



Annual Report **2012**

JPMorgan Brazil
Investment Trust plc

Annual Report & Accounts for the year ended 30th April 2012

2012

JPMorgan Brazil Investment Trust plc

J.P.Morgan
Asset Management

Features

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Objective

To provide shareholders with long term total returns, predominantly comprising capital growth but with the potential for income, by investing primarily in Brazilian focused companies.

Investment Policies

- To invest primarily in Brazilian companies and those incorporated or listed outside Brazil whose Brazilian operations constitute a material part of their business. Up to 10% of assets may be invested in companies focused on other Latin American countries.
- There will be no limit placed on the market capitalisation or sector of any investee companies. However, the Company may reduce its equity holdings to a minimum of 60% of its gross assets if it is considered to be beneficial to performance.
- The Company may invest in listed or unlisted securities or equity-linked securities, in addition to fixed income bonds. Unlisted securities will not exceed 10% of gross assets at the time of investment.

Benchmark

The Company's benchmark is the MSCI Brazil 10/40 Index (in sterling terms), with net dividends reinvested. This index limits the maximum weight of an individual stock constituent to 10% and limits the sum of the weights of all stocks representing more than 5% individually to 40%.

Capital Structure

At 30th April 2012, the Company's share capital comprised 61,725,198 Ordinary shares of 1p each including 1,273,482 shares held in Treasury, and 8,214,424 Subscription shares of 1p each.

Continuation Vote

In accordance with the Company's Articles of Association, the Directors are required to propose an ordinary resolution that the Company shall continue in existence at the Annual General Meeting in 2013 and in every third year thereafter.

Management Company

The Company employs JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Manager') to manage its assets.

Financial Results

for the year ended 30th April 2012

Total returns (includes dividends reinvested)

-15.8%

'Unit' return to shareholders¹
(2011: +12.4%)

-12.0%

Undiluted return on net assets²
(2011: +11.7%)

-13.0%

Benchmark³
(2011: +5.3%)

-15.3%

Return to Ordinary
shareholders
(2011: +9.3%)

-11.1%

Diluted return on net assets⁴
(2011: +10.6%)

1.35p

Dividend
(2011: 0.5p)

A glossary of terms and definitions is provided on page 50.

¹A Unit comprises 5 Ordinary shares and 1 Subscription share.

²Source: J.P. Morgan.

³Source: Datastream. The Company's benchmark is the MSCI Brazil 10/40 Index, with net dividends reinvested in sterling terms.

⁴Return on net assets calculated using the diluted net asset value, which assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end. At 30th April 2012, the Subscription shares have no dilutive effect as the Ordinary share price was below the Subscription share conversion price at that date.

Chairman's Statement



Introduction and Performance

Following a year of solid performance in the Company's first annual reporting period to 30th April 2011, equity markets suffered a sharp correction during the latter half of 2011, although they regained some momentum in early 2012. For the year to 30th April 2012, the Company recorded a total undiluted return on net assets of -12.0%, outperforming the benchmark, the MSCI Brazil 10/40 Index which returned -13.0% for the same period. The share price return to Ordinary shareholders of -15.3, and the return to 'Units' (comprising 5 Ordinary shares and 1 Subscription share) of -15.8% reflected the movement of the share price from a premium of 2.9% to a discount of 2.0% over the year.

The investment managers provide a detailed commentary on the markets and the portfolio activity in their report,

Revenue and Dividends

Gross revenue for the year amounted to £2,156,000 and net total revenue after interest, administrative expenses and taxation amounted to £1,080,000.

Revenue return per Ordinary share for the year, calculated on the weighted average number of shares in issue, was 1.76p on an undiluted basis and 1.78p on a diluted basis. The Board is pleased to recommend a dividend of 1.35p per Ordinary share. Subject to shareholders' approval at the forthcoming Annual General Meeting on 11th September 2012, the dividend will be payable on 14th September 2012 to shareholders on the register at 10th August 2012. However, despite this substantial rise in the dividend payable from 0.5p per Ordinary share last year, shareholders are reminded that the Company's investment objective is to provide shareholders with returns predominantly in the form of capital.

Asset Allocation

In accordance with the Company's investment policy, the investment managers have continued to be substantially invested in equities. As at 30th April 2012, the Company's portfolio had 6.2% in cash.

Share repurchases and Issuance

At last year's Annual General Meeting ('AGM'), shareholders granted Directors authority to repurchase the Company's shares. During the financial year, the Company repurchased a total of 1,273,482 Ordinary shares into Treasury. The Board's objective remains to use the share repurchase authority to manage imbalances between the supply and demand of the Company's shares, thereby reducing the volatility of the discount. To date, the Board believes this mechanism has been helpful and therefore proposes and recommends that powers to repurchase up to 14.99% of the Company be renewed for a further period.

In the period to April 2011 the Company issued 13,850,000 shares in small tranches. Despite challenging market conditions for share issuance recently, the Board continues to believe that share issuance at a premium which grows the Company is of benefit to shareholders as it results in operating costs being spread over a larger capital base; tempers the premium at which the share price trades to NAV; marginally enhances the NAV per share of existing shares; and, improves liquidity in the market for the Company's shares. Therefore, resolutions renewing the authorities to issue shares from Treasury and to issue new shares at a premium to NAV, and to disapply pre-emption rights over such issues, will be submitted for approval at the forthcoming AGM.

During the financial year, 24,984 Ordinary shares were issued upon conversion of Subscription shares.

Annual General Meeting

The AGM will be held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ on 11th September 2012 at 2.30 p.m. The meeting will include a presentation from the investment managers on investment policy and performance. There will also be an opportunity for shareholders to meet the Board and representatives of JPMorgan after the meeting.

If you wish to raise any detailed or technical questions at the Meeting, it would be helpful if you could mention them in advance to the Company Secretary at Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ. Shareholders who are unable to attend the Meeting in person are encouraged to use their proxy votes.

Outlook

Brazil's stock market valuations are approaching the lows last seen in 2008. Historically, these levels have proven an attractive entry point for investors with anything more than a one year investment horizon. In the short term, economic conditions are expected to remain challenging with weak expectations for earnings. However, governmental policy remains very pro-growth which we expect will support a gradual recovery in activity and earnings as the year progresses. The Board has confidence in the investment managers' high conviction approach of identifying companies with attractive valuation signals and significant growth potential to deliver superior returns over the longer-term. The Board will continue to focus on achieving good long-term returns for the shareholders.

Howard Myles
Chairman

26th July 2012

Investment Managers' Report



Luis Carrillo



Sebastian Luparia

Results

While the Brazilian market was down -13.0% (in sterling terms) on an absolute basis and the Company's own net asset value fell in the year under review, the Company performed well on a relative basis in the year. Over the twelve month period to the end of April 2012, the underlying portfolio, before the effect of costs and other structural effects, delivered a total return of -10.0%, outperforming the benchmark return by +3.0%.

The Brazilian equity market underperformed the broader global emerging markets asset class over the year. Despite being a relatively closed economy, with exports comprising just over 10% of GDP, the performance of the Brazilian equity market is highly correlated to the global economic environment as a result of the concentration of the major equity index in companies exposed to commodity prices. As a result, the direction of China's economy, and hence the global demand for commodities, remains key for Brazil. With opinions divided over the outlook for Chinese economic growth alongside uncertainties and fears for the economies of Europe; we have seen highly volatile asset prices throughout the period under review. In addition, to these global concerns, the market remained concerned about weaker economic activity in Brazil.

Further details on performance are shown in the table on page 5, which reveals that we had a good year in terms of stock selection. A strong positive contribution came from our positions in the more defensive consumer orientated stocks. Further positive contributions came from our underweight position in the materials sector. We did not own Vale and Petrobras, the two largest components of the Brazil equity market index, because, in addition to their exposure to global economic concerns, we see company specific challenges. The absence of these holdings from the portfolio has also contributed to performance.

Investment activity

We continue to believe the greatest opportunity is to be found in mid-cap companies with businesses which benefit from domestic economic growth. This is reflected in our portfolio composition, where we have focussed on companies with strong cash generation which will benefit from the eventual rebound in Brazilian economic activity. On a sectoral basis this is reflected in exposure to the consumer sector (including shopping malls which also present a good inflation hedge) and to selected industrial companies. These are among the largest overweight positions in the portfolio.

Good examples include some of the new positions added to the portfolio in the course of the year.

During the year, we initiated a position in Fleury (a diagnostic company in Brazil). Fleury provides medical imaging and clinical testing along with preventive medicine programs; an area we believe has good, long-term potential. We believe the company's strong brand gives it good pricing power and the prospects for organic

Performance attribution for the year ended 30th April 2012

| | % | % |
|--|------|--------------|
| Contributions to total returns | | |
| Benchmark | | -13.0 |
| Asset allocation | -0.9 | |
| Stock selection | 4.5 | |
| Gearing/cash | -0.6 | |
| Investment Manager contribution | | 3.0 |
| Portfolio return | | -10.0 |
| Management fees/ other expenses | -1.8 | |
| Portfolio return net of fees and expenses | | -11.8 |
| Exercise of Subscription shares | | -0.2 |
| Undiluted return on net assets | | -12.0 |
| Dilution effect of potential exercise of remaining Subscription shares | 0.9 | |
| Diluted return on net assets | | -11.1 |
| Impact of change in discount (-)/premium | -4.2 | |
| Return to Ordinary shareholders | | -15.3 |

Source: Xamin/Datastream/Morningstar. All figures are on a total return basis.

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.

A glossary of terms and definitions is provided on page 50.

growth are strong as the health care sector is expected to grow. On the other hand, Ultrapar (a Brazilian industrial group with operations in Brazil, Mexico and Venezuela) provides us with exposure to the fuel distribution market and indirectly to growth in the auto sector. The stable management team has a very strong track record of corporate governance and value creation. Management are currently focused on enhancing the distribution network with the addition of convenience stores which we believe will create an attractive opportunity for growth and should further improve profitability.

In the course of the year one of our largest underweights in the portfolio was in the financials sector, particularly banks. As discussed below, the government is pursuing an aggressive strategy towards promoting economic growth and now uses the financial sector as part of its toolkit. This has forced us to review our outlook for the banking sector. Leading banks have always been very creative in finding ways to maintain profitability, but there is no doubt that in the short term government intervention will have an impact on margins, threatening potential returns. Given this threat to banking profitability we have sought exposure to the financials sector through companies whose profitability is not exposed to those political risks.

What's next for Brazil?

There are storm clouds gathering in developed markets that may well damage prospects for emerging economies through capital and trade flows. However, valuations are at levels only previously reached at times of crisis and these levels have proven historically to be attractive entry points for investors with long-term investment horizons. This leaves us cautious but looking for opportunities.

In Brazil, the government is focused on stimulating growth after the economic growth slowed in late 2011. The central bank is using the weak, deflationary global environment as an opportunity to push down interest rates aggressively in the hope of anchoring rates at more globally competitive levels. In addition, the government is pursuing direct measures including increased Brazilian Development Bank (BNDES) financing, tax cuts, and lower bank reserve requirements. The fact equity markets are not responding more positively to this push for growth is explained by concerns that it may ultimately stoke inflation and that the interventionist approach of the government in key sectors like banking may hit future returns. Lower interest rates and rising global risks have helped weaken the Brazilian Real whose strength had been hurting the industrial side of the economy. Along with historically low equity valuations the more competitive currency has raised our expected returns in sterling terms.

Luis Carrillo
Sebastian Luparia
Investment Managers

26th July 2012

Summary of Results

| | 2012 | 2011 | |
|---|------------|------------|--------------------|
| Total returns for the year ended 30th April 2012 | | | |
| 'Unit' return to shareholders ¹ | -15.8% | +12.4% | |
| Return to Ordinary shareholders | -15.3% | +9.3% | |
| Undiluted return on net assets ² | -12.0% | +11.7% | |
| Diluted return on net assets ^{2,3} | -11.1% | +10.6% | |
| Benchmark ⁴ | -13.0% | +5.3% | |
| | | | % change |
| Net asset value, share price and discount | | | |
| Total net assets (£'000) | 57,966 | 67,543 | -14.2 |
| Number of Ordinary shares in issue | 60,451,716 | 61,700,214 | -2.0 |
| Number of Subscription shares in issue | 8,214,424 | 8,239,408 | -0.3 |
| Undiluted net asset value per Ordinary share | 95.9p | 109.5p | -12.4 ⁵ |
| Diluted net asset value per Ordinary share ³ | 95.9p | 108.4p | -11.5 |
| Ordinary share price | 94.0p | 111.5p | -15.7 |
| Subscription share price | 22.5p | 30.0p | -25.0 |
| Ordinary share price (discount)/premium to diluted net asset value per Ordinary share | (2.0)% | 2.9% | |
| Revenue for the year ended 30th April 2012 | | | |
| Gross revenue attributable to Ordinary shareholders (£'000) | 2,156 | 1,336 | +61.4 |
| Net revenue attributable to Ordinary shareholders (£'000) | 1,080 | 444 | +143.2 |
| Return per Ordinary share | 1.76p | 0.80p | +120.0 |
| Dividend per Ordinary share | 1.35p | 0.50p | +170.0 |
| Actual gearing factor at 30th April 2012 ⁶ | 93.9% | 94.2% | |
| Ongoing charges ⁷ | 1.56% | 1.49% | |

A glossary of terms and definitions is provided on page 50.

¹A Unit comprises 5 Ordinary shares and 1 Subscription share.

²Source: J.P. Morgan.

³Return on net assets calculated using the diluted net asset value, which assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end. At 30th April 2012, the Subscription shares have no dilutive effect as the Ordinary share price was below the Subscription share conversion price at that date.

⁴Source: Datastream. The Company's benchmark is the MSCI Brazil 10/40 Index, with net dividends reinvested, in sterling terms.

⁵These are capital returns only and exclude the benefit of the dividend paid in the year.

⁶Investments expressed as a percentage of Shareholders' funds.

⁷Management fee and all other operating expenses excluding performance fee, expressed as a percentage of the average of the daily net assets during the year. (2011: Total expense ratio: Management fee and all other operating expenses excluding performance fee, expressed as a percentage of the average of the month end net assets during the period). The ongoing charges are calculated in accordance with guidance issued by the Association of Investment Companies in May 2012.

Ten Largest Holdings

at 30th April 2012

| Company | Sector | 2012 Valuation | | 2011 Valuation | |
|---|------------------------|-------------------|----------------|-------------------|----------------|
| | | £'000 | % ¹ | £'000 | % ¹ |
| Companhia de Bebidas das Américas ADR | Consumer Staples | 3,118 | 5.4 | 2,943 | 4.3 |
| BR Malls Participações | Financials | 2,215 | 3.8 | 2,055 | 3.0 |
| OGX Petróleo e Gas Participações | Energy | 2,192 | 3.8 | 4,171 | 6.2 |
| Souza Cruz | Consumer Staples | 2,161 | 3.7 | 1,997 | 3.0 |
| Banco Bradesco ADR ³ | Financials | 2,114 | 3.6 | – | – |
| Drogasil ² | Consumer Staples | 2,089 | 3.6 | 1,348 | 2.0 |
| Valid Soluções e Serviços de Segurança em Meios de Pagamento e Identificação ² | Consumer Discretionary | 1,983 | 3.4 | 1,537 | 2.3 |
| Gerdau ³ | Materials | 1,945 | 3.4 | – | – |
| Itaú Unibanco ADR ³ | Financials | 1,926 | 3.3 | – | – |
| BRF Brasil Foods ADR | Consumer Staples | 1,797 | 3.1 | 3,030 | 4.5 |
| Total | | 21,540 | 37.1 | | |

¹Based on total assets less current liabilities of £58.0m (2011: £67.5m).

²Not within ten largest investments at 30th April 2011.

³Not held in the portfolio at 30th April 2011.

⁴At 30th April 2011, the value of the ten largest investments amounted to £25.4m representing 37.6% of total assets less current liabilities.

Year-on-year movements in valuation reflect the effect of sales and purchases as well as changes in share prices.

Sector Analysis

at 30th April 2012

| | 30th April 2012 | | 30th April 2011 | |
|----------------------------|-----------------------------|----------------|-----------------------------|----------------|
| | Portfolio % ¹ | Benchmark % | Portfolio % ¹ | Benchmark % |
| Financials | 23.9 | 25.0 | 15.6 | 27.1 |
| Consumer Staples | 15.8 | 14.7 | 15.9 | 12.8 |
| Industrials | 15.1 | 5.0 | 21.3 | 4.7 |
| Consumer Discretionary | 14.1 | 5.1 | 14.2 | 6.7 |
| Materials | 9.6 | 17.6 | 9.0 | 19.5 |
| Energy | 7.0 | 12.7 | 7.7 | 13.2 |
| Utilities | 4.4 | 9.3 | 5.6 | 8.0 |
| Health Care | 3.4 | 1.1 | 2.2 | 1.3 |
| Telecommunication Services | 0.5 | 5.2 | 1.2 | 3.9 |
| Information Technology | – | 4.3 | 1.5 | 2.8 |
| Net current assets | 6.2 | – | 5.8 | – |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

¹Based on total assets less current liabilities of £58.0m (2011: £67.5m).

List of Investments

at 30th April 2012

| Company | Valuation £'000 | Company | Valuation £'000 |
|--|--------------------|--|--------------------|
| Financials | | MRV Engenharia | 983 |
| BR Malls Participações | 2,215 | PDG Realty | 911 |
| Banco Bradesco ADR | 2,114 | Marisa Lojas | 463 |
| Itaú Unibanco ADR | 1,926 | Marisol Indústria do Vestuário | 447 |
| Iguatemi Empresa de Shopping | 1,395 | Fras-Le | 309 |
| Brasil Insurance Participações | 1,300 | | |
| BM&F Bovespa Sa Bolsa de Valores | 1,098 | Total Consumer Discretionary | 8,173 |
| Brasil Brokers Participações | 1,019 | | |
| Banco ABC Brasil | 947 | Materials | |
| Banco do Estado do Rio Grande do Sul | 790 | Gerdau | 1,945 |
| Credicorp | 661 | Vale ADR | 1,422 |
| Banco Santander (Brazil) | 428 | Eternit | 1,385 |
| | | Duratex | 799 |
| Total Financials | 13,893 | Total Materials | 5,551 |
| Consumer Staples | | Energy | |
| Companhia de Bebidas das Américas ADR | 3,118 | OGX Petróleo e Gas Participações | 2,192 |
| Souza Cruz | 2,161 | OSX Brasil | 803 |
| Drogasil | 2,089 | Ultrapar Participações ADR | 611 |
| BRF Brasil Foods ADR | 1,797 | Pacific Rubiales Energy | 444 |
| Total Consumer Staples | 9,165 | Total Energy | 4,050 |
| Industrials | | Utilities | |
| Localiza Rent a Car | 1,597 | Aes Tietê | 1,589 |
| Eucatex Indústria e Comercio | 1,389 | Companhia de Transmissao de Energia Eléctrica Paulista | 999 |
| lochpe-Maxion | 1,043 | Total Utilities | 2,588 |
| EcoRodovias Infraestrutura e Logística | 911 | Health Care | |
| Wilson Sons | 866 | OdontoPrev | 1,361 |
| Randon Implementos E Participações | 860 | Fleury | 591 |
| Marcopolo | 835 | Total Health Care | 1,952 |
| Multiplus | 652 | Telecommunication Services | |
| Mills Estruturas e Serviços | 603 | NII Holdings | 288 |
| Total Industrials | 8,756 | Total Telecommunication Services | 288 |
| Consumer Discretionary | | Total Investment Portfolio | 54,416 |
| Valid Soluções e Serviços de Segurança em Meios de Pagamento e Identificação | 1,983 | | |
| Lojas Renner | 1,721 | | |
| Cia.Hering | 1,356 | | |

The portfolio comprises entirely investments in equity shares.

Board of Directors



Howard Myles

Chairman since 24th February 2010.

Remuneration: £25,000.

Qualifications for Board Membership: He was a partner in Ernst & Young from 2001 until June 2007 and was responsible for the investment funds corporate advisory team. He was previously with UBS Warburg from 1987 to 2001. Mr. Myles began his career in stockbroking in 1971 as an equity salesman and joined Touche Ross in 1975 where he qualified as a chartered accountant. In 1978 he joined W. Greenwell & Co. in the corporate broking team and in 1987 moved to SG Warburg Securities where he was involved in a wide range of commercial and industrial transactions in addition to leading Warburg's corporate finance function for investment funds. He is a fellow of the Institute of Chartered Accountants in England and Wales and of The Chartered Securities Institute. He is currently a non-executive director of Blackrock Hedge Selector Limited, Aberdeen Private Equity Fund Ltd, Baker Steel Resources Trust, The World Trust Fund, Small Companies Dividend Trust plc and Bilfinger Berger Global Infrastructure SICAV S.A.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: nil.



Mark Bridgeman

A Director since 24th February 2010.

Remuneration: £23,000.

Qualifications for Board Membership: He was Global Head of Research at Schroders PLC until late 2008, when he left to manage his own family farming business. Over the course of 19 years spent at Schroders he worked both as an investment analyst and fund manager in the UK and around the world, where his roles included being an Emerging Markets fund manager and Head of Emerging Markets research. Since leaving Schroders he has taken on a number of non-executive and advisory roles within the investment trust, private equity, land management and charity sectors.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 11,396 Ordinary Shares.



Victor Bulmer-Thomas

A Director since 24th February 2010.

Remuneration: £20,000.

Qualifications for Board Membership: He is currently a non executive director of New India Investment Trust PLC and Emeritus Professor of Economics at the University of London. From 2001 to 2006 he was the Director of Chatham House. From 1992 to 1998 he was the Director of the Institute of Latin American studies at the University of London. He is a former non executive director of Gartmore Latin America New Growth Fund SA, Schroder Emerging Countries Funds PLC and Deutsche Latin American Companies Trust plc. He was made a Commander of the Order of the Southern Cross by the Brazilian government in 1998.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 13,500 Ordinary Shares.

All Directors are members of the Audit Committee and are considered independent of the Manager.

Directors' Report

The Directors present their report for the year ended 30th April 2012.

Business Review

JPMorgan Brazil Investment Trust plc was incorporated on 1st February 2010 and launched as an investment trust on 26th April 2010.

Business of the Company

The Company carries on business as an investment trust and was approved by HM Revenue & Customs as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 for the period ended 30th April 2011. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it should continue to qualify as an investment trust under the HM Revenue and Customs' qualifying rules.

Approval in previous years is subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company is not a close company for taxation purposes.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 2 to 3, and in the Investment Managers' Report on pages 4 to 5.

Investment Objective and Policies

The Company's objective is to provide shareholders with long term total returns, predominantly comprising capital growth but with the potential for income, by investing primarily in Brazilian focused companies.

The Board seeks to manage the Company's risk by imposing various investment limits and restrictions.

- The Company will invest primarily in Brazilian companies and those incorporated or listed outside Brazil whose Brazilian operations constitute a material part of their business. Up to 10% of assets may be invested in companies focused on other Latin American countries.
- There will be no limit placed on the market capitalisation or sector of any investee companies. However, the Company may reduce its equity holdings to a minimum of 60% of its gross assets if it is considered to be beneficial to performance.

- The Company may invest in listed or unlisted securities or equity-linked securities, in addition to fixed income bonds. Unlisted securities will not exceed 10% of gross assets at the time of investment.
- The Company may invest no more than 15% of gross assets in any one company or group at the time of investment.
- The Company may invest no more than 10% of gross assets in other UK listed investment companies (including investment trusts) at the time of investment.

Compliance with the Board's investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis.

Performance

In the year to 30th April 2012, the Company produced a portfolio return of -10.0%, compared with the return on the Company's benchmark index of -13.0%. At 30th April 2012, the value of the Company's investment portfolio was £54.4 million (2011: £63.6 million). The Investment Managers' Report on pages 4 to 5 includes a review of developments during the period as well as information on investment activity within the Company's portfolio.

Total Return, Revenue and Dividends

Gross total loss amounted to £7.0 million (2011: £6.9 million return) and net total loss after deducting administrative expenses and taxation, amounted to £8.1 million (2011: £5.6 million return). Distributable income for the year amounted to £1.1 million (2011: £0.4 million).

The Directors propose a dividend of 1.35p (2011: 0.5p) per Ordinary share. This dividend will cost £816,000 (2011: £309,000) and the revenue reserve after allowing for the dividend will amount to £399,000 (2011: £135,000). In accordance with the accounting policy of the Company, the dividend will be reflected in the accounts for the year ending 30th April 2013.

Key Performance Indicators ('KPIs')

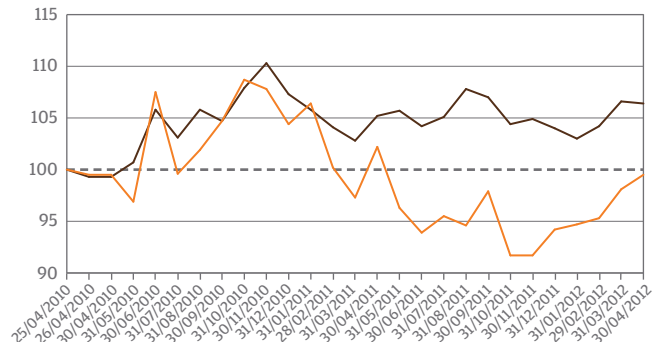
The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark**
This is the most important KPI by which performance is judged.

Directors' Report continued

Performance Relative to Benchmark

Figures have been rebased to 100 at 26th April 2010



Source: Morningstar/MSCI.

- JPMorgan Brazil - Ordinary share price.
- JPMorgan Brazil - diluted net asset value per Ordinary share.
- ... The Company's benchmark (represented by the grey dotted line) is the MSCI Brazil 10/40 Index, with net dividends reinvested, in sterling terms.

Performance since Inception

Figures have been rebased to 100 at 26th April 2010



Source: Morningstar/MSCI.

- JPMorgan Brazil - Ordinary share price.
- JPMorgan Brazil - diluted net asset value per Ordinary share.
- ... Benchmark.

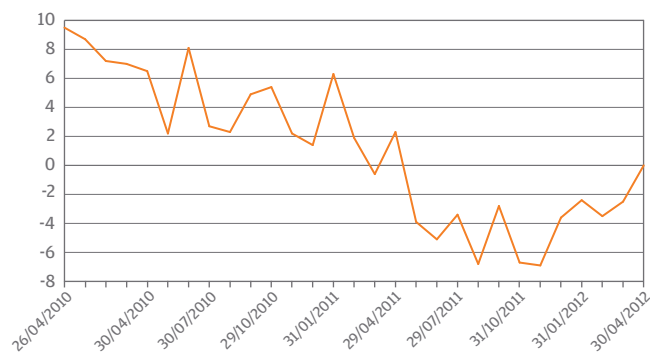
Performance against the Company's peers

The principal objective is to achieve capital growth relative to the benchmark. However, the Board also monitors performance compared with a broad range of competitor funds.

Share price premium/(discount) to net asset value ('NAV') per share

The Board has adopted a share repurchase policy that seeks to address imbalances in supply of and demand for the Company's shares in the market and thereby seeks to manage the volatility and absolute level of the premium and discount to NAV per share at which the Company's shares trade. The Board's intention is to use its share repurchase and issuance powers with the aim of establishing a reasonably stable long term level of premium and discount. In the year to 30th April 2012, the shares traded between a discount of 6.9% and a premium of 2.3%.

Premium (+)/Discount (-)



Source: Datastream.

- JPMorgan Brazil - Ordinary share price premium/(discount) to diluted net asset value per Ordinary share.

Ongoing Charges

The Ongoing Charges represents the Company's management fee and all other operating expenses excluding performance fee, expressed as a percentage of the average of the daily net assets during the year. (2011: The Total expense ratio: Management fee and all other operating expenses excluding performance fee, expressed as a percentage of the average of the month end net assets during the period). The Ongoing Charges for the year were 1.56% (2011: 1.49% TER). The Board pays close attention to the level of expenses.

Share Capital

The Company has authority to issue new shares, to repurchase shares into Treasury and to repurchase shares for cancellation.

During the year, the Company repurchased a total of 1,273,482 Ordinary shares into Treasury, this represented 2.06% of the issued share capital. The Company will reissue shares held in Treasury only at a premium to NAV. There were nil shares repurchased.

During the year the Company issued 24,984 Ordinary shares following the conversion of Subscription shares for a total consideration of £24,984. Details of the Subscription shares, including the apportionment of base cost for capital gains tax purposes and how they may be exercised, are given on page 49 of this report.

Resolutions to renew the authority to repurchase shares and issue new shares will be put to shareholders at the forthcoming Annual General Meeting. More details are given on page 16 and the full text of the resolutions is set out in the Notice of Meeting on pages 46 and 47.

Principal Risks

With the assistance of the Manager, JPMorgan Asset Management (UK) Limited ('JPMAM') the Board has drawn up a risk matrix, which identifies the key risks to the Company. These key risks fall broadly into the following categories:

- **Investment and Strategy:** An inappropriate investment strategy, for example asset allocation or the level of gearing, may lead to underperformance against the Company's benchmark index and peer companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks by diversification of investments through its investment restrictions and guidelines, which are monitored and reported on. JPMAM provides the Directors with timely and accurate management information, including performance data and attribution analysis, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the investment managers who attend all Board meetings, and reviews data which show statistical measures of the Company's risk profile. The investment managers are free to employ the Company's gearing tactically, within a strategic range set by the Board. The Board holds a separate meeting devoted to strategy each year.

- **Financial:** The financial risks faced by the Company include market price risk, interest rate risk, liquidity risk and credit risk. Further details are disclosed in note 22(c) on page 44.

- **Accounting, Legal and Regulatory:** In order to qualify as an investment trust, the Company must comply with Section 1158. Details of the Company's approval are given under 'Business of the Company' above. Were the Company to breach Section 1158, it might lose investment trust status and, as a consequence, gains within the Company's portfolio could be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by JPMAM and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules. A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules could result in the Company's shares being suspended from listing which in turn would breach Section 1158. The Board relies on the services of its Company Secretary, JPMAM to ensure compliance with the Companies Act 2006 and the UKLA Listing Rules and DTRs.

- **Corporate Governance and Shareholder Relations:** Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out on pages 16 to 20.
- **Operations:** Disruption to, or failure of, JPMAM's accounting, dealing or payments systems or the custodian's records could prevent accurate reporting and monitoring of the Company's financial position. Details of how the Board monitors the services provided by JPMAM and its associates and the key elements designed to provide effective risk management and internal control are included on pages 19 and 20.

Future Developments

The future development of the Company depends on the success of the Company's investment strategy. The investment managers discuss the outlook in their report on page 5.

Directors' Report continued

Management of the Company

The Manager and Secretary is JPMAM. JPMAM is a wholly owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides banking, dealing and custodial services to the Company.

The Board conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and process of the Manager, performance against the benchmark over the long term and the support that the Company receives from JPMAM. As a result of the evaluation process, the Board is of the opinion that the continuing appointment of the Manager is in the interests of the shareholders.

Management Fee

JPMAM is employed under a contract without cause which is subject to six months' notice of termination. If the Company wishes to terminate the contract on less than six months' notice, the balance of the six months' remuneration is payable by way of compensation.

Under the terms of the Management Agreement, the management fee is charged at the rate of 1.0% per annum of the Company's total assets less current liabilities. The fee is calculated and paid monthly in arrears. Investments made by the Company in investment funds on which the Manager or a member of its group earns a fee are excluded from the calculation and therefore attract no management fee.

In addition, the Manager is entitled to receive a performance fee equivalent to 10% of any outperformance of the Company's Net Asset Value per Ordinary share (on a total return basis) over the Company's benchmark index, the MSCI Brazil 10/40 Index (in sterling terms) with net dividends reinvested, over a performance fee measurement period. A performance fee measurement period ends, and restarts, at a financial year end when outperformance of the Company's benchmark has been achieved and a performance fee earned. That is, the period may be more than one year. The maximum performance fee that can be paid to the Manager in any one year is capped at 1.0% of the Company's average monthly total assets less current liabilities, and in a year when the Company produces a negative net asset value total return per share, this amount will be accrued but not paid. Any amount earned in excess of this cap will be carried forward and will be offset against any underperformance in future years. During the year ended 30th April 2012, the Company produced a negative net asset value total return per share, but the Company outperformed its benchmark index. As a result, a performance fee amounting to £70,000 has been earned and the whole of this amount will be carried forward.

Going Concern

The Directors believe, having considered the Company's investment objective (see page 11), risk management policies (see pages 40 to 45), capital management policies and procedures (see page 45), the nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Payment Policy

It is the Company's policy to obtain the best terms for all business and therefore there are no standard payment terms. In general, the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by these terms. As at 30th April 2012, the Company had no outstanding trade creditors (2011: None).

Directors

The Directors of the Company who held office during the year, together with their beneficial interests in the Company's shares are shown below.

Ordinary Shares

| Directors | 30th April 2012 | 30th April 2011 |
|----------------------|--------------------|--------------------|
| Howard Myles | – | – |
| Mark Bridgeman | 11,396 | – |
| Victor Bulmer-Thomas | 13,500 | 6,000 |
| | 24,896 | 6,000 |

Subscription Shares

| Directors | 30th April 2012 | 30th April 2011 |
|----------------------|--------------------|--------------------|
| Howard Myles | – | – |
| Mark Bridgeman | – | – |
| Victor Bulmer-Thomas | – | – |
| | – | – |

No changes in the above holdings have been recorded by any Director to the date of this report.

Howard Myles will stand for reappointment at the forthcoming Annual General Meeting.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the period and as at the date of this report.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against potential liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Disclosure of information to the Auditor

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

- (a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware, and
- (b) each of the Directors has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

Section 992 Companies Act 2006

The following disclosures are made in accordance with Section 992 of the Companies Act 2006.

Capital Structure

The Company's capital structure is summarised on the 'Features' page.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 16 to the Notice of Meeting on page 48.

Notifiable Share Interests

At the year-end date and the date of this report the Company was aware of the following notifiable interest in the Company's share capital:

| Ordinary shares Shareholders | Number of shares held | % |
|---------------------------------------|-----------------------|-------|
| Chase Nominees Limited ^{1,2} | 10,323,274 | 16.72 |
| JPMorgan Chase & Co | 9,149,806 | 14.82 |
| Rathbone Investment Management Ltd | 5,044,480 | 8.17 |
| Brewin Dolphin Limited | 2,647,156 | 4.29 |

¹Held on behalf of JPMAM Investment Account, ISA and SIPP participants.

²Non-beneficial.

| Subscription shares Shareholders | Number of shares held | % |
|---------------------------------------|-----------------------|-------|
| Chase Nominees Limited ^{1,2} | 1,443,632 | 17.57 |
| JPMorgan Chase & Co | 666,328 | 8.11 |
| Rathbone Investment Management Ltd | 984,320 | 11.98 |

¹Held on behalf of JPMAM Investment Account, ISA and SIPP participants.

²Non-beneficial.

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements known to the Company between holders of securities regarding their transfer; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its directors concerning compensation for loss of office.

Environmental Matters, Social and Community Issues

Information on environmental matters, social and community issues is set out on page 20. The Company has no employees.

Independent Auditor

Ernst & Young LLP have expressed their willingness to continue in office as auditor to the Company and a resolution proposing their re-appointment and to authorise the Directors to agree their remuneration for the ensuing year will be put to shareholders at the forthcoming Annual General Meeting.

Directors' Report continued

Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

(i) Authority to allot relevant Securities (resolution 6)

The Directors will seek authority at the Annual General Meeting to issue new shares equivalent to 30% of the present issued share capital. This authority will remain in effect until the Annual General Meeting in 2013 unless renewed at an earlier general meeting. The full text of the resolution is set out in the Notice of Meeting on page 46.

The Directors intend to use this authority when they consider that it is in the best interests of shareholders to do so and to satisfy continuing demand for the Company's Ordinary shares. It is also advantageous for the Company to be able to issue new shares (or to sell Treasury shares) to participants purchasing shares through the JPMorgan savings products. As such issues are only made at prices greater than the NAV, they are not dilutive. They increase the assets underlying each share and spread the Company's administrative expenses, other than the management fee which is charged on the value of the Company's assets, over a greater number of shares.

(ii) Disapplication of pre-emption rights (resolution 7)

Resolution 7 seeks authority to disapply statutory pre-emption rights on any issues of new shares. This avoids the legal requirement to offer them pro rata to all shareholders. The full text of the resolution is set out in the Notice of Meeting on page 46.

(iii) Authority to repurchase the Company's shares (resolution 8)

A resolution will be proposed at the Annual General Meeting that the Company be authorised to purchase in the market up to 14.99% of the Company's issued share capital as at the date of the passing of this resolution using its realised capital reserves.

The decision as to whether the Company repurchases any shares will be at the discretion of the Board and purchases will

be made in the market and at prices below the prevailing net asset value per share. Under the rules of the London Stock Exchange, the maximum price that may be paid on a purchase by a company of its shares under a general authority is 105% of the average of the middle market quotations of the shares for the five business days immediately before the day on which the purchase is made. The minimum price that the Company will pay for a share will be one pence (the nominal value of each share). The Company will utilise the authority to purchase shares on an ad hoc basis by either a single purchase or a series of purchases as and when market conditions are appropriate.

The authority to purchase shares will last until the Annual General Meeting in 2013 or until the whole of the 14.99% has been acquired, whichever is the earlier. The authority may be renewed by shareholders at any time at a general meeting.

(iv) Recommendation (resolutions 6 to 8)

The Board considers that resolutions 6 to 8 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommended that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

Corporate Governance

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 22, indicates how the Company has applied the principles of good governance of the Financial Reporting Council's UK Corporate Governance Code (the 'UK Corporate Governance'), other than the provision relating to the appointment of a senior independent director, and the AIC's Code of Corporate Governance (the 'AIC Code'), which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts.

The Board is responsible for corporate governance and considers that the Company has complied with the best practice provisions of the UK Corporate Governance Code, insofar as they are relevant to the Company's business, and the AIC Code throughout the period under review and up to the date of approval of the annual report and accounts.

Role of the Board

A management agreement between the Company and JPMAM sets out the matters which have been delegated to the Manager. This includes management of the Company's assets and the provision of accounting, company secretarial, administration, and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board has procedures in place to deal with potential conflicts of interest and, following the introduction of the Bribery Act 2010, has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the period under review.

The Board meets on at least four occasions during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMAM, which is responsible to the Board for ensuring that Board procedures are followed and for compliance with applicable rules and regulations.

Board Composition

The Board consists of three non-executive Directors, all of whom are regarded by the Board as independent of the Company's Manager and Secretary. The Directors have a breadth of investment, business and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on page 10.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below. The Board has considered whether a senior independent director should be appointed and has concluded that, as the Board is composed entirely of non-executive directors, this is unnecessary at present. However, the Chairman of the Audit Committee leads the evaluation of the performance of the Chairman and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be reappointed by shareholders. Thereafter, a Director's appointment runs for a term of three years. In the light of the performance evaluation carried out each year, the Board will decide whether it is appropriate for the Director to seek an additional term. A Director's continuing appointment is subject to re-election by shareholders on retirement by rotation in accordance with the Company's Articles of Association.

The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the ongoing requirements of the UK Corporate Governance Code, including the need to refresh the Board and its Committees.

The Company's Articles of Association require that Directors stand for re-election at least every three years.

The Board recommends the reappointment of Howard Myles following a performance review conducted by the Audit Committee which concluded that he continues to add value to the Board.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting.

Directors' Report continued

Meetings and Committees

The Board delegates certain responsibilities and functions to a Committee. Details of membership of the Committee are shown with the Directors' profiles on page 10.

The table below details the number of Board and Audit Committee meetings attended by each Director. During the period under review there were five Board meetings, as well as a private meeting of the Directors to evaluate the Manager and three Audit Committee meetings.

| Director | Board Meetings Held (Attended) | Audit Committee Meetings Held (Attended) |
|----------------------|--------------------------------|--|
| Mark Bridgeman | 5 (5) | 3 (3) |
| Victor Bulmer-Thomas | 5 (5) | 3 (3) |
| Howard Myles | 5 (5) | 3 (3) |

In addition, there were a number of other ad hoc meetings for administrative purposes.

Training and Appraisal

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter regular briefings are provided on changes in regulatory requirements that affect the Company and Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts.

The Board has agreed procedures for the formal evaluation of the Manager, its own performance and that of the Audit Committee and individual Directors. Questionnaires, drawn up by the Board, are completed by each Director. The responses are collated and then discussed at a private meeting of the Audit Committee. The evaluation of individual Directors is led by the Chairman, on the basis of the questionnaires, and the Audit Committee Chairman leads the evaluation of the Chairman's performance.

Board Committee

Audit Committee

The Audit Committee, chaired by Mark Bridgeman, and comprising all the independent Directors, meets at least three times each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the UK Corporate Governance Code. It reviews the terms of the management agreement and examines the effectiveness of the Company's risk management and internal control systems, receives information from the Manager's Compliance department and reviews the scope and results of the external audit, its cost effectiveness, the balance of audit and non-audit services, and the independence and objectivity of the external Auditor. In order to safeguard the Auditor's objectivity and independence, any significant non-audit services are carried out through a partner other than the audit engagement partner. Representatives of the Company's Auditor attend the Committee meeting at which the draft annual report and accounts are considered. The Directors' statement on the Company's system of risk management and internal control is set out on pages 19 and 20.

The Committee fulfils the role of a Nomination Committee in ensuring that the Board has an appropriate balance of skills to carry out its fiduciary duties and to select and propose suitable candidates when necessary for appointment. A variety of sources, including external search consultants, may be used to ensure that a wide range of candidates is considered.

The Committee undertakes an annual performance evaluation to ensure that all its members have devoted sufficient time and contributed adequately to the work of the Board. In the light of these evaluations, the Committee makes recommendations to the Board concerning the reappointment by shareholders of any Director under the 'retirement by rotation' provisions in the Company's Articles of Association. The Committee also reviews Directors' fees and makes recommendations to the Board as and when required.

On an annual basis each Director submits a list of potential conflicts of interest for approval. These are considered carefully, taking into account the circumstances surrounding them and, if considered appropriate, are approved for a period of one year. During the period the potential conflicts of interest were received and considered by the Committee and a recommendation was made to the Board. The Board authorised the potential conflicts of each Director. The only potential conflicts notified were other directorships.

Terms of Reference

The Audit Committee has written terms of reference which define clearly its responsibilities. Copies are available for inspection on request at the Company's registered office and at the Annual General Meeting.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders twice a year by way of the Annual Report and Accounts and the Half Year Report. This is supplemented by daily publication, through the London Stock Exchange, of the net asset value of the Company's shares. Shareholders may also visit the Company's website at www.jpmbrazil.co.uk, where the share price is updated every 15 minutes during trading hours.

All shareholders have the opportunity, and are encouraged, to attend the Company's Annual General Meeting, at which the Directors and representatives of the Manager are available in person to meet shareholders and answer their questions, and a presentation is given by the investment managers, who review the Company's performance. During the year the Company's brokers, the investment managers, and JPMAM hold regular discussions with larger shareholders and make the Board fully aware of their views. The Chairman and Directors make themselves available as and when required to support these meetings and to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 53.

The Company's Annual Report and Accounts is published in time to give shareholders at least 21 days' notice of the Annual General Meeting. Shareholders who cannot attend the meeting but wish to raise questions in advance of the meeting are encouraged to write to the Company Secretary at the address shown on page 53.

Details of the proxy voting position on each resolution will be published on the Company's website shortly after the Annual General Meeting.

Risk Management and Internal Control

The UK Corporate Governance Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management controls.

The Directors are responsible for the Company's system of risk management and internal control, which is designed to

safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material mis-statement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMAM and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by JPMAM and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives. The Company does not have an internal audit function of its own, but relies on the internal audit department of JPMAM, and the Board keeps this arrangement under review. The key elements designed to provide effective risk management and internal control are as follows:

Financial Reporting - Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

Management Agreement - Appointment of a manager and custodian regulated by the Financial Services Authority (FSA), whose responsibilities are clearly defined in a written agreement.

Management Systems - The Manager's system of risk management and internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by JPMAM's Compliance Department which regularly monitors compliance with FSA rules.

Investment Strategy - Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- the Board, through the Audit Committee, reviews the terms of the management agreement and regular reports from JPMAM's Compliance department;

Directors' Report continued

- the Board reviews the report on the risk management and internal controls and operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed; and
- the Directors review every six months an independent report on the risk management and internal controls and the operations of JPMAM.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 30th April 2012, and to the date of approval of this Annual Report and Accounts.

During the course of its review of the system of risk management and internal control, the Board had not identified nor been advised of any failings or weaknesses which it has determined to be significant in the context of the Company's affairs.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM. The following is a summary of JPMAM's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board.

Corporate Governance

JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.

Proxy Voting

JPMAM manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, we will vote at all of the meetings called by companies in which we are invested.

Stewardship/Engagement

JPMAM recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the introduction of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:

- *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*
- *disclose their policy on managing conflicts of interest;*
- *monitor their investee companies;*
- *establish clear guidelines on how they escalate engagement;*
- *be willing to act collectively with other investors where appropriate;*
- *have a clear policy on proxy voting and disclose their voting record; and*
- *report to clients.*

JPMAM endorses the Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

Social & Environmental

JPMAM believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our detailed approach to how we implement the principles is available on request. JPMAM is also a signatory to Carbon Disclosure Project. JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: <http://www.jpmorganinvestmenttrusts.co.uk/governance>, which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

By order of the Board
Divya Amin, for and on behalf of
J.P. Morgan Asset Management (UK) Limited,
Secretary
26th July 2012

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution to approve this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited they are indicated as such. The auditors' opinion is included in their report on page 23.

Directors' Remuneration¹

| Director's Name | 2012 £ | 2011 ² £ |
|----------------------|---------------|------------------------|
| Howard Myles | 25,000 | 29,455 |
| Mark Bridgeman | 23,000 | 27,099 |
| Victor Bulmer-Thomas | 20,000 | 23,564 |
| Total | 68,000 | 80,118 |

¹Audited information.

²For the period from appointment on 24th February 2010 to 30th April 2011.

Directors' fees were paid at a fixed rate of £25,000 per annum for the Chairman, £23,000 per annum for the Chairman of the Audit Committee and £20,000 per annum for the other Director.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than the other Director, reflecting the greater time commitment involved in fulfilling these roles.

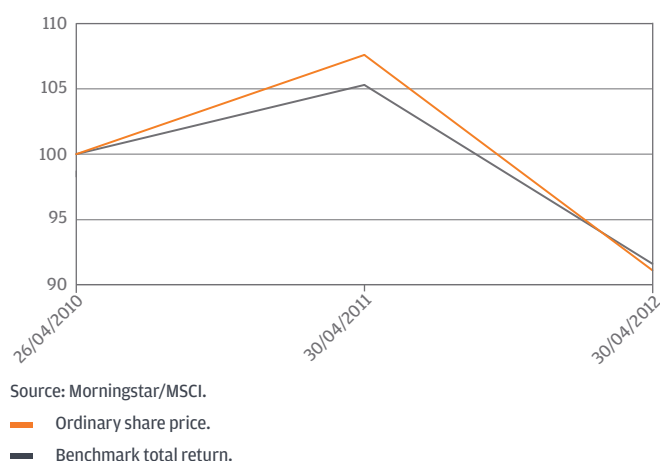
As all of the Directors are non-executive, the Board has not established a Remuneration Committee or a Nomination Committee. Instead, the Audit Committee reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager, JPMAM, and relevant third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The Directors' fees are not performance-related. Any increase in the present permitted aggregate fee level of £175,000 per annum requires both Board and shareholder approval.

The Directors do not have service contracts with the Company. Details of the Board's policy on tenure is set out on page 17.

The Company does not operate any type of incentive or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not paid compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in attending to the Company's business.

A graph showing the Company's Ordinary share price return compared with its benchmark index since the date the Company began investing is shown below.

Ordinary share price and benchmark performance for the year ended 30th April 2012



By order of the Board
 Divya Amin, for and on behalf of
 JPMorgan Asset Management (UK) Limited,
 Secretary
 26th July 2012

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the www.jpmbrazil.co.uk website, which is maintained by the Company's Manager, JPMorgan Asset Management (UK) Limited ('JPMAM'). The maintenance and integrity of the website maintained by JPMAM is, so far as it relates to the Company, the responsibility of JPMAM. The work carried out by the auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Statement under the Disclosure & Transparency Rules 4.1.12

The Directors each confirm to the best of their knowledge that:

- (a) the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- (b) this Annual Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board
Victor Bulmer-Thomas
Director
26th July 2012

Independent Auditor's Report

Independent Auditor's Report to the members of JPMorgan Brazil Investment Trust plc

We have audited the financial statements of JPMorgan Brazil Investment Trust plc (the 'Company') for the year ended 30th April 2012 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 23, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th April 2012 and of its loss for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 14, in relation to going concern;
- the part of the Corporate Governance Statement on pages 16 to 20 relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Caroline Gulliver (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP, Statutory Auditor
London
26th July 2012

Income Statement

for the year ended 30th April 2012

| | Notes | Revenue £'000 | 2012 Capital £'000 | Total £'000 | Revenue £'000 | 2011 ¹ Capital £'000 | Total £'000 |
|--|-------|------------------|--------------------------|----------------|------------------|---------------------------------------|----------------|
| (Losses)/gains on investments held at fair value through profit or loss | | | | | | | |
| | 2 | – | (9,060) | (9,060) | – | 6,565 | 6,565 |
| Net foreign currency losses | | – | (95) | (95) | – | (1,047) | (1,047) |
| Income from investments | 3 | 2,155 | – | 2,155 | 1,328 | – | 1,328 |
| Other interest receivable and similar income | 3 | 1 | – | 1 | 8 | – | 8 |
| Gross return/(loss) | | | | | | | |
| | | 2,156 | (9,155) | (6,999) | 1,336 | 5,518 | 6,854 |
| Management fee | 4 | (616) | – | (616) | (581) | – | (581) |
| Performance fee | 4 | – | (70) | (70) | – | (403) | (403) |
| Other administrative expenses | 5 | (342) | – | (342) | (271) | – | (271) |
| Net return/(loss) on ordinary activities before taxation | | | | | | | |
| | | 1,198 | (9,225) | (8,027) | 484 | 5,115 | 5,599 |
| Taxation | 6 | (118) | – | (118) | (40) | – | (40) |
| Net return/(loss) on ordinary activities after taxation | | | | | | | |
| | | 1,080 | (9,225) | (8,145) | 444 | 5,115 | 5,559 |
| Return/(loss) per Ordinary share | | | | | | | |
| - undiluted | 8 | 1.76p | (15.05)p | (13.29)p | 0.80p | 9.25p | 10.05p |
| - diluted | 8 | 1.78p | (15.18)p | (13.40)p | 0.79p | 9.15p | 9.94p |

¹For the period from incorporation on 1st February 2010 to 30th April 2011.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. The Total column represents all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ('STRGL'). For this reason a STRGL has not been presented.

The notes on pages 28 to 45 form an integral part of these accounts.

Reconciliation of Movements in Shareholders' Funds

for the year ended 30th April 2012

| | Called up share capital £'000 | Capital redemption reserve £'000 | Share premium £'000 | Other reserve £'000 | Capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
|--|--|---|---------------------------|---------------------------|------------------------------|-----------------------------|----------------|
| At 1st February 2010 | – | – | – | – | – | – | – |
| Issue of Management shares | 13 | – | – | – | – | – | 13 |
| Repurchase and cancellation of Management shares | (13) | 13 | – | – | (13) | – | (13) |
| Issue of Ordinary shares | 606 | – | 61,390 | – | – | – | 61,996 |
| Issue of Subscription shares | 93 | – | (93) | – | – | – | – |
| Share issue expenses | – | – | (1,121) | – | – | – | (1,121) |
| Conversion of Subscription shares into Ordinary shares | (11) | – | 11 | – | – | – | – |
| Issue of Ordinary shares on exercise of Subscription shares | 11 | – | 1,098 | – | – | – | 1,109 |
| Redesignation of share premium account | – | – | (45,246) | 45,246 | – | – | – |
| Total return from ordinary activities | – | – | – | – | 5,115 | 444 | 5,559 |
| At 30th April 2011 | 699 | 13 | 16,039 | 45,246 | 5,102 | 444 | 67,543 |
| Repurchase of shares into Treasury | – | – | – | (1,147) | – | – | (1,147) |
| Conversion of Subscription shares into Ordinary shares | – | – | – | – | – | – | – |
| Issue of Ordinary shares on exercise of Subscription shares | – | – | 25 | – | – | – | 25 |
| Share issue expenses | – | – | (1) | – | – | – | (1) |
| Total (loss)/return from ordinary activities | – | – | – | – | (9,225) | 1,080 | (8,145) |
| Dividends appropriated in the year | – | – | – | – | – | (309) | (309) |
| At 30th April 2012 | 699 | 13 | 16,063 | 44,099 | (4,123) | 1,215 | 57,966 |

The notes on pages 28 to 45 form an integral part of these accounts.

Balance Sheet

at 30th April 2012

| | Notes | 2012 £'000 | 2011 £'000 |
|---|-------|---------------|---------------|
| Fixed assets | | | |
| Investments held at fair value through profit or loss | 9 | 54,416 | 63,649 |
| Current assets | | | |
| Debtors | 10 | 381 | 271 |
| Cash and short term deposits | | 3,328 | 4,877 |
| | | 3,709 | 5,148 |
| Creditors: amounts falling due within one year | 11 | (89) | (1,253) |
| Financial liabilities: derivative financial instruments | 12 | – | (1) |
| Net current assets | | 3,620 | 3,894 |
| Total assets less current liabilities | | 58,036 | 67,543 |
| Provisions for liabilities and charges | | | |
| Performance fees | 13 | (70) | – |
| Net assets | | 57,966 | 67,543 |
| Capital and reserves | | | |
| Called up share capital | 14 | 699 | 699 |
| Capital redemption reserve | 15 | 13 | 13 |
| Share premium | 15 | 16,063 | 16,039 |
| Other reserve | 15 | 44,099 | 45,246 |
| Capital reserves | 15 | (4,123) | 5,102 |
| Revenue reserve | 15 | 1,215 | 444 |
| Shareholders' funds | | 57,966 | 67,543 |
| Net asset value per Ordinary share | | | |
| - undiluted | 16 | 95.9p | 109.5p |
| - diluted | 16 | 95.9p | 108.4p |

The accounts on pages 24 to 45 were approved by the Directors and authorised for issue on 26th July 2012 and are signed on their behalf by:

Victor Bulmer-Thomas

Director

The notes on pages 28 to 45 form an integral part of these accounts.

Company registration number: 7141630

Cash Flow Statement

for the year ended 30th April 2012

| | Notes | 2012 £'000 | 2011 ¹ £'000 |
|---|-------|----------------|----------------------------|
| Net cash inflow from operating activities | 17 | 543 | 284 |
| Capital expenditure and financial investment | | | |
| Purchases of investments | | (29,952) | (79,013) |
| Sales of investments | | 29,442 | 23,631 |
| Other capital charges ² | | (55) | (963) |
| Net cash outflow from capital expenditure and financial investment | | (565) | (56,345) |
| Dividend paid | | (309) | – |
| Net cash outflow before financing | | (331) | (56,061) |
| Financing | | | |
| Share issue expenses | | (1) | (1,121) |
| Shares issued | | 25 | 63,105 |
| Repurchase of shares into Treasury | | (1,147) | – |
| Net cash (outflow)/inflow from financing | | (1,123) | 61,984 |
| (Decrease)/increase in cash for the year | 18 | (1,454) | 5,923 |

¹For the period from incorporation on 1st February 2010 to 30th April 2011.

²Comprises taxation charged on the conversion of foreign currency into Brazilian Reais and handling fees (2011: same).

The notes on pages 28 to 45 form an integral part of these accounts.

Notes to the Accounts

for the year ended 30th April 2012

1. Accounting policies

(a) Basis of accounting

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the AIC in January 2009.

All of the Company's operations are of a continuing nature.

The accounts have been prepared on a going concern basis.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are designated by the Company as 'held at fair value through profit or loss'. They are included initially at fair value which is taken to be their cost, after deducting expenses incidental to purchase which are written off to capital in the income statement at the time of acquisition. Subsequently the investments are valued at fair value which are quoted bid market prices for investments traded in active markets.

All purchases and sales are accounted for on a trade date basis.

(c) Accounting for reserves

Gains and losses on sales of investments and realised gains or losses on derivatives, including any related foreign exchange gains and losses, realised gains and losses on foreign currency, performance fee realised, management fee and finance costs and any other capital charges, are included in the Income Statement and dealt with in capital reserves within 'Gains and losses on sales of investments'. Increases and decreases in the valuation of investments, options and other derivatives held at the year end, including the related foreign exchange gains and losses, are included in the Income Statement and dealt with in capital reserves within 'Investment: holding gains'.

(d) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

Overseas dividends are included gross of any withholding tax.

Interest receivable on deposits and debt instruments is taken to revenue on an accruals basis using the effective interest rate method.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to revenue with the following exceptions:

- Performance fees are allocated 100% to capital. In a year, when the Company produces a negative net asset value total return per share, this amount will be accrued but not paid. Any amount earned in excess of this cap will be carried forward and will be offset against any underperformance in future years.
- Expenses incidental to the purchase of an investment are written off to capital at the time of acquisition and those incidental to the sale are deducted from the sales proceeds. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commissions. Details of transaction costs are given in note 9 on page 34.

(f) Other financial instruments

Cash and short term deposits may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Other debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying value of all debtors and creditors approximates to their fair value.

Derivative financial instruments, including short term forward currency contracts, are classified held at fair value through profit or loss, which is the net unrealised gain or loss and are included in current assets or current liabilities in the Balance Sheet in accordance with FRS 26 'Financial instruments: measurement'.

(g) Foreign currency

In accordance with FRS 23: 'The effects of changes in Foreign Exchange Rates', the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined the functional currency to be sterling. Sterling is also the currency in which the accounts are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates at the date of the transaction. Monetary assets, liabilities and equity investments held at fair value, denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising on monetary assets from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature. Gains and losses on investments arising from a change in exchange rates are included in the Income Statement within 'Gains or losses on investments held at fair value through profit or loss' and charged or credited to capital reserves.

(h) Taxation

Current tax is provided at the amounts expected to be paid or received.

Deferred taxation is accounted for in accordance with FRS 19: 'Deferred Tax'.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred taxation liabilities are recognised for all taxable timing differences but deferred taxation assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which those timing differences can be utilised.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates which have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

(i) Dividends payable

In accordance with FRS 21: 'Events after the Balance Sheet Date', final dividends are included in the accounts in the year in which they are approved by shareholders.

(j) Value Added Tax ('VAT')

Irrecoverable VAT is included in the expense on which it has been suffered. VAT recoverable is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(k) Share issue costs

The costs of issuing shares are charged against any premium received on those shares. If no premium is receivable, the costs are included in the Income Statement and charged to capital reserves.

(l) Conversion of Subscription shares

When the holders of Subscription shares exercise their right to convert their shares into Ordinary shares, the nominal value of those Subscription shares is transferred to the credit of share premium. The nominal value of the Ordinary shares into which the Subscription shares convert is credited to called up share capital and the balance of the consideration received is credited to share premium.

(m) Repurchase of shares to hold in Treasury

The cost of repurchasing shares into Treasury, including the related stamp duty and transaction costs is charged to capital reserves and dealt with in The Reconciliation of Movements in Shareholders' Funds. Share repurchase transactions are accounted for on a trade date basis. Where shares held in Treasury are subsequently cancelled, the nominal value of those shares is transferred out of called up share capital and into the capital redemption reserve.

Should shares held in Treasury be reissued, the sales proceeds will be treated as a realised profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to share premium.

Notes to the Accounts continued

| | 2012 £'000 | 2011 £'000 |
|---|----------------|---------------|
| 2. (Losses)/gains on investments held at fair value through profit or loss | | |
| (Losses)/gains on sales of investments held at fair value through profit or loss based on historical cost | (2,601) | 26 |
| Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold during the year | (9,827) | – |
| Realised (losses)/gains on sales of investment based on carrying value at the previous balance sheet date | (12,428) | 26 |
| Net movement in investment holding gains | 3,416 | 7,510 |
| Taxation on foreign exchange ¹ | (38) | (942) |
| Handling fees | (10) | (29) |
| Total (losses)/gains on investments held at fair value through profit or loss | (9,060) | 6,565 |

¹This is taxation charged on the conversion of foreign currency into Brazilian Reais.

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| 3. Income | | |
| Income from investments | | |
| Overseas dividends | 2,153 | 1,290 |
| UK dividends | – | 33 |
| Dividends from liquidity fund | 2 | – |
| UK bond interest | – | 5 |
| | 2,155 | 1,328 |
| Other interest receivable and similar income | | |
| Deposit interest | 1 | 8 |
| Total income | 2,156 | 1,336 |

| | Revenue £'000 | 2012 Capital £'000 | Total £'000 | Revenue £'000 | 2011 Capital £'000 | Total £'000 |
|---|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| 4. Management and performance fees | | | | | | |
| Management fee | 616 | – | 616 | 581 | – | 581 |
| Performance fee | – | 70 | 70 | – | 403 | 403 |
| | 616 | 70 | 686 | 581 | 403 | 984 |

Details of the management fee and performance fee are given in the Directors' Report on page 14.

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| 5. Other administrative expenses | | |
| Administration expenses | 213 | 150 |
| Directors' fees ¹ | 68 | 80 |
| Savings scheme costs ² | 39 | 19 |
| Auditors' remuneration for audit services ³ | 22 | 22 |
| | 342 | 271 |

¹Full disclosure is given in the Directors' Remuneration Report on page 21.

²These amounts were payable to the Manager for the marketing of savings scheme products.

³Includes £4,400 irrecoverable VAT. (2011: In addition to the above, fees amounting to £37,000 including VAT were payable to the auditor for services in connection with the initial public offering and subsequent share issues. This amount is included in share issue expenses and charged to share premium).

6. Taxation

(a) Analysis of tax charge in the year (2011: same)

| | Revenue £'000 | 2012 Capital £'000 | Total £'000 | Revenue £'000 | 2011 Capital £'000 | Total £'000 |
|---|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| UK corporation tax at 25.84% (2011: 27.83%) | – | – | – | – | – | – |
| Overseas withholding tax | 118 | – | 118 | 40 | – | 40 |
| Current tax charge for the year | 118 | – | 118 | 40 | – | 40 |

Certain components of dividend distributions paid by Brazilian companies are subject to withholding tax.

(b) Factors affecting current tax charge for the year

The tax charge for the year is lower (2011: lower) than the Company's applicable rate of corporation tax of 25.84% (2011: 27.83%). The difference is explained below:

| | Revenue £'000 | 2012 Capital £'000 | Total £'000 | Revenue £'000 | 2011 Capital £'000 | Total £'000 |
|--|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| Net return/(loss) on ordinary activities before taxation | 1,198 | (9,225) | (8,027) | 484 | 5,115 | 5,599 |
| Net return/(loss) on ordinary activities before taxation multiplied by the applicable rate of corporation tax of 25.84% (2011: 27.83%) | 309 | (2,384) | (2,075) | 135 | 1,423 | 1,558 |
| Effects of: | | | | | | |
| Non taxable overseas dividends | (354) | – | (354) | (285) | – | (285) |
| Non taxable UK dividends | (1) | – | (1) | (9) | – | (9) |
| Non taxable capital losses/(gains) | – | 2,366 | 2,366 | – | (1,535) | (1,535) |
| Unutilised capital expenses | – | 18 | 18 | – | 112 | 112 |
| Overseas withholding tax | 118 | – | 118 | 40 | – | 40 |
| Unutilised expenses carried forward to future periods | 46 | – | 46 | 159 | – | 159 |
| Current tax charge for the year | 118 | – | 118 | 40 | – | 40 |

Notes to the Accounts continued

6. Taxation continued

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £292,000 which comprises unutilised expenses of £1,216,000 (2011: £253,000, unutilised expenses £973,000) based on a prospective corporation tax rate of 24% (2011: 26%). The reduction in the standard rate of corporation tax was substantively enacted on 5th July 2011 and is effective from 1st April 2012. The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that the Company will be able to utilise this asset in the foreseeable future and therefore no asset has been recognised in the accounts.

Given the Company's intention to meet the conditions required to obtain approval as an investment trust company, no provision has been made for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

7. Dividends

(a) Dividends paid and proposed

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| 2011 Final dividend of 0.50p | 309 | – |
| Total dividends paid in the year | 309 | – |
| Final dividend proposed of 1.35p (2011: 0.50p) | 816 | 309 |

The final dividend proposed in respect of the year ended 30th April 2012 is subject to shareholder approval at the forthcoming Annual General Meeting. In accordance with the accounting policy of the Company, this dividend will be reflected in the accounts for the year ending 30th April 2013.

(b) Dividend for the purposes of Section 1158 of the Income and Corporation Tax Act 2010 ('Section 1158')

The requirement of Section 1158 of the Income and Corporation Tax Act 2010 are considered on the basis of dividends proposed in respect of the financial year, as follows:

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Final dividend proposed of 1.35p (2011: 0.50p) | 816 | 309 |
| Total dividends for s1158 purposes | 816 | 309 |

The revenue available for distribution by way of dividend for the year is £1,080,000 (2011: £444,000).

8. Return/(loss) per Ordinary share

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Return/(loss) per Ordinary share | | |
| Revenue return | 1,080 | 444 |
| Capital (loss)/return | (9,225) | 5,115 |
| Total (loss)/return | (8,145) | 5,559 |
| Weighted average number of Ordinary shares in issue during the period used for the purpose of the undiluted calculation | 61,304,757 | 55,283,397 |
| Weighted average number of Ordinary shares in issue during the period used for the purpose of the diluted calculation | 60,775,626 | 55,924,504 |
| Undiluted | | |
| Revenue return per share | 1.76p | 0.80p |
| Capital (loss)/return per share | (15.05)p | 9.25p |
| Total (loss)/return per share | (13.29)p | 10.05p |
| Diluted | | |
| Revenue return per share | 1.78p | 0.79p |
| Capital (loss)/return per share | (15.18)p | 9.15p |
| Total (loss)/return per share | (13.40)p | 9.94p |

The diluted return/(loss) per Ordinary share represents the return on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the period as adjusted in accordance with the requirements of Financial Reporting Standard 22 'Earnings per share'.

Notes to the Accounts continued

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| 9. Investments held at fair value through profit or loss | | |
| Investments listed on a recognised stock exchange | 54,416 | 63,649 |
| Opening book cost | 56,139 | – |
| Opening investment holding gains | 7,510 | – |
| Opening valuation | 63,649 | – |
| Movements in the period: | | |
| Purchases at cost | 29,221 | 79,744 |
| Sales - proceeds | (29,442) | (23,631) |
| Realised (losses)/gains on sales of investment based on the carrying value at the previous balance sheet date | (12,428) | 26 |
| Net movement in investment holding gains and losses | 3,416 | 7,510 |
| | 54,416 | 63,649 |
| Closing book cost | 53,317 | 56,139 |
| Closing investment holding gains | 1,099 | 7,510 |
| Total investments held at fair value | 54,416 | 63,649 |

During the year, prior year investment holding gains amounting to £9,827,000 were transferred to gains on sales of investments as disclosed in notes 2 and 15.

Transaction costs on purchases during the year amounted to £58,000 (2011: £214,000) and on sales during the year amounted to £55,000 (2011: £52,000). These costs comprise mainly brokerage commission.

| | 2012 £'000 | 2011 £'000 |
|-----------------------------------|---------------|---------------|
| 10. Debtors | | |
| Dividends and interest receivable | 338 | 220 |
| Other debtors | 43 | 51 |
| | 381 | 271 |

The Directors consider that the carrying amount of debtors approximates to their fair value.

Cash and short term deposits

Cash and short term deposits comprises bank balances and cash held by the Company, including short-term bank deposits. The carrying amount of these approximates to their fair value. Cash balances in excess of a predetermined amount are placed on short term deposit at market rates of interest.

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| 11. Creditors: amounts falling due within one year | | |
| Securities purchased awaiting settlement | – | 731 |
| Performance fee | – | 403 |
| Accrued foreign exchange tax | – | 8 |
| Other creditors and accruals | 89 | 111 |
| | 89 | 1,253 |

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| 12. Financial liabilities: derivative financial instruments | | |
| Forward foreign currency contracts | – | 1 |

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| 13. Provisions for liabilities and charges | | |
| Performance fee | | |
| Provision brought forward at the beginning of the year | – | – |
| Performance fee provision for the year ¹ | 70 | – |
| Provision carried forward at the end of the year | 70 | – |

¹At 30th April 2012, the Company produced a negative net asset value total return per share, but outperformed its benchmark index. According to the Management Fee agreement, a performance fee will be carried forward and offset against any underperformance.

Details of the performance fee are given in the Directors' Report on page 14.

Notes to the Accounts continued

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| 14. Called up share capital | | |
| Management shares | | |
| 2011: Allotment of 50,000 Management shares of £1 each to the Manager (one quarter paid) | – | 13 |
| 2011: Repurchased and cancellation of 50,000 Management shares | – | (13) |
| | – | – |
| Ordinary shares – allotted and fully paid | | |
| Opening balance of 61,700,214 shares excluding shares held in Treasury | 617 | – |
| 2011: Issue of 46,741,352 Ordinary shares of 1p each following the Placing and Offer for Subscription | – | 467 |
| 2011: Issue of 13,850,000 Ordinary shares of 1p each | – | 139 |
| Issue of 24,984 (2011: 1,108,862) Ordinary shares of 1p each on conversion of Subscription shares | – | 11 |
| Repurchase of 1,273,482 (2011: nil) shares in Treasury | (13) | – |
| Subtotal | 604 | 617 |
| 1,273,482 (2011: nil) shares held in Treasury | 13 | – |
| Closing balance ¹ | 617 | 617 |
| Subscription shares – allotted and fully paid | | |
| Opening balance 8,239,408 Subscription shares | 82 | – |
| 2011: Issue of 9,348,270 Subscription shares following the Placing and Offer for Subscription | – | 93 |
| Conversion of 24,984 (2011: 1,108,862) Subscription shares into Ordinary shares | – | (11) |
| Closing balance 8,214,424 (2011: 8,239,408) Subscription shares of 1p each | 82 | 82 |

¹Represents 61,725,198 (2011: 61,700,214) Ordinary shares of 1p each, including 1,273,482 (2011: nil) shares held in Treasury.

Share capital transactions

During the year, the Company repurchased 1,273,482 shares into Treasury for a total consideration of £1,147,000. The reason for the purchases was to seek to manage the volatility and absolute level of the share price discount to net asset value per share.

During the year, the holders of 24,984 Subscription shares exercised their right to convert those shares into Ordinary shares for a total consideration of £24,984 gross of issue cost of £1,000.

| | Called up share capital £'000 | Capital redemption reserve £'000 | Share premium £'000 | Capital reserves | | | Revenue reserve £'000 |
|---|--|---|---------------------------|--|----------------------------------|---------------------------|-----------------------------|
| | | | | Other reserve ¹ £'000 | Gains on | Investment | |
| | | | | | sales of investments £'000 | holding gains £'000 | |
| 15. Reserves | | | | | | | |
| Opening balance | 699 | 13 | 16,039 | 45,246 | (2,407) | 7,509 | 444 |
| Issue of Ordinary shares on exercise of Subscription shares | – | – | 25 | – | – | – | – |
| Share issue expenses | – | – | (1) | – | – | – | – |
| Net foreign currency losses on cash and short term deposits | – | – | – | – | (95) | – | – |
| Transfer of previous recognised losses on disposal of forward foreign currency contracts | – | – | – | – | (1) | 1 | – |
| Losses on sales of investments based on the carrying value at the previous balance sheet date | – | – | – | – | (12,428) | – | – |
| Net movement in investment holding gains and losses | – | – | – | – | – | 3,416 | – |
| Transfer on disposal of investments | – | – | – | – | 9,827 | (9,827) | – |
| Repurchase of shares into Treasury | – | – | – | (1,147) | – | – | – |
| Performance fee | – | – | – | – | – | (70) | – |
| Taxation on foreign exchange ¹ | – | – | – | – | (38) | – | – |
| Handling charges | – | – | – | – | (10) | – | – |
| Dividend appropriated in the year | – | – | – | – | – | – | (309) |
| Retained revenue for the year | – | – | – | – | – | – | 1,080 |
| Closing balance | 699 | 13 | 16,063 | 44,099 | (5,152) | 1,029 | 1,215 |

¹This is taxation charged on the conversion of foreign currency into Brazilian Reals.

| | 2012 | 2011 |
|--|-------------------|------------|
| 16. Net asset value per Ordinary share | | |
| Undiluted | | |
| Ordinary shareholders' funds (£'000) | 57,966 | 67,543 |
| Number of Ordinary shares in issue | 60,451,716 | 61,700,214 |
| Net asset value per Ordinary share (pence) | 95.9 | 109.5 |
| Diluted | | |
| Ordinary shareholders' funds assuming exercise of Subscription shares (£'000) ¹ | 57,966 | 75,783 |
| Number of potential Ordinary shares in issue | 60,451,716 | 69,939,622 |
| Net asset value per Ordinary share (pence) | 95.9 | 108.4 |

¹At 30th April 2012 there are no dilutive Subscription shares in issue, as the Ordinary share price was below the Subscription share conversion price at that date. (2011: The diluted net asset value per Ordinary share assumes that all outstanding Subscription shares were converted into Ordinary shares at the subscription price of 100p per share at the period end.)

Notes to the Accounts continued

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| 17. Reconciliation of total (loss)/return on ordinary activities before taxation to net cash inflow from operating activities | | |
| Total (loss)/return on ordinary activities before taxation | (8,027) | 5,599 |
| Less: capital loss/(return) on ordinary activities before taxation | 9,225 | (5,115) |
| Increase in accrued income | (118) | (220) |
| Decrease/(increase) in other debtors | 8 | (51) |
| (Decrease)/increase in accrued expenses | (24) | 111 |
| Overseas withholding tax | (118) | (40) |
| Performance fee paid | (403) | – |
| Net cash inflow from operating activities | 543 | 284 |

| | At 30th April 2011 £'000 | Cash flow £'000 | Exchange movement £'000 | At 30th April 2012 £'000 |
|---|-----------------------------------|--------------------|-------------------------------|-----------------------------------|
| 18. Analysis of changes in net funds | | | | |
| Cash and short term deposits | 4,877 | (1,454) | (95) | 3,328 |
| Net funds | 4,877 | (1,454) | (95) | 3,328 |

19. Capital commitments and contingent liabilities

At the balance sheet date there were no capital commitments or contingent liabilities.

20. Transactions with the Manager and affiliates of the Manager

The management fee payable to JPMorgan Asset Management (UK) Limited ('JPMAM') for the period was £616,000 (2011: £581,000) of which £nil (2011: £nil) was outstanding at the year end.

Based on the performance of the Company over the year, a performance fee of £70,000 (2011: £403,000) has been earned under the terms of the Management Agreement. The whole of this amount will be carried forward and offset against any underperformance in future periods.

Expenses amounting to £39,000 (2011: £19,000) were payable to JPMAM for the marketing of savings scheme products during the year, of which £nil (2011: £nil) was outstanding at the year end.

Included in administration expenses in note 5 are safe custody fees amounting to £55,000 (2011: £37,000) payable to JPMorgan Investor Services Limited of which £14,000 (2011: £12,000) was outstanding at the year end.

JPMAM may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities Limited for the year was £nil (2011: £28,000) of which £nil (2011: £nil) was outstanding at the year end.

At the year end, a bank balance of £3,328,000 (2011: £4,877,000) was held with JPMorgan Chase. A net amount of interest of £1,000 (2011: £8,000) was receivable by the Company during the year from JPMorgan Chase, of which £nil (2011: £nil) was outstanding at the year end.

21. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments that are held at fair value comprise its investment portfolio and derivative financial instruments comprising forward foreign currency contracts.

The investments are categorised into a hierarchy consisting of the following three levels.

Level 1 - valued using quoted prices in active markets;

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(b) on page 28.

The following table sets out the fair value measurements using the FRS 29 hierarchy at 30th April:

| | 2012 | | | Total £'000 |
|--|------------------|------------------|------------------|----------------|
| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | |
| Financial instruments held at fair value through profit or loss | | | | |
| Equity investments | 54,416 | – | – | 54,416 |
| | | | | |
| | 2011 | | | Total £'000 |
| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | |
| Financial instruments held at fair value through profit or loss | | | | |
| Equity investments | 63,649 | – | – | 63,649 |
| Derivative financial instruments | (1) | – | – | (1) |
| Total | 63,648 | – | – | 63,648 |

There have been no transfers between levels 1, 2 or 3 during the year.

Notes to the Accounts continued

22. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities and other securities for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends. These risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Company Secretary, in close co-operation with the Board and the Manager, co-ordinates the Company's risk management strategy.

The objectives, policies and processes for managing these risks and the methods used to measure these risks are set out below.

The Company's financial instruments may comprise the following:

- investments in equity shares of overseas companies which are held in accordance with the Company's investment objective;
- short term debtors, creditors and cash arising directly from its operations; and
- short term forward currency contracts for the purpose of settling short term liabilities.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market price risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

Certain of the Company's assets, liabilities and accrued income entitlement are denominated in currencies other than sterling (the Company's functional currency and the currency in which it reports). As a result, movements in exchange rates may affect the sterling value of those items.

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Foreign currency borrowing may be used to limit the Company's exposure to anticipated changes in exchange rates which might otherwise adversely affect the sterling value of the portfolio of investments. This borrowing would be limited to currencies and amounts commensurate with the asset exposure to those currencies. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements. It is currently not the Company's policy to hedge against foreign currency risk.

Foreign currency exposure

The fair values of the Company's monetary items that have foreign currency exposure at 30th April 2012 are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

| | US Dollar £'000 | 2012 Brazilian Real £'000 | Total £'000 | US Dollar £'000 | 2011 Brazilian Real £'000 | Total £'000 |
|--|-----------------------|------------------------------------|----------------|-----------------------|------------------------------------|----------------|
| Current assets | 233 | 3,461 | 3,694 | 4,708 | 893 | 5,601 |
| Creditors | – | – | – | (626) | (610) | (1,236) |
| Foreign currency exposure on net monetary items | 233 | 3,461 | 3,694 | 4,082 | 283 | 4,365 |
| Investments held at fair value through profit or loss that are equities | 11,265 | 42,707 | 53,972 | 9,940 | 53,709 | 63,649 |
| Total net foreign currency exposure | 11,498 | 46,168 | 57,666 | 14,022 | 53,992 | 68,014 |

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk during the year.

Foreign currency sensitivity

The following tables illustrate the sensitivity of the return after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at the balance sheet date and assumes a 10% (2011: 10%) appreciation or depreciation in sterling against the US dollar and the Brazilian Real, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

If sterling had weakened by 10% this would have had the following effect:

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Income statement return after taxation | | |
| Revenue return | 216 | 129 |
| Capital return | 369 | 437 |
| Total return after taxation for the year | 585 | 566 |
| Net assets | 585 | 566 |

Conversely, if sterling had strengthened by 10% this would have had the following effect:

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Income statement return after taxation | | |
| Revenue return | (216) | (129) |
| Capital return | (369) | (437) |
| Total return after taxation for the year | (585) | (566) |
| Net assets | (585) | (566) |

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the whole year.

Notes to the Accounts continued

22. Financial instruments' exposure to risk and risk management policies continued

(a) Market risk continued

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits, the interest payable on variable rate cash borrowings and the fair value of fixed interest rate financial instruments.

Management of interest rate risk

The Company aims to be fully invested in normal market conditions, so exposure to interest rate risk will be limited. Short term borrowings may be used if required.

Interest rate exposure

The Company had no exposure to fixed interest rate financial instruments at the year end.

The exposure of financial assets and liabilities to floating interest rates using the year end figures, giving cash flow interest rate risk when rates are re-set, is shown below.

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Amounts exposed to floating interest rates: | | |
| Cash and short term deposits | 3,328 | 4,877 |
| Total exposure | 3,328 | 4,877 |

Interest receivable on cash balances is at a margin below LIBOR.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2011: 1%) increase or decrease in interest rates with regard to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date, with all other variables held constant.

| | 2012 | | 2011 | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 1% Increase in rate £'000 | 1% Decrease in rate £'000 | 1% Increase in rate £'000 | 1% Decrease in rate £'000 |
| Income statement - return after taxation | | | | |
| Revenue return | 33 | (33) | 49 | (49) |
| Capital return | - | - | - | - |
| Total return after taxation for the year | 33 | (33) | 49 | (49) |
| Net assets | 33 | (33) | 49 | (49) |

In the opinion of the Directors, the above sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances. The maximum and minimum balance of cash and short term deposits held during the year amounted to £5,898,000 and £1,955,000 respectively.

(iii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk or currency risk, which may affect the value of equity investments.

Management of other price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objectives and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Other price risk exposure

The Company's total exposure to changes in market prices at 30th April 2012 comprises its holdings in equity investments as follows:

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Equity investments held at fair value through profit or loss | 54,416 | 63,649 |

In the opinion of the Directors, the above year end amounts are broadly representative of the expected exposure to other price risk during the year.

Concentration of exposure to other price risk

The Company's investments are listed on page 9. This shows that substantially all of the investments' value is in Brazil. Accordingly there is a concentration of exposure to that country. However, it should be noted that an investment may not be wholly exposed to the economic conditions in its country of domicile or of listing.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 10% (2011: 10%) in the fair value of the Company's equities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities and adjusting for change in the management fee, but with all other variables held constant.

| | 2012 | | 2011 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 10% Increase £'000 | 10% Decrease £'000 | 10% Increase £'000 | 10% Decrease £'000 |
| Income statement - return after taxation | | | | |
| Revenue return | (55) | 55 | (64) | 64 |
| Capital return | 5,442 | (5,442) | 6,365 | (6,365) |
| Total return after taxation for the year and net assets | 5,387 | (5,387) | 6,301 | (6,301) |

Notes to the Accounts continued

22. Financial instruments' exposure to risk and risk management policies continued

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, the liquidity of which in normal markets is frequently tested by the investment managers and which can be sold to meet funding requirements if necessary.

Short term flexibility is achieved through the use of overdraft facilities.

Liquidity risk exposure

Contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required are as follows:

| | 2012 | | 2011 | |
|--|-------------------------------|----------------|-------------------------------|----------------|
| | Three months or less £'000 | Total £'000 | Three months or less £'000 | Total £'000 |
| Creditors: amounts falling due within one year | | | | |
| Securities purchased awaiting settlement | — | — | 731 | 731 |
| Performance fee | — | — | 403 | 403 |
| Accrued foreign exchange tax | — | — | 8 | 8 |
| Other creditors and accruals | 89 | 89 | 111 | 111 |
| Derivative financial instruments | — | — | 1 | 1 |
| | 89 | 89 | 1,254 | 1,254 |

(c) Credit risk

Credit risk is the risk that the counterparty to a transaction fails to discharge its obligations under that transaction which could result in loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate Delivery Versus Payment ('DVP') settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash

Counterparties are subject to daily credit analysis by the Manager and trades can only be placed with counterparties that have a minimum rating of A1/P1 (2011: A1/P1) from Standard & Poor's and Moody's respectively.

Exposure to JPMorgan Chase

The Company's assets are ring-fenced in client designated accounts. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading. However, no absolute guarantee can be given to investors on the protection of all of the assets of the Company.

Credit risk exposure

The amounts shown in the balance sheet under debtors and cash and short term deposits represent the maximum exposure to credit risk at the year end (2011: same).

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the balance sheet at fair value or the carrying amount in the balance sheet is a reasonable approximation of fair value.

23. Capital management policies and procedures

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise capital return to shareholders.

The Company's capital comprises the following:

| | 2012 £'000 | 2011 £'000 |
|----------------------|---------------|---------------|
| Equity | | |
| Equity share capital | 699 | 699 |
| Reserves | 57,267 | 66,844 |
| Total capital | 57,966 | 67,543 |

The Board's policy is to utilise gearing when the Manager believes it appropriate to do so, up to a maximum of 120% at the time of drawdown. Gearing for this purpose is defined as investments expressed as a percentage of net assets.

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium; and
- the need for issues of new shares, including issues from Treasury.

Notice of Annual General Meeting

Notice is hereby given that the second Annual General Meeting of JPMorgan Brazil Investment Trust plc will be held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ on 11th September 2012 at 2.30 p.m. for the following purposes:

1. To receive the Directors' Report & Accounts and the Auditors' Report for the year ended 30th April 2012.
2. To approve the Directors' Remuneration Report for the year ended 30th April 2012.
3. To approve a final dividend of 1.35p per Ordinary share.
4. To reappoint Howard Myles as a Director of the Company.
5. To reappoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to allot new ordinary shares – Ordinary Resolution

6. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers for the Company to allot relevant securities (in the Company and to grant rights to subscribe for, or to convert any security into shares in the Company ('Rights')) up to an aggregate nominal amount of £177,158, representing approximately 30% of the Company's issued Ordinary share capital (excluding treasury shares) at the date of the passing of this resolution provided that this authority shall expire at the Company's Annual General Meeting in 2013, save that the Company may before such expiry make offers, agreements or arrangements which would or might require relevant securities to be allotted after such expiry and so that the Directors of the Company may allot relevant securities in pursuance of such offers, agreements or arrangements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of shares – Special Resolution

7. THAT subject to the passing of Resolution 6 set out above, the Directors of the Company be and they are hereby empowered pursuant to Section 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 6 or by way of sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £177,158, representing approximately 30% of the Ordinary issued share capital (excluding treasury shares) as at the date of the passing of this resolution at a price of not less than the Net Asset Value per share and shall expire at the Company's Annual General Meeting in 2013, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities in pursuance of such offers, agreements or arrangements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares – Special Resolution

8. THAT the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary shares, Subscription shares and Units on such terms and in such manner as the Directors may from time to time determine.

PROVIDED ALWAYS THAT

- (i) the maximum number of Ordinary shares and Subscription shares hereby authorised to be purchased shall be 8,852,002 and 1,231,342 respectively, or if less, that number of Ordinary shares or Subscription shares which is equal to 14.99% of the issued share capital of the relevant share class as at the date of the passing of this Resolution or such number as is equal to 14.99% of the issued Ordinary shares (including in the form of Units) as at the date of the passing of its Resolution;
- (ii) the minimum price which may be paid for any Ordinary share or Subscription share shall be 1p;

- (iii) the maximum price which may be paid for a share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for a an Ordinary share, a Subscription share or a Unit, taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;
- (iv) any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors);
- (v) the authority hereby conferred shall expire on 1st February 2014 unless the authority is renewed at any other general meeting prior to such time; and
- (vi) the Company may make a contract to purchase Ordinary shares under the authority and may make a purchase of ordinary shares pursuant to any such contract notwithstanding such expiry.

By order of the Board
 Divya Amin, for and on behalf of
 JPMorgan Asset Management (UK) Limited,
 Secretary
 30th July 2012

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person. If you attend the Meeting in person, your proxy appointment will automatically be terminated.
3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.
4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.00 p.m. two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.00 p.m. two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.

Notice of Annual General Meeting continued

6. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.
7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.
8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with Auditors of the Company ceasing to hold office since the previous AGM, which the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.
9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.
10. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
11. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmbrazil.co.uk.
13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.
14. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.
15. As an alternative to completing a hard copy Form of Proxy/Voting Instruction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Instruction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.
16. As at 25th July 2012 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 59,052,716 Ordinary shares (excluding treasury shares) carrying one vote each and 8,214,424 Subscription shares, which do not have voting rights. Therefore the total voting rights in the Company are 59,052,716.

Electronic appointment CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

Details of Subscription shares

On 30th April 2010, 9,348,270 Subscription shares were issued pursuant to a placing and offer for subscription, on the basis of one Subscription share for every five Ordinary shares subscribed for under the issue. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share at a price of 100p per share at any time until 30th June 2013 when the rights under the Subscription shares will lapse.

For the purposes of UK capital gains tax, shareholders' base costs of their shares will be apportioned between their Ordinary shares and Subscription shares by reference to the respective market values of Ordinary shares and Subscription shares on 26th April 2010, the day on which the shares were admitted to trading on the London Stock Exchange.

For further details on how to exercise the Subscription share rights, please refer to the Company's website at www.jpmbrazil.co.uk or contact the Secretary on 020 7742 4000.

At the close of business on 26th April 2010 the middle market prices of the Company's Ordinary shares and Subscription shares were as follows:

| | |
|---------------------|---------|
| Ordinary shares | 106.75p |
| Subscription shares | 32p |

Accordingly an individual investor who on 26th April 2010 held five Ordinary shares (or a multiple thereof) would have received one Subscription share (or the relevant multiple thereof) and would apportion the base cost of such holding 94.34% to the five Ordinary shares and 5.66% to the Subscription shares.

Glossary of Terms and Definitions

Unit return to shareholders

Return to the 'Unit' holder on a mid-market price to mid-market price basis. A Unit comprises 5 Ordinary shares and 1 Subscription share.

Return to Ordinary shareholders

Return to the investor based on the change in the mid-market share price during the year.

Undiluted return on net assets

Return to the investor based on the change in the diluted net asset value per Ordinary share during the year.

Diluted net asset value ('NAV') per Ordinary share

The diluted NAV per Ordinary share assuming that all outstanding Subscription shares were converted into Ordinary shares at the year end.

Diluted return on net assets

Return to the investor based on the change in the diluted net asset value per Ordinary share during the year.

Benchmark total return

Total return on the benchmark, on a mid market value to mid-market value basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the underlying companies at the time the share were quoted ex-dividend.

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Ordinary share price discount/premium to net asset value ('NAV') per Ordinary share

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at premium.

Actual gearing factor

Investments excluding holdings in liquidity funds, expressed as a percentage of shareholders' funds. This shows the effect of gearing on the net asset value if the market value of the portfolio were to increase by 100%.

Ongoing Charges

Management fees and all other operating expenses excluding performance fee, expressed as a percentage of the average of the daily net assets during the year.

(Prior year: Total expense ratio: Management fees and all other operating expenses excluding performance fee, expressed as a percentage of the average of the month end net asset during the period).

Performance Attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark.

Performance Attribution Definitions:

Asset Allocation

Measures the impact of allocating assets differently from those in the benchmark, via the portfolio's weighting in different countries, sectors or asset types.

Stock Selection

Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities which are not included in the benchmark.

Gearing/Cash

Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Management Fees/Other Expenses

The payment of fees and expenses reduces the level of total assets, and therefore has a negative effect on relative performance.

Exercise of Subscription shares

Measures the negative impact on the net asset value (NAV) per share arising from the exercise of Subscription shares into Ordinary shares at a price less than the NAV per share.

Subscription share dilution

Measures the dilutive impact on the net asset value (NAV) per share arising from the potential exercise of all the outstanding Subscription shares into Ordinary shares at a price less than the NAV per share.

Information about the Company

Financial Calendar

| | |
|---|---------------------|
| Financial year end | 30th April |
| Final results announced | July |
| Half year end | 31st October |
| Half year results announced | December |
| Interim Management Statements announced | March and September |
| Annual General Meeting | September |

History

JPMorgan Brazil Investment Trust plc is an investment trust which was launched in April 2010 to provide investors with exposure to Brazilian invested equities through a closed-ended structure. The assets of the Company are managed by JPMorgan Asset Management (UK) Limited.

Company Numbers

Company registration number: 7141630

Ordinary Shares

London Stock Exchange ISIN code: GB00B602HS43
Bloomberg code: JPB
SEDOL B602HS4

Subscription Shares

London Stock Exchange ISIN code: GB00B3NYCF82
Bloomberg code: JPBS
SEDOL B3NYCF8

Market Information

The Company's unaudited net asset value ('NAV') is published daily, via the London Stock Exchange.

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman, The Independent and on the JPMorgan website at www.jpmbrazil.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmbrazil.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at www.jpmorganwealthmanagerplus.co.uk

Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone number: 020 7742 4000

For company secretarial and administrative matters please contact Divya Amin at the above address.

Custodian

JPMorgan Chase Bank, N.A.
125 London Wall
London EC2Y 5AJ

Registrars

Equiniti Limited
Reference 3533
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2814

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 3533. Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

Independent Auditor

Ernst & Young LLP
Statutory Auditor
1 More London Place
London SE1 2AF

Brokers

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Savings Product Administrators

For queries on the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP, call the JPMorgan Helpline on Freephone 0800 20 40 20 or +44 (0)20 7742 9995.

aic

The Association of
Investment Companies

A member of the AIC

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Your telephone call may be recorded for your security

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