

**VETORIAL INVESTMENT FUND PROSPECTUS
MULTIMARKET TOP**

**CNPJ Nº 09.288.247/0001-20
("FUND")**

**Classification of the FUND at the Security
and Exchange Commission ("CVM")**

MULTIMARKET

**Classification of the FUND at the National
Association of Investment Banks "ANBID")**

**MULTIMARKET WITH EQUITY FUNDS AND
LEVERAGE**

Date: July 10, 2008

Legal Grounds: the FUND is in compliance with Instructions No. 409/04, 450/07 and 456/07 from the Brazilian Securities Commission (CVM).

THIS PROSPECTUS WAS PREPARED WITH THE NECESSARY INFORMATION FOR THE COMPLIANCE WITH THE DISPOSITIONS OF THE SELF-REGULATION CODE BY ANBID FOR THE INVESTMENT FUNDS INDUSTRY, AS WELL AS THE NORMS ARISING FROM THE SECURITIES COMMISSION (CVM).

THE GRANTING OF REGISTRATION FOR THE SALES OF UNITS OF THIS FUND DOES NOT IMPLY, ON CVM'S AND ANBID'S PART, GUARANTEE OF TRUTHFULNESS OF THE INFORMATION GIVEN OR THE ADEQUACY OF THE FUND'S REGULATION OR ITS PROSPECTUS TO THE LEGISLATION IN FORCE OR JUDGEMENT ABOUT THE FUND'S QUALITY OR ITS ADMINISTRATOR, MANAGER AND OTHER SERVICE PROVIDERS.

THIS FUND USES STRATEGIES WITH DERIVATIVES AS A CONSTITUENT PART OF ITS INVESTMENT POLICY. SUCH STRATEGIES, AS THEY ARE ADOPTED, MAY RESULT IN SIGNIFICANT EQUITY LOSS FOR THEIR QUOTA HOLDERS AND MAY EVEN RESULT IN HIGHER LOSSES TO THE INVESTED CAPITAL AND THE RESULTING INVESTMENT BY THE QUOTA HOLDER TO CONTRIBUTE WITH ADDITIONAL RESOURCES IN ORDER TO COVER THE FUND LOSS.

THE INVESTMENT OF THE INVESTMENT FUND THIS PROSPECTUS IS ABOUT PRESENTS RISKS FOR THE INVESTOR. EVEN THOUGH THE PORTFOLIO MANAGER KEEPS A RISKS MANAGEMENT SYSTEM, THERE IS NO GUARANTEE OF COMPLETE ELIMINATION OF THE POSSIBILITY OF LOSS, BOTH FOR THE INVESTMENT FUND AND THE INVESTOR.

THE INVESTMENT FUND THIS PROSPECTUS IS ABOUT DOES NOT RELY ON THE GUARANTEE OF THE ADMINISTRATOR, MANAGER OR ANY INSURANCE MECHANISM OR OF THE CREDIT GUARANTOR FUND (FGC).

THE EARNINGS OBTAINED IN THE PAST DOES NOT REPRESENT GUARANTEE OF FUTURE EARNINGS.

THIS FUND SETS OUT TO KEEP AN ASSETS PORTFOLIO WITH A MEDIUM TERM OF MORE THAN 365 DAYS, WHICH MAY CAUSE A STRONGER FLUCTUATION IN THE VALUE OF THE QUOTA COMPARED TO SIMILAR FUNDS WITH A SHORTER TERM.

THE TAX TREATMENT APPLICABLE TO THE FUND INVESTOR DEPENDS ON THE PERIOD OF INVESTMENT BY THE INVESTOR AS WELL AS ON THE MAINTENANCE OF AN ASSET PORTFOLIO WITH MEDIUM TERM LONGER THAN 365 DAYS.

THERE IS NO GUARANTEE THAT THE FUND WILL HAVE THE TAX TREATMENT FOR THE LONG TERM FUNDS.

THIS FUND IS AUTHORIZED TO INVEST IN FINANCIAL ASSETS OFF-SHORE.

THIS FUND MAY BE EXPOSED TO SIGNIFICANT CONCENTRATION ON EQUITY FUNDS ASSETS OF FEW ISSUERS, POSING THE RISKS RESULTING THEREAFTER.

THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FUND'S REGULATION BUT DOES NOT SUBSTITUTE IT. A CAREFUL READING OF THIS PROSPECT IS RECOMMENDED WITH SPECIAL ATTENTION TO THE CLAUSES ABOUT OBJECTIVE AND FUND INVESTMENT POLICY AS WELL AS THE CLAUSES OF THIS PROSPECTUS THAT DEAL WITH THE RISK FACTOR TO WHICH IT IS EXPOSED.

Units Conversion date: the same business day of the redemption request

Redemption payment date: 1st (first) business day after the units' conversion

Minimum redemption amount: R\$ 10,000.00 (ten thousand reais)

Redemption Grace period: none

I. Goals and objectives of the Fund Management

The objective of the fund is to operate in the spot, futures and stock option markets, exchange, interest rates and agriculture markets in Brazil and abroad, having as its goal to overcome substantially the variation of CDI

II. Target public

The FUND's target public is the investors in general who seek to substantially overcome the variation of CDI.

III. Investment policy and Assets Allocation Bands

The FUND's investment policy is based on the quest to detect price distortion in different assets in the various markets, as well as to detect movements that are taking place. The principle consists in setting up directional positions of short and medium terms, aiming at overcoming substantially the variation of CDI.

- Portfolio Composition

The FUND is classified as a multimarket fund and will apply the resources that are part of its portfolio on the following financial assets:

- I. Government securities;
- II. derivative contracts;
- III. Provided that the issuance or negotiation has been the object of registration or authorization by CVM, stocks, debentures, subscription warrants, coupons, rights, receipts and certificates of subscription, certificates of securities deposits, investment fund units , promissory notes and any other securities;
- IV. Bonds or collective investment contracts registered at CVM and offered publicly, that generate the right of participation, partnership or compensation including the ones resulting from service rendering, whose profits are derived from the entrepreneur's or third party's effort.
- V. certificates or deposit receipts issued abroad backed (COM LASTRO) in securities issued by a publicly held Brazilian company.
- VI. Gold, financial assets provided that they are negotiated according to an internationally accepted standard;
- VII. Any bonds, contracts and operational modalities of financial institution lien or joint lien; and
- VIII. *Warrants*, trading contracts for the purchase and sale of products, goods or services for future rendering or delivery , bonds or certificates that are representative of these contracts and any other credits, bonds, agreements and operational modalities if expressly established by the regulation.

- Limits of Concentration per Issuer and per Modality of Financial Assets:

(i) Limits per Issuer

Financial Institutions	20%
Publicly held companies	10%
Investment Funds	10%
Individuals	5%
Other Corporate Entities of Private Law	5%
Federal Union	100%

(ii) Limits per Modality of Financial Asset:

GROUP	Units of Instruction IF CVM 409	100%
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A	Units of Instruction FIC CVM 409		100%
	Units of Funds		100%
	Group of the Following Financial Assets:	Units of Real Estate FI	20%
		FIDC Units	
		FIC FIDC Units	
		CRI	
Other financial assets (except the ones in Group B)			
GROUP B	Federal Government Bonds and Commitment Operations related to them		100%
	Gold purchased or divested on the Mercantile Futures Exchange		100%
	Bonds issued or joint liability of Financial Institution		50%
	Stocks admitted to the negotiation in stock exchange or over the counter market entity.		100%
	Other securities that are object of Noncompetitive Bid (except the ones in Group A)		50%

For the calculus of the limits per issuer:

- (i) The individual or corporate entity, the investment fund and the separate equity as per the law, bonded or co-bonded by the liquidation of the financial asset shall be considered the issuer;
- (ii) The financial assets that are under the responsibility of issuers integrating the same economic group, namely the group made up by the issuer and its controllers, controlled, affiliated or submitted with him to common control, shall be considered as being from one issuer.
- (iii) The holder of the rights that ensures the supremacy in the deliberations and the power to elect the majority of the administrators, directly or indirectly, shall be considered the controller;
- (iv) Two corporate entities – when one of them holds 10% (ten percent) or more of the other party's capital stock or equity, without being its controller, shall be considered as an affiliated company;
- (v) Two corporate entities under same direct or indirect control, except for publicly held companies with listed on a Stock Exchange demanding a minimum of 25% of stocks in circulation in the market, shall be submitted to common control.

- Other Limits

THE FUND can not keep more than 20% (twenty percent) of its net equity in bonds or securities issued by the ADMINISTRATOR or by companies affiliated to it, being prohibited the purchase of stocks issued by the ADMINISTRATOR. Under no circumstance can the FUND invest in bonds or securities issued by the MANAGER.

THE FUND may operate in the counterpart of the ADMINISTRATOR'S treasury or the MANAGER'S or of companies affiliated to them.

The investments by the FUND in units of the same investment fund are limited to 10% (ten percent) of its net equity.

The maximum percentage of investment in investment fund units administered by the ADMINISTRATOR, by the MANAGER or by the companies affiliated to them will not exceed 50% (fifty percent).

The investments of the FUND in stocks of publicly held companies, bonus or subscription receipts, certificates of stocks, units of stock investment funds, UNITS OF SHARES INDEX FUNDS and Brazilian Depositary Receipts classified as levels II and III, under the terms of Instruction CVM 332/2000, are not subject to limits of concentration per issuer.

The limits of concentration per issuer and per modality of financial assets, dealt with above, will be proportionally reduced to the percentage of investments of the FUND in units of other investment funds.

The investment of the FUND in investment funds units depends on a prior written commitment by the administrator of the invested funds in which it undertakes to communicate the ADMINISTRATOR, on the same day in which the administrator identifies them, the situations of DESENQUADRAMENTO informing the asset and issuer.

If the investment fund of the invested funds policy allows investments in credit instrument (ATIVOS DE CRÉDITO PRIVADO) assets, the ADMINISTRATOR, in order to mitigate the concentration by the FUND, will consider, as a rule, the maximum percentage of investment in such assets on the consolidation of its limits, unless the administrator of the invested funds makes the composition of its portfolio available on a daily basis.

Under no circumstance the FUND will invest more than 50% (fifty percent) of private credit assets pm credit instrument assets.

The FUND may invest up to 20% (twenty percent) in financial assets negotiated offshore of the same economic nature as those mentioned in the clauses of the 8th Article of the FUND's Regulation, complying with the legislation criteria and the rules of concentration per issuer by financial asset modalities set forth in this Regulation.

The purchase of fund units classified as "External Debt" by the FUND is not subject to the incidence of limits of concentration per issuer.

-Commitment Operations

In the commitment operations conducted by the FUND, the limits of concentration per issuer set forth in the Regulation are observed:

- (i) Regarding issuer of the assets subject matter hereof:
 - a) when disposed by the FUND with commitment of re-purchase; and
 - b) whose purchase has been contracted based on fixed terms operations as per article 1, clause V, of the Regulation annexed to the Resolution nº 3.339, of 2006, by the Brazilian Securities and Exchange Commission (CVM - Comissão de Valores Mobiliários).
- (ii) As to the FUND's counterpart, in operations without guarantee of liquidation by chambers or by compensation and liquidation service providers authorized by the Central Bank of Brazil or by CVM.

The following commitment operations will be submitted to the limits of concentration per issuer:

- (i) government-backed federal securities;
- (ii) Of purchase, by the FUND, with resale commitment, provided that it contains guarantee of liquidation by the chambers or by compensation and liquidation service providers authorized by the Central Bank of Brazil or by CVM.
- (iii) of Sales at a fixed term, referred to on article 1, clause V, of Regulation annexed to the Resolution nº 3.339, of 2006, of the Brazilian Securities and Exchange Commission;

The limits of concentration per modality of financial assets mentioned at sub item (ii) of the item *Limits of Concentration per Issuer and per Modality of Financial Assets* are applicable to the assets that are object of the commitment operations in which the FUND commits to re-purchase.

- Derivatives

The FUND may participate in operations of the derivate markets and future liquidation.

The maximum limit of exposition of the FUND participation in the markets that this item refers to is of 4 (four) times its net equity.

The operations with derivative contracts mentioned in the assets listed in clause I of article 86 of the Instruction CVM nº 409 are included in the calculation of the limits established by their subjacent assets, complying with the § 4th of article 86 of the same Instruction.

In the cases mentioned on the previous paragraph, the value of the FUND's positions in derivative contracts will be considered for the calculation of the limits of concentration per issuer, cumulatively, in relation to:

I –to the issuer of the subjacent asset; and

II – To the counterpart when it is about derivatives without guarantee of liquidation by chambers or by compensation and liquidation service providers authorized by the Central Bank of Brazil or by CVM

IV. Process of analysis and selection of assets

The process of analysis and selection of assets is basically divided in two lines: a careful analysis of the scenario allows the visualization of the most likely medium and long term hypothesis and, along with it, the construction of a consistent scenario for the detection of directional opportunities. There is also the daily follow-up using technical tools which enable short term decision making, aiming at the detection of distortions in price formation.

V. Fund's Service Providers

- Administration

The FUND's administration is conducted by MELLON SERVIÇOS FINANCEIROS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A, headquartered in the City of Rio de Janeiro, State of Rio de Janeiro, at Av. Presidente Wilson, nº 231, 11th floor, enrolled with the Brazilian Tax Authorities under CNPJ nº 02.201.501/0001-61, duly authorized to render services of administration of bonds portfolio and securities by the Declaratory Act nº 4.620, issued on December 19, 1997, designated hereinafter as ADMINISTRATOR.

-Management

The management of the FUND's portfolio is assigned to Vetorial Gestão de Recursos Lda, headquartered at Av. Paulista, nº 37, 11th floor, complex 111 – part, Paraíso / São Paulo - SP, CEP: 01311-902, enrolled with the Brazilian Tax Authorities under CNPJ nº 09.016.408/0001.26, duly authorized to render services of funds portfolio and securities administration by the Declaratory Act nº 9640, issued on December 6, 2007, nominated hereinafter as MANAGER.

-Custody and Treasury

The services of custody and treasury are rendered to the FUND by BANCO BRADESCO S.A., headquartered in Cidade de Deus, Vila Yara, in the City of Osasco, State of São Paulo, enrolled with the Brazilian Tax Authorities under CNPJ nº 60.746.948/0001-12.

- Controlling

The services of assets controlling (controlling and processing of securities) and liabilities (units' registry) are rendered to the FUND by the ADMINISTRATOR.

-Auditing

The services of auditing are rendered to the FUND by KPMG AUDITORES INDEPENDENTES, headquartered in the City of Rio de Janeiro, State of Rio de Janeiro, at Av. Almirante Barroso, nº 52, 4th floor, enrolled with the Brazilian Tax Authorities under CNPJ nº 57.755.217/0001-29.

-Distribution

The services of distribution, AGENCIAMENTO and COLOCAÇÃO of the FUND's units are rendered by the ADMINISTRATOR and/or by institutions or manager duly qualified for such and the list with the complete qualification of these service providers are available at the headquarters and/or facilities of the ADMINISTRATOR and MANAGER and at ADMINISTRATOR's web site: www.bnymellon.com.br/sf.

- Other Services

The FUND, represented by the ADMINISTRATOR, may hire other administration service providers.

VI. Fund Fees and Charges

- Administration Fees

As a remuneration for all the services referred to at item V, except to those of custody and auditing, it is payable by the FUND to the ADMINISTRATOR and the other service providers, the amount equivalent to 2, 00 % (two percent) per year, over the FUND's net equity value.

The compensation mentioned above must be or accrued on a daily basis (based on 252 days a year) over the FUND's net equity value and must be monthly paid, by overdue period, until the 5th business day of the subsequent month.

The payment of the remunerations to the ADMINISTRATOR and the other administration service providers will be made directly by the FUND to each of them, in the way and within the terms agreed by them, up to limit of the administration tax fixed above.

No FUND entrance FEE will be charged. The FUND, as a rule, charges an outgoing fee of 5% (five percent) over the redeemed amount, except on the following hypothesis in which the quota holder is exempted the aforementioned fee:

- a) redemption requests inferior or equal to R\$ 200.000,00 (two hundred thousand reais);
- b) redemption requests over R\$ 200.000,00 (two hundred thousand reais) and inferior or equal to R\$ 1.000.000,00 (one million reais), communicated, in writing, to the ADMINISTRATOR 15 days or more prior to date of quota conversion;
- c) Redemption request over R\$ 1.000.000,00 (one million reais), communicated, in writing, to the ADMINISTRATOR 30 days or more prior to the date of quota conversion;

The administration fee mentioned above is the FUND's minimum administration fee. Taking into account that the FUND allows the investment in investment fund units, a maximum administration fee of 3, 00% (three percent) per year is fixed over the FUND's net equity value.

The maximum administration fee, established in the previous paragraph, comprises the minimum administration fee and the maximum percentage that the FUND's policy allows to spend by virtue of the administrated fees of the invested investment funds.

- Performance Fee

In addition to the administration fee referred to in the previous item, the FUND, based on its results, pays the MANAGER through the payment of 20% (twenty percent) of the valuation of the FUND's quota that exceeds 100% (a hundred percent) of CDI.

The performance fee is accrued per business day and is paid every six months, with all the other charges abated from the FUND, including the administration fee referred to on the previous item. No charge of performance fee is charged when the FUND's quota value is inferior to the values they had on the last collection.

- Fund's charges

Besides the Administration Fee and the Performance Fee, the following expenses constitute FUND's charges, and may be directly charged from the fund:

- a) fees, taxes and government, state, municipal or autarchy taxes, that may or will affect the FUND's assets, rights and bonds;
- b) expenses with registration of documents in the notary, printing, delivery and publication of reports established by the regulation in force;
- c) expenses with mailing pertaining to the FUND, including communications to the quota holders;
- d) fees and expenses with independent auditor;
- e) fees and commissions paid by FUND's operations;
- f) lawyer's fees, related costs and expenses, incurred due to the protection of the FUND's interests, in court or outside it, including the amount of the conviction ascribed to the FUND, when applicable;

- g) portions of loss not covered by the insurance policies and not directly incurred from guilt or malice by the administration service providers when carrying out their respective duties;
- h) expenses related, directly or indirectly, to the exercise of the FUND's right of vote by the ADMINISTRATOR or by its legally constituted representatives, in general meetings of the companies where the FUND has participation;
- i) expenses with custody and liquidation of operation with securities and other financial assets;
- j) Expenses with exchange closing bound to its operations or with certificates or receipts of securities deposits;

Any expenses that are not considered as FUND's charges will be paid by the ADMINISTRATOR.

VII. Administrator and Manager Presentation

Administrator's History

Mellon Serviços Financeiros DTVM S/A is subsidiary of The Bank of New York Mellon Corporation, created specifically to perform investment management in Brazil and it authorized to manage portfolios by the Declaratory Act nº 4.620 dated December 19, de 1997.

Mellon Serviços Financeiros has a leadership position among independent fund managers and institutional investors in Brazil, providing services of Fund administration for more than 70% of independent managers associated to ANBID – National Association of Invest Banks – and a wide range of institutional investors, mainly foundations, insurance companies and capitalization companies, with more than R\$ 57 billions in assets under its administration (ANBID, October 2007). With a wide range of products, technology and services, we endeavor to meet, with perfection our clients' needs and supersede their expectations.

As global leaders in financial services rendering, we combine specialized services with state-of-the-art technology to provided services that have a wealth of information and systems.

The Bank of New York Mellon was formed in July 2007 through a merger between The Bank of New York Company, Inc. and Mellon Financial Corporation. The combination of two traditional enterprises rich in history, vision and performance has created a global financial services growth company unmatched in its commitment to asset management and servicing. Together, the two institutions have created the world's largest securities servicing provider and a top asset management firm globally – a financial services growth company without peer, founded on the principle of delivering world-class service and performance.

Today the Bank of New York Mellon Corporation is a global financial services company focused on helping clients move and manage their financial assets, operating in 37 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset and wealth management, asset servicing, issuer services and treasury services through a worldwide client-focused team. It has more than \$20 trillion in assets under custody and administration and \$1 trillion in assets under management.

Manager's History

The company was created in June 1, 2007, by professionals of a long standing tradition in the financial market and was authorized by CVM on June 1, 2007 by the Declaratory Act nº 4.620.

VIII. Technical Departments and other resources used to manage the Fund

The MANAGER has a technical department hired with Mr. Gregório Mancebo Rodrigues – Capital Market Analyst, accredited by APIMED SP under Nº 210, besides using the services of MCM Consultants.

The most important newspapers and magazines are subscribed to, as well as the service of information diffusion – *Broadcast*

Abstracts, specific analyses from various Banks and brokerage companies are also used.

IX. Conditions for the Purchase and Transactions of the Fund's units

The investments performed through CETIP must necessarily be redeemed through the same entity. The investment and redemption of the FUND's units may be done by: debit and credit in an investment account, Credit Order Document (DOC), available electronic transfer (TED) or through the Chamber of Custody and Liquidation – CETIP

The FUND does not receive investments nor does it conduct redemptions on national holidays. On State and Municipal holidays the FUND will operate normally, verifying the value of the units, receiving investments, accepting redemption requests and paying redemptions.

The value of the quota will be calculated at the end of the day, after the closing of the markets where the fund operates.

-: Investments

In the hypothesis where applicable, the investments will only be considered as such after the actual availability of the resources (money) in the FUND's investment account.

The ADMINISTRATOR has the power to suspend, at any time, new investments in the FUND, and such suspension will be applied to any new investors and quota holders. The suspension of acceptance of new investments in one day does not hinder the future reopening of the FUND for investment.

On the occasion of units being issued from the FUND, the value of the quota in force will be used on the first business day after the actual availability of the resources trusted by the investor to the ADMINISTRATOR at its headquarter or branches.

The FUND's units can not be object of assignment or transfer, except by court decision, execution of collateral or SUCESSÃO UNIVERSAL.

The inversion conducted jointly by two people is allowed. For all purposes, to the ADMINISTRATOR, each co-investor is considered as sole owner of the units' object of joint ownership, and the ADMINISTRATOR is legitimately exempted of any payment made to one of them, separately, or both jointly. Each co-investor, separately and, without the other party's accord, can invest, request or receive redemption, partial or total, give receipts and practice, in short, any action inherent to units' ownership.

The investments must be communicated until 2 pm. Investments conducted after the appointed time will be considered as effected on the following business day.

- Redemption

The redemption of the FUND's units is not subject to any grace period, and may be requested at any time and paid on the 1st (first) business day of the conversion of the units.

It is stipulated as the date of conversion of units the same day for the redemption request.

In exceptional cases of illiquidity of the FUND's assets portfolio, including the ones resulting from redemption requests that are not compatible with the existing liquidity or that may imply a change of the FUND's or the group of quota holders tax treatment, causing loss for the latter, the ADMINISTRATOR may proclaim the extinction of the FUND or the group of quota holders and the calling of an Extraordinary General Meeting will be mandatory within a term of 1 (one) business day to deliberate, within 15 (fifteen) days, from the date of the closure for redemption, on the following possibilities:

- a) substitution of the ADMINISTRATOR, MANAGER or both
- b) reopening or maintenance of the FUND closed for redemption
- c) possibility of payment of redemption in bonds and securities.
- d) split of the FUND
- e) Liquidation of the FUND

The redemptions will be communicated until 2 pm. Requests made after the aforementioned time will be considered as being effected on the following business day.

- Transaction Limits

- Initial minimum investment: R\$ 50,000.00 (fifty thousand BRL)

Initial maximum investment: R\$ 5,000,000. 00 (Five million reais)

Minimum amount for operation: R\$ 10.000,00 (ten thousand reais)

Minimum amount for redemptions: R\$ 10.000,00 (ten thousand reais)

Minimum balance for permanence: R\$ 50.000,00 (fifty thousand reais)

Grace period: none

X. Earnings Distribution Policy

The amounts that are distributed to the FUND by way of dividends, interests over own capital or other earnings derived from assets are part of the FUND's portfolio must be incorporated to the FUND's net equity.

XI. Risks taken by the Fund

Because it is a multimarket fund, there is no concentration commitment in a specific risk factor.

The FUND may be exposed to significant concentration on assets of few issuers with the resulting risks

Before deciding to invest in the FUND, the prospective investors must carefully consider, from the view of their own financial standing and their investment objectives, all the information available in this Prospectus and in the FUND's Regulation and, especially, evaluate the risk factor described as follows:

General Risks

The FUND is subject to the variations and conditions of the stock markets, especially the exchange markets, interests and derivatives that are affected mainly by the political and economical scenarios both domestic and offshore.

Taking into consideration that it is a medium and long term investment, there may be some fluctuation of the quota's value in the short term which may even cause losses that are higher than the invested capital and the resulting obligation on the quota holder's part to contribute with additional resources in order to cover the FUND's loss.

Market risk

It is the risk of variance in the values of the FUND's assets portfolio. The value of the bonds and securities may increase or fall, in accordance with the price fluctuations and market rating, the interest rates and the profits of the issuing companies. In case the portfolio assets value decreases, the FUND's net equity may be negatively affected. The fall of the portfolio assets prices may be temporary, however there is no guarantee that this situation will not continue for a long or undetermined period.

In some given instances of the market, the volatility of the assets and derivatives prices may be increased, which may lead to abrupt oscillations of the Fund's earnings.

Credit risk

It is the risk that the fixed income bonds/securities issuers that integrate the portfolio will not fulfill their obligations of paying not only the main but also the respective interests of the debts they have with the FUND. Besides, the derivatives contracts may be subject to the risk that the counterpart or guarantor does not pay the liquidation.

Liquidity Risk

The liquidity risk is the fall or lack of demand by the FUND's bonds and securities portfolio. In this case, the FUND may not be able to perform, within the maximum term of 4 days established by the Regulation and rules in force, payments related to the FUND's redemption of units, when requested by the unit holders. This scenario may occur due to lack of liquidity in the markets where the portfolio securities are negotiated or to other unusual market situations.

Risk of concentration of bonds and securities from the same issuer

The possibility of concentration of the bonds and securities portfolio from the same issuer represents risk of assets liquidity. Changes of a company's or a group of companies' financial condition, changes in the expectation of the companies performance/income and the competitive capacity of the invested sector may, separately or cumulatively, affect unfavorably the earnings of the FUND's assets portfolio. In such cases, the ADMINISTRATOR may be forced to liquidate the FUND's assets at undervalued prices and may, in this way, negatively influence the FUND's quota value.

The FUND conducts operation on the derivative markets as a part of its investment strategy. These operations might not produce the intended effects, causing abrupt and significant floating on FUND's income, and may cause equity losses for the quota holder. This may occur due to the derivatives price dependence – besides the assets price object of the spot market - on other parameters of pricing based on future expectations. Even if the price of asset subject matter hereof remains unchanged, there may be a variance in the derivatives price, having the increase in its portfolio volatility as a consequence.

The risk of operation with an exposure higher than its net equity may be defined as the possibility of the FUND's earnings being inferior to the operational costs and being, in this way, insufficient to cover the financial costs. A fund that has levels of exposure higher than its net equity represents additional risks to the investors. The assets and derivatives prices may suffer substantial changes that may lead to significant losses or earnings.

External Market Risks

The FUND may keep in its portfolio assets negotiated offshore and, consequently, its performance may be affected by regulatory or legal formalities, by tax demands concerning all the countries where it invests or, yet, by the variance of Real in relation to other currencies. The FUND's investments are exposed to changes of the political, economical and social conditions of the countries where it invests, which may affect negatively the value of its assets. There may be delays in the interests transfer, dividends, capital gains or principal, between the countries where the fund invests and Brazil, which may interfere in the FUND's liquidity and performance. The FUND's operations may be executed in stock exchange, goods and futures or registered in registration, custody or financial liquidation system in different countries that may be subject to different levels of regulation and supervised by renowned local authorities. However there are no guarantees about the integrity of the transactions or about the parity of access conditions to the local markets.

XII. Risks Administration of Policy

The ADMINISTRATOR's risk administration policy is based on two methodologies: *Value at Risk* (VaR) and *Stress Testing*.

The *Value at Risk* (VaR) provides a measurement of the worst expected loss in asset or portfolio for a given period of time and previously specified trust loss. The ADMINISTRATOR's methodology conducts the calculus of VaR in a parametric way, specifying a level of trust of 97.5% (ninety-seven point five percent) over a period of time of one day.

The *Stress Testing* is process that aims at identifying and managing situations that may cause extraordinary losses, with rupture in traditional relationships, whether they are temporary or permanent, and consists in the evaluation of the financial impact and resulting determination of the potential loss/profits that the FUND may be subject to, under extreme circumstances, considering the macro-economical variances in which the assets prices would tend to be substantially different from the current ones.

This test is conducted by means of group of tools that include scenarios, simulation of abnormal conditions for patterns, volatilities and interconnections and contingency policies. The analysis of the scenarios consists in the evaluation of the portfolio under several states of nature, involving significant moves of key-variances, which generates the need to use full evaluation methods (repricing).

The scenarios provide a description of the joint moves of financial variances that may be obtained from historical occurrences (historical scenarios) or of plausible economical or political developments (prospective scenarios). For the conduction of the *Stress Testing*, the ADMINISTRATOR generates, on a daily basis, extreme scenarios based on the hypothetical scenarios made available by the Brazilian Mercantile and Futures Exchange (BM&F), which are periodically reviewed by the ADMINISTRATOR, so as to keep them consistent and updated.

THE METHODS USED BY THE ADMINISTRATOR TO MANAGE THE RISKS TO WHICH THE FUND IS SUBJECT ARE NOT A GUARANTEE AGAINST EQUITY LOSSES THAT MAY BE INCURRED BY THE FUND

At the event of the fund's equity become negative, each quota holder, when requested by the ADMINISTRATOR, undertakes to readily contribute with resources in a sufficient amount to cover completely the FUND's losses, equivalent to the number of units owned by the holder.

XIII. Taxation applicable to the fund and its quota holders

The FUND's portfolio is not subject to any taxation.

The quota holder will have their earnings subject to the following taxes, when obtained:

- a) IOF: Tax collected over Operations of Credit, Exchange and Insurance or related to Bonds and Securities:
This tax is of 1% (one percent) per day, over the redemption value. However, because the tax is limited to investment earnings resulting from its term, the regulation uses a regressive table for the verification of the amount to be paid, starting with a percentage of 96% (ninety-six percent) applied over the earnings (if redeemed on the first business day after the investment day) and reduced to zero if redeemed from the 30th (thirtieth) day after the investment day;
- b) Income Tax: this tax will fall on the last business day of the months of May and November of each year ("come cotas" modality), or on the redemption, if it occurred on a previous date, observing, additionally, the following:
- (i,) as long as the FUND keeps a long term portfolio, namely, a bonds portfolio with a medium term over 365 (three-hundred, sixty-five) days, the income tax will be collected as to the percentages of:
 - I. 22,5 (twenty-two point five percent) in investments with a term of up to 180 (a hundred eighty) days;
 - II. 20% (twenty percent) in investments with a term of 181 (a hundred eighty-one) days up to 360 (three hundred sixty) days;
 - III. 17,5% (seventeen point five percent) in investments with a term of 361 (three hundred and sixty one) days up to 720 (seven hundred and twenty) days;
 - IV. 15% (fifteen per cent) in investments with a term over 720 (seven hundred and twenty) days;
 - (ii) If the FUND is inserted in the hypothesis described in clause (i), in the event of taxation by the "come cotas" mode, the Income Tax will be withheld at source, the percentage of 15% (fifteen percent). On the occasion of each redemption of units, a possible complement of the percentage between the one used in the "come cotas" mode and the one applicable according to the above clause, will be verified and charged.
 - (iii) if, due to strategic and/or operation reasons resulting from the quest for the fulfillment of the investment policy, the FUND portfolio presents characteristics of short term that is, a bonds portfolio with medium term equal or shorter than 365 (three hundred and sixty-five) days, the income tax will be charged as to the following percentages:
 - I. 22,5% (twenty-two point five percent) in investments with a term up to 180 (a hundred eighty) days;
 - II. 20% (twenty percent) in investments with a term above 180 (a hundred eighty) days;
 - (iv) If the FUND is inserted in the hypothesis described in clause (iii), when the taxation by the "come cotas" modality occurs, the Income Tax will be withheld at source as to the percentage of 20% (twenty percent). On the occasion of each redemption of units, a possible complement of the percentage between the one used in the "come cotas" modality and the one applicable according to the above clause, will be verified and charged.

It is expressly pointed out that the occurrence of changes in the percentages the investor is subject to, even though they cause an obligation to the quota holder, will not be understood or interpreted as act of responsibility of the ADMINISTRATOR and/or the MANAGER, having in view that the portfolio management and its fiscal repercussions, are conducted on a regime of the best efforts

and as a duty , which is why the ADMINISTRATOR and the MANAGER do not guarantee to the FUND's quota holders any income, even of a fiscal nature.

THERE IS NO GUARANTEE THAT THIS FUND WILL HAVE A TAX TREATMENT FOR THE LONG TERM FUNDS

XIV. Policy related to the exercise of the fund's right of vote

The policy related to the exercise of the fund's right of vote in general meetings of the companies where the FUND participates consists in not attending them for voting purposes.

XV. Information disclosure policy

The ADMINISTRATOR, in observance of the information disclosure policy related to the FUND, undertakes to:

- a) disclose, on a daily basis, the FUND's quota and net equity values;
- b) to forward, on a monthly basis, to the quota holder, a balance containing, at least, the information required by the regulation in force.

The following information of the FUND will be made available by the ADMINISTRATOR, in its headquarters, branches and other facilities, in an impartial fashion to all the quota holders:

- a) daily newsletter, according to a pattern provided by CVM , within 2 (two) business days:
- b) monthly, up to 10 (ten) week days after the closing of the month they refer to:
 - i) balance sheet
 - ii) portfolio composition statement and portfolio diversification ; and
 - iii) Monthly profile
- c) annually, within a term of 90 (ninety) week days, from the closing of the fiscal year they refer to, financial statements along with the independent auditor's appraisal.
- d) A standard form with the fund's basic information, called "Fund Information Balance", every time there is a change in the regulation, on the date of the validity of the changes deliberated in meeting.

The ADMINISTRATOR undertakes to send a summary of the decisions made at the general meeting to each quota holder within a maximum of 30 (thirty) days after the date of the meeting, and next account balance mentioned above can be used to this end. If the general meeting takes place in the last ten days of the month, an account balance of the month after the meeting can be used.

If the quota holder has not communicated the ADMMINISTRATOR about its new address, whether it is for traditional mailing or electronic mailing purposes, the ADMINISTRATOR will be exempted of its duty of providing the information established in the regulation, from the last mail that was returned to sender due to the inaccuracy of the declared address.

The ADMINISTRATOR undertakes to reveal immediately through correspondence to all the quota holder as well as communication in the Documents Forwarding System at the CVM web Page, any relevant act or fact that has happened or is related to the FUND or to the its assets portfolio so as to guarantee to the quota holder access to the information that may fairly influence the value of the units or the decision to purchase, transfer or keep such units .

The reports will be made available by the ADMINISTRATOR to any one interested, within 90 (ninety) days after the closing of the period.

- Addresses and contacts at headquarter:

Address: Av. Presidente Wilson, nº 231, 11º andar, Centro, Rio de Janeiro, RJ.
Contact: Simone Rosa

The information about the FUND will be disclosed and made available at the above mentioned addresses where the information can be requested.

The ADMINISTRATOR keeps a Client Service Center which is in charge of clarifying of doubts and receiving complaints at <http://www.bnymellon.com.br/sf> or at (21) 3974-4600. The Ombudsmanship may be reached by phone no. 0800-7253219 or at www.bnymellon.com.br/sf, every time the answers to the quota holders' requests given by the Client Service Center do not meet their expectations.

Doubts related to the FUND's management may be clarified directly by the MANAGER's Quota Holders's Service Department.

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Email: smachado@vetorialasset.com.br

XVI. Fund's earnings in previous fiscal years

The earnings of the FUND in previous fiscal years, as well as other information referring to previous fiscal years, such as annual reports, the FUND's administrator reports and other mandatory documents, as per the regulatory dispositions, that may have been disclosed in the past, can be obtained by means of written request and forwarded to the ADMINISTRATOR in its premises as mentioned on item XV above.