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Driven by the growing demand from institutional investors for ETFs (Exchange Traded Funds), the [Brazilian mutual funds with cross-border strategies](#) closed the fourth quarter of 2025 with a positive net inflow of USD 99 million. During the period, ETFs registered inflows of USD 313 million.

According to experts, ETF have have attracted increased investor attention due to their agility in allocation, allowing investors to take advantage of opportunity windows in specific global theses, whether entering or exiting positions, in addition to considerably lower costs compared to traditional actively managed funds.

Cryptocurrency funds (USD 78 million), private equity funds (USD 46 million), and bond funds (USD 40 million) also had positive net inflows during the period.

Over the period from January to December of last year, the Brazilian mutual funds with cross-border strategies showed a net redemption of USD 1.1 billion.

ETFs were again the standout performers during the 12-month period, with new investments of USD 980 million, followed by crypto funds, with USD 309 million.

Danilo Moreno, an analyst at **Investo**, an independent asset manager focused on ETFs, stated that an important factor that contributed to the high demand from investors for index funds in recent months was the behavior of the Brazilian currency (BRL), which remained relatively stable in the last quarter and appreciated by more than 10% over the year.

“This scenario encouraged many investors to take advantage of the moment to expand international diversification through ETFs. The movement reinforces the perception that Brazilian investors are increasingly aware of the timing of global allocation and the role of international assets as a structural part of portfolios,” said Moreno.

The analyst added that one of the quarter’s major highlights at the asset manager was cryptocurrency ETFs, especially Bitcoin products. Investo’s **HODL11** captured about USD 29 million during the fourth quarter, making it the Bitcoin ETF with the highest inflow in Brazil in the period, which, according to the specialist, reflects investors’ growing interest in alternative and scarce assets in a context of greater global uncertainty.

According to Moreno, another relevant highlight was “truly global” strategies that do not concentrate exposure exclusively in the United States. **WRLD11**, which replicates the VT ETF (**Vanguard Total World Stock**) listed on the New York Stock Exchange, was Investo’s second international ETF with the highest inflow in the quarter, at USD 14.1 million.

Despite still representing less than 1% of the total industry, cross-border ETFs showed very robust growth. Assets under management in ETFs increased from approximately USD 3.4 billion to USD 5.2 billion, according to **B3** data.

Investo more than tripled its asset base under management in 2025, going from USD 344 million to USD 1 billion, in addition to having added about 80,000 new shareholders during the period,

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reaching a total of 189,000.

“We are very excited and optimistic about the continuity of this growth in 2026. ETFs have clear advantages, both from a tax perspective and allocation efficiency compared to other products. It is natural that this market continues to grow rapidly as more investors get to know and better understand how ETFs work,” said the analyst.

Rodrigo Aloï, Head of Research and Strategy at **HMC Capital**, which controls **Gama Investimentos**, said he noticed a “significant increase” in demand from Gama’s institutional investors for international funds, especially during the fourth quarter of 2025.

“We observed a clear movement of portfolio rebalancing, motivated mainly by two factors: first, the realization that many local investors had been maintaining structurally overweight positions in Brazil in recent years; second, the significant increase in uncertainties in the domestic scenario for 2026, especially due to the electoral cycle. This context reinforced the search for international diversification as a risk mitigation instrument,” said Aloï.

According to the head of HMC Capital, the most demanded products in the period were international credit and fixed income strategies, which benefit from the high level of interest rates in global markets, offering an attractive combination of carry and diversification.

In addition, he also said there was strong interest in alternative strategies, especially from investors seeking sources of return uncorrelated with traditional markets and additional protection mechanisms for portfolios, in a more volatile global environment.

“The year 2025 was challenging for the investment industry in Brazil, marked by high domestic interest rates, which naturally retained much of the liquidity in local assets. Still, it was another important year of consolidation of the international exposure expansion of Brazilian investors. Even in an adverse environment for flows, it became evident that global allocation is no longer marginal and has come to occupy a structural role in institutional portfolios,” said Aloï.

He added that the expectation for 2026 is for continuity—and deepening—of this movement of consolidation of international exposure. “Increasingly, Brazilian investors have internalized that globally diversifying assets goes beyond the search for good short-term results: it’s about building financial sustainability, reducing concentrated risks, and increasing portfolio resilience over time,” said the head.

Regarding **Schroders’** decision to close its local office and adopt a representation model through a strategic partnership with Gama Investimentos, Aloï said that the vast majority of investors understood this change well “and recognized that it is part of a strategic decision aimed not only at maintaining, but expanding Schroders’ presence in Brazil, leveraging Gama’s operations and relationships with different investor segments.”

According to the head of HMC Capital, “this process has been conducted successfully, both in the development of customized solutions for pension funds and in providing Brazilian allocators with access to investments abroad, either directly or through access vehicles.”

Daniel Popovich, portfolio manager in the investment solutions area at **Franklin Templeton**, added that Schroders’ decision was “impactful,” as it was a pioneering and highly respected asset manager in international solutions for Brazilian institutional investors.

“What is interesting is to see how all of Schroders’ clients until then wanted to continue with their international investments. This opportunity seems to have attracted the interest of asset managers who until then monitored the sector from afar, which is a positive development for the market despite believing that many will prioritize the experience, expertise, and service that Franklin Templeton can offer,” said Popovich.

The Franklin Templeton manager also said he noticed strong demand for international investments, especially in the second half of the year.

“It’s interesting to see how investors seek diversification but have different risk and return needs. While some have a longer-term horizon and tolerate more volatility, others seek strategies with total or partial currency hedging. Some want to diversify their credit exposure but without adding currency volatility,” he said.

According to Popovich, at Franklin Templeton, investor demand focused on multi-asset portfolios that combine equities, fixed income, and liquid alternatives (multimarket funds). “This is a change compared to recent years, when equities were dominant.” He said that, with the depreciation of the US dollar, a preference for currency-hedged strategies was also noticed.

“We are optimistic and everything suggests that demand for international investments will continue to grow. In recent years, we have seen many institutional investors seeking to learn more about international allocation, which has been progressively incorporated into their portfolio construction processes.”

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