holders in the proportion of their quotas, in a maximum term of 30 (thirty) days from the date the meeting was held.

Paragraph 1. The general meeting shall deliberate regarding the form of payment of the values due to the quota holders.

Paragraph 2. The independent auditor shall issue an opinion about the statements of the net

equity movement, comprehending the period between the date of the last audited financial statements and the effective date the fund was liquidated giving his opinion about the movements occurred during the period.

Paragraph 3. In the explanatory notes to the financial statements of the fund there must be an analysis regarding the fact that the redemption values were or not made with equal conditions and according to the regulations as well as to the existence or not of debts, credits, assets or liabilities not accounted.

Section II

Closing

Article 107. After the payment to the quota holders of the total value of their quotas, including in case of closing due to redemption, the administrator of the fund shall send to CVM, through the Document Sending System at the World Wide Web page of the CVM in a term of 15 (fifteen) days, the following documentation:

I – Minutes of the general meeting that have deliberated on the fund's liquidation, whenever the case, or a closing term signed by the administrator in case of total redemption; and

II – proof of entrance of the request and discharge of the enrollment with the CNPJ

Sole paragraph. The administrator shall keep at the disposal of the inspection of the CVM the auditor's opinion regarding the statement of liquidation of the fund set forth on paragraph 2 of article 106 after a term of 90 (ninety) days from the date of delivery of the documents referred in items I and II of this article,

CHAPTER XII

FUND FOR QUALIFIED INVESTORS

Section I

General Dispositions

Article 108. It can be constituted an investment fund aiming exclusively at qualified investors.

Article 109. For the purpose of what was set forth in the aforementioned article, the following are considered qualified investors:

I – financial institutions;

II – insurance companies and capitalization societies;

III – private welfare opened or closed capital organizations;

IV – natural or legal persons that hold financial investments in an amount superior to R\$ 300.000,00 (three hundred thousand reais) and that additionally attest in writing their qualified investor condition according to an own term, set forth in Annex I;

V – Investment funds directed exclusively to qualified investors; and

VI – portfolio administrators and securities consultants authorized by CVM, in relation to their own monies

VII - own social security regimes instated by the Federal Government, by the States, by the Federal District or by Municipalities

Item VI with wording added by CVM Instruction 450, dated March 30, 2007.

Paragraph 1. The employees or partners of institutions that administer or manage this fund, expressly authorized by the director responsible for the institution before the CVM shall be admitted as quota holders of a fund to qualified investors.

Paragraph 1 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 2. The permanence of quota holders that do not fit in the items of this article is allowed in funds for qualified investors, if such quota holders have entered until the date this Instruction is in force and in agreement with the criteria for admission and permanence in force before.

Paragraph 2 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 3. The requirements referred to in the caput shall be verified, by the administrator or by the intermediary in the act of each application in the investment fund of which the investor is not a quota holder being sure that the loss of his/her condition as a qualified investor does not imply in an exclusion of the quota holder of the investment fund.

Article 110. The fund addressed exclusively to qualified investors, if set forth in its regulation can:

I – admit the use of securities in the payment and redemption of quotas with the establishment of detailed and precise criteria for the adoption of these procedures, still meeting, when the case requires, the correspondent tax obligations;

II – release the elaboration of the brochure, assuring that the information set forth in subparagraphs III, VI, XI and XV of art. 40 are provided for in the regulation;

Item II with wording amended by CVM Instruction 450, dated March 30, 2007.

III – charge administration and performance fees according to what was established in its regulation; and

IV – establish the terms to convert the quota and for the payment of the redemptions different from those set forth in this Instruction.

Item IV with wording amended by CVM Instruction 411, dated November 26, 2004.

Art. 110-A. Without prejudice to what is set forth in art. 98, the limit established in subparagraph I of art. 87 shall be counted as double in the investment funds established in this Chapter.

Article 110-A with wording added by CVM Instruction 450, dated March 30, 2007.

Art. 110-B. The regulations of the funds mentioned in this Chapter, which require a minimum investment, per investor, of R\$ 1,000,000.00 (one million reais) may provide:

I – the inobservance of the concentration limit per issuer and per type of financial asset as stated in articles 86 and 87; and

II – the unlimited application of resources abroad. In this case, the fund shall present in its denomination the expression "Investment Abroad".

Sole paragraph. The use of any of the faculties provided for in items I and II does not excuse the fund to observe the classification stated in article 92 and to keep its portfolio appropriate to such classification and to its investment policy.

Article 110-B with wording amended by CVM Instruction 465, dated February 20, 2008.

Article 111. The regulation of the fund addressed to qualified investors, shall be explained regarding the exclusive participation of investors set forth in article 109.

Section II

Exclusive Funds

Art. 111-A. The funds for qualified investors constituted to receive applications exclusively

from a sole quota holder are considered as "Exclusive".

Paragraph 1 Upon the issuance and redemption of the quotas of the "Exclusive" fund, the value of the quota discovered according to the provisions of Paragraph 3 of art. 10 may be used, following the regulation provisions.

Paragraph 2 The provisions of Paragraph 1 do not apply in the event the exclusive fund has as a quota holder another investment fund that is not authorized to use the faculty provided for in Paragraph 3 of art. 10.

Paragraph 3 The concentration limits per issuer and per modality of asset do not apply to the funds set forth in this article, which shall still follow the classification set forth in art. 92, maintaining its portfolio adequate to such classification and investment policy.

~~Paragraph 4 If it is set forth in the regulation, the financial assets part of the portfolio of the fund may not count on the obligatory financial settlement (art. 2, Paragraph 2) if the administrator takes the measures and the guarantees necessary preserve the rights of the fund, forbid the entrance in its various assets of the financial assets described in art. 2. (NR)~~

Article 111-A with wording added by CVM Instruction 450, dated March 30, 2007.

Paragraph 4 of Article 111-A revoked by CVM Instruction 465, dated February 20, 2008.

CHAPTER XIII

INVESTMENT FUND THAT INVESTS IN QUOTAS OF INVESTMENT FUNDS

Article 112. The investment fund that invests in quotas of investment funds shall keep at least 95% (ninety percent) of its invested assets in quotas of investment funds of the same class, except for the investment funds that invest in quotas classified as "Multimarket", that can invest in quotas of funds of different classes.

Paragraph 1. the other 5% (five percent) of the fund's assets can be kept in on sight deposits in:

I – federal government securities;

II – fixed income securities issued by a financial institution;

III – compromised operations, according to the specific regulation of the National Monetary Council - CMN.

Paragraph 2. It should be part of the fund's name the expression "Investment Fund that invests in Quotas of Investment Funds" added by the class of the invested funds according to the specific regulation.

Paragraph 3. the percentage referred in this article shall be followed daily, based on the net equity of the fund on the day immediately before.

Paragraph 4. It is forbidden the application in quotas of:

I – Private Equity Funds;

II – Investment Funds, which Invest in Private Equity Fund Shares;

III – Credit Rights Investment Funds;

IV – Credit Rights Investment Funds within the Scope of the Implementation of Social Interest Projects Incentive Program;

V – Investment Funds, which invest in Credit Rights Investment Fund Shares;

VI – National Movie Industry Finance Fund;

VII – Mutual Privatization Funds – FGTS;
VIII – Mutual Privatization Funds – FGTS – Free Portfolio;
IX – Venture Capital Investment Funds;
X – Venture Capital Mutual Investment Funds – Foreign Capital;
XI – Conversion Funds;
XII – Real Estate Investment funds;
XIII – Privatization Fund – Foreign Capital;
XIV – Mutual Investment Funds which Invest in Incentivated Stocks;
XV – Cultural and Artistic Investment Funds;
XVI – Innovative Venture Capital Funds;
XVII – Individual Retirement Plan Program - IRPP; and
XVIII – Investment Fund on Non-Standardized Credit Rights;

Items XVI, XVII and XVIII with wording added by CVM Instruction 450, dated March 30, 2007.

Paragraph 5. The investment funds in quotas classified as "Fixed Income" and "Multimarket" can invest in quotas of real state investment funds, credit rights investment funds and investment funds that invest in quotas of investment funds if this is previewed in their regulations, up to the limit of 20% of its equity.

Paragraph 5 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 6. If they are aimed exclusively at qualified investors, investment funds that invest in quotas classified according to art. 111-A and investment funds that invest in quotas classified as "Multimarket", may acquire quotas of Venture Capital Mutual Investment Funds, Real Estate Investment Funds, Participation in Investment Funds, Credit Rights Investment Funds, Investment Funds that Invest in Credit Rights Investment Funds to the limits provided for in their regulations and brochures if any.

Paragraph 6 with wording amended by CVM Instruction 450, dated March 30, 2007.

Paragraph 7. It is forbidden the application in quotas of funds that invest in the investor fund.

Article 113. The investment fund that invests in quotas that acquire quotas of funds that charge the performance fee shall meet the conditions set forth in article 62, or be addressed exclusively to qualified investors.

Article 113 with wording amended by CVM Instruction 411, dated November 26, 2004.

Article 114. The brochure and the regulation of the investment fund that invests in quotas shall specify the maximum percentage of the assets that can be applied in only one investment fund.

Caput with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 1. the brochure of the investment fund that invests in quotas shall also dispose on the investment policy and the administration fee of the funds in which it intends to invest.

Paragraph 1 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 2. the brochure of the investment fund that invests in quotas that applies its monies

in only one investment fund shall disclose the sum of the administration fee of the investment fund that invests in quotas and the invested fund.

Paragraph 2 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 3 revoked by CVM Instruction 411, dated November 26, 2004.

Article 115. The investment fund that invests in quotas that applies in an investment fund that make operations with derivatives that might result in asset loss or in negative net equity shall explain, respectively, in the cover of its brochure and in all advertising material one of the following warnings, according to the case:

Caput of Article 115 with wording amended by CVM Instruction 411, dated November 26, 2004.

I – This quota fund applies in investment funds that use strategies with derivatives as an integrant part of its investment policy. Such strategies, in the form in which they are adopted, can result in asset loss and in negative net equity to its quota holders; or

II – This quota fund applies in investment funds that use strategies with derivatives as an integrant part of its investment policy. Such strategies, in the form in which they are adopted, can result in asset loss for its quota holders with the possibility of resulting in losses that are superior to the applied capital and the consequent obligation on the part of the quota holder to invest additional monies.

Article 115-A. The investment fund in quotas shall not be obliged to consolidate the applications in quotas of invested funds authorized by this Instruction, if its portfolios are managed by third parties not related to the officer or manager of the investor fund.

Paragraph 1 In the case the investment policy of any of the invested funds allows that the limit provided for in article 98 be exceeded, the investment policy shall detail the mechanisms that shall be adopted to mitigate the risk of extrapolation of the limit set forth in article 98, or, alternatively, take the measures stated in subparagraphs I to III of that article.

Paragraph 2 The faculty set forth in the caput of this article is permitted if the investment policy of the investment funds in quotas directed to qualified investors forbid the investment in quotas of funds set forth in article 110-B.

Article 115-A with wording added by CVM Instruction 456, dated June 22, 2007.

Article 115-A with wording amended by CVM Instruction 465, dated February 20, 2008.

CHAPTER XIV

SOCIAL SECURITY FUNDS

Article 116. “Social Security” funds are considered to be those funds constituted for the application of resources in:

I – open or closed private welfare entities;

II – own regimes for social welfare instituted by the Federal Government, the States, the Federal District or by Municipalities; and

III – complementary open welfare programs and life insurance with a survival coverage clause, according to the regulation developed by the National Private Insurance Council.

Paragraph 1 In their registration with the CVM, the funds set forth in the caput shall indicate the condition of “Social Security” and the category of plan or insurance to which they are bound.

Paragraph 2 In the funds bound to social security plans administered by complementary social

security open entities and life insurance with survival coverage in the issuance and redemption of fund quotas, the value of the quota found according to the provision of Paragraph 3 of art. 10, according to the regulation, shall be used.

Article 116 with wording amended by CVM Instruction 450, dated March 30, 2007.

CHAPTER XV

PENALTIES

Article 117. It is considered a serious infraction, according to what was set forth in article 11, paragraph 3, of Law 6.385/76, the following conducts in disagreement with the dispositions of this Instruction:

I – Distribution of quota funds without registration with the CVM;

Item I with wording amended by CVM Instruction 450, dated March 30, 2007.

II – Distribution of quotas of funds by a person or institution not part of the distribution system;

III – The exercise by the administrator of non-authorized activity, or the hiring of third parties who are unauthorized or qualified for the provision of services indicated in Paragraph 1 of art. 56;

Item III with wording amended by CVM Instruction 450, dated March 30, 2007.

IV – Non-compliance with the fund's investment policy;

V – Non-compliance with the deliberations taken in general quota holders meetings;

VI – Non-publication of a relevant fact;

VII – Non-observance of the accounting rules applicable to the funds;

VIII – Transformation of an opened-end fund in a closed-end fund without the authorization of the CVM;

IX – Non-observance of the dispositions of the fund's regulation;

Item IX with wording amended by CVM Instruction 450, dated March 30, 2007.

X – De-characterization of the class shares adopted by the fund, except in "Multimarket" class funds;

Item X with wording amended by CVM Instruction 450, dated March 30, 2007.

XI – Non-observance of the concentration limits per issuer and asset modality, provided for in the regulation of this Instruction;

Item XI with wording added by CVM Instruction 450, dated March 30, 2007.

XII – Non-observance of the provisions of art. 98; and

Item XII with wording added by CVM Instruction 450, dated March 30, 2007.

XIII – Non-observance by the administrator or by the fund's manager of the duties set forth in art. 65-A. (NR)

Item XIII with wording added by CVM Instruction 450, dated March 30, 2007.

Article 118. Without prejudice to the provisions of art. 11 of the Law # 6.385/76, the administrator is subject to a daily fine of R\$ 200.00 (two hundred reais), due to non-compliance with the terms previewed in this Instruction.

Article 118 with wording amended by CVM Instruction 450, dated March 30, 2007.

Article 119. CVM can deem responsible other directors, employees and representatives of the administrator or manager of the fund, in case it is verified his/her responsibility for the non-compliance with the dispositions of this Instruction.

Article 119-A. This Instruction is applied to every and all investment funds registered with the CVM in what is not contrary to the provisions and specific norms applied to such funds.

Article 119-A with wording added by CVM Instruction 456, dated June 22, 2007.

CHAPTER XVI

FINAL AND TRANSITORY DISPOSITIONS

Article 120. CVM, at any moment can request documents, additional information or modifications in the presented documentation as well as to request the correction of procedures that might have been adopted not in compliance with the legislation in force.

Article 121. In case it is decreed an intervention, temporary special administration, out-of-court settlement, insolvency or bankrupt of the fund administrator the liquidator, the temporary administrator or the intervener are obliged to comply with what is set forth in this Instruction.

Sole paragraph. It is allowed to the liquidator, temporary administrator or intervener, according to the case, request to CVM that in appoints a temporary administrator or call a general quota holders meeting to deliberate on the transference of the administration of the fund to another financial institution accredited by CVM or under its liquidation.

Article 122. CVM can determine that the information set forth in its Instruction, regarding the quotas, as well as the other information requested by CVM, periodic or eventual, must be presented by electronic means or in the World Wide Web page of the CVM according to the structure of the data bank and programs supplied by CVM.

Article 123. In relation to what was set forth in this Instruction, we consider electronic mail a valid correspondence from between the administrator and the quota holders.

Paragraph 1. The sending of information by electronic means set forth in the caput of this article depends on the agreement of the fund quota holder being the administrator's duty and responsibility the custody of such authorization.

Paragraph 2. The communications required by the dispositions of this Instruction will be considered done on the date they are sent.

Article 124. The Investment funds that are working at the date this Instruction enters in force and that are regulated by CVM Instruction 302, dated 05/05/1999, by Circular Letters #. 2.616, dated September 18, 1995, and 2.714, dated August 28, 1996, of Central Bank of Brazil, should comply to this Instruction until January 31, 2005.

Caput of Article 124 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 1. The adaptations referred to in the caput shall be promoted by the administrator, to conform with the regulation to the norms of the present Instruction and are to be ratified by the quota holders reunited in a general meeting instated according to what was set forth in Chapter V, and produces effect at maximum on March 31, 2005.

Paragraph 1 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 2. What is set forth in paragraph 1 and 2 of article 101 do not apply to the existing funds on the date this Instruction enters in force.

Paragraph 2 added by CVM Instruction 411, dated November 26, 2004.

Primitive paragraph 2 re-numbered as paragraph 3 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 3. Except the hypothesis of the investment funds that invest in shares or in quotas of investment funds that invest in shares, and, also what is set forth in CVM Deliberation 244, dated March 3, 1998, until January 31, 2005 the constitution of investment funds whose administrator is not a financial institution shall not be admitted.

Paragraph 4. While CVM does not publish the referred norms on article 83, shall be applied to the dispositions in the Accounting Plan of the Institutions of the National Financial System – COSIF.

Primitive paragraph 3 re-numbered as paragraph 4 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 5. What was set forth in the paragraph before does not harm the application of the specific rules edited by CVM regarding the funds of shares and the variable income portfolio of the other investment funds, which are still in force.

Primitive paragraph 4 re-numbered as paragraph 5 with wording amended by CVM Instruction 411, dated November 26, 2004.

Paragraph 6. The commercial banks, multiple banks without investment portfolio and the savings banks are still authorized until January 31, 2005 to make this distribution of the quotas of open-end investment funds existing until this instruction enters in force.

Paragraph 6 with wording amended by CVM Instruction 413, dated December 30, 2004.

Paragraph 7. The institutions that administer or manage investment funds portfolios that are working in the date this Instruction enters into force, that are regulated by the Circular Letters 2.616, dated September 18, 1995 and 2.714, dated August 28, 1996, of Central Bank of Brazil but that are not accredited by CVM as securities portfolio administrators are still authorized until January 31, 2005 to administer or manage the portfolios or the referred investment funds.

Paragraph 7 with wording amended by CVM Instruction 413, dated December 30, 2004.

Article 125. The following Instructions are revoked:

- I - CVM Instruction 149, dated July 3, 1991;
- II - CVM Instruction 171, dated January 23, 1992;
- III - CVM Instruction 178, dated February 13, 1992;
- IV - CVM Instruction 302, 303 and 304, all dated May 5, 1999;
- V - CVM Instructions 386, dated March 28, 2003;
- VI – CVM Instruction 392, dated July 28, 2003; and
- VII CVM Instruction 404, dated January 30, 2004

Article 126 with wording amended by CVM Instruction 411, dated November 26, 2004.

Article 126. This Instruction enters in force 90 (ninety) days after its publication in the Federal Official Gazette.

MARCELO FERNANDEZ TRINDADE

President

ANNEX 1

DECLARATION OF CONDITION OF QUALIFIED INVESTOR

BY SIGNING THIS TERM I AM STATING MY CONDITION OF QUALIFIED INVESTOR AND I DECLARE THAT I HOLD ENOUGH KNOWLEDGE OF THE FINANCIAL AND CAPITAL MARKET SO THAT A SET OF LEGAL AND REGULATORY PROTECTIONS CONFERRED TO NON-QUALIFIED INVESTORS ARE NOT APPLIED TO ME.

I AM AWARE THAT THE ADMINISTRATOR OF THE INVESTMENT FUND WHICH I AM GOING TO TAKE PART AS A QUALIFIED INVESTOR SHALL, IN THE TERMS OF THE LEGISLATION IN FORCE, AMONG OTHER THINGS:

I – ADMIT THE USE OF SECURITIES IN THE PAYMENT AND REDEMPTION OF QUOTAS;

II – DISREGARD THE ELABORATION OF A BROCHURE;

III – CHARGE A PERFORMANCE FEE AS ESTABLISHED IN THE REGULATION; AND

IV – ESTABLISH TERMS FOR THE CONVERSION (FINDING OUT THE QUOTA VALUE) AND FOR THE PAYMENT OF REDEMPTIONS DIFFERENT FROM THOSE SET FORTH IN THIS INSTRUCTION.

Item IV with wording amended by CVM Instruction 411, dated November 26, 2004.

AS A QUALIFIED INVESTOR I ATTEST BEING CAPABLE OF UNDERSTANDING, CONSIDERING AND ASSUMING THE FINANCIAL RISKS RELATED TO THE APPLICATION OF MY MONIES IN AN INVESTMENT FUND ADDRESSED TO QUALIFIED INVESTORS.

DATE AND PLACE,

[INSET NAME]

ANNEX 2

CREDIT RISK ACKNOWLEDGEMENT TERM

BY SIGNING THIS TERM I AM ACKNOWLEDGING THAT:

I – the fund [name] [cnpj – company taxpayer number], in which I will take part as an investor, might acquire titles from private or public issuers other than the Federal Government, in an amount superior to 50% (fifty percent) of the fund's equity;

II – there is a possibility of a substantial loss of equity in the event of non payment of the titles that are part of its portfolio;

Acknowledging such risks, and after a CAREFUL READING of this declaration, which terms COULD BE USED TO REMOVE THE RESPONSIBILITY OF THE ADMINISTRATOR AND MANAGER, in the event they fulfill their obligations, I am making a decision to invest in the fund [name] [cnpj – company taxpayer number].

[DATE AND PLACE],

[YOUR NAME]

[C.P.F OR C.N.P.J. – COMPANY OR INDIVIDUAL TAXPAYERS' NUMBER OF THE INVESTOR]

Annex 2 with wording added by CVM Instruction 450, dated March 30, 2007.