



Half Year Report **2014/15**

JPMorgan Brazil
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st October 2014

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 is 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 31st October 2014, the Company's share capital comprised 61,728,898 Ordinary shares of 1p each including 11,189,536 shares held in Treasury.

Management Company and Company Secretary

Prior to 1st July 2014, the Company employed JPMorgan Asset Management (UK) Limited ('JPMAM') to manage its assets. With effect from 1st July 2014, JPMorgan Funds Limited ('JPMF' or the 'Manager'), an affiliate of JPMAM was appointed as the Company's Alternative Investment Fund Manager ('AIFM') and the Company Secretary.

FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by JPMorgan Brazil Investment Trust plc can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

AIC

The Company is a member of the Association of Investment Companies.

Website

The Company's website, which can be found at www.jpmbrazil.co.uk, includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

Half Year Performance

Total returns (includes dividends reinvested)

-2.6%

Return to Ordinary
shareholders¹

-1.7%

Return on net assets²

+1.4%

Benchmark³

The above returns have been calculated on the assumption that any dividends received during the period have been immediately reinvested. Further details on these calculations are given in the Glossary of Terms and Definitions on page 15.

Long Term Performance for period ended 31st October 2014

	Return to Ordinary shareholders ¹	Return on net assets ²	Benchmark ³
1 Year	-15.2%	-10.9%	-7.4%
3 Year	-24.9%	-22.7%	-16.9%
Since inception	-33.8%	-24.7%	-22.9%

¹Morningstar. Share price return.

²Source: J.P. Morgan.

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

Financial Data

	31st October 2014	30th April 2014	% change
Net assets (£'000)	35,592	38,478	-7.5
Number of Ordinary shares in issue ¹	50,539,362	53,121,319	-4.9
Net asset value per Ordinary share	70.4p	72.4p	-2.8
Ordinary share price	63.3p	65.8p	-3.8
Ordinary share price discount to net asset value per Ordinary share	10.1%	9.1%	
Gearing/(net cash) ^{2,3}	0.2%	(0.5)%	
Ongoing charges ³	1.7%	1.9%	

¹Excluding 11,189,536 (30th April 2014: 8,607,579) shares held in Treasury.

²The Company does not have a loan facility in place, the gearing at the period end is represented by a bank overdraft incurred in the course of executing investment transactions.

³Please refer to definition in the glossary of terms on page 15.

Chairman's Statement



Introduction and Performance

During the first six months of the Company's financial year to 31st October 2014, the Brazil market was highly volatile. Led by speculation over the outcome of presidential election in October 2014, investor sentiment was driven by the prevailing political uncertainties rather than the underlying performance and fundamentals of Brazilian companies. The Company recorded a total return on net assets for the reporting period of minus 1.7%, underperforming the benchmark, the MSCI 10/40 Index which returned plus 1.4% for the same period. The share price return to Ordinary shareholders was minus 2.6%.

The Investment Mangers' Report gives a more detailed commentary about the markets and conditions experienced during this period and the outlook for the remainder of the financial year.

Share repurchases

In the six months to 31st October 2014, the Company continued to use the authority given by shareholders to repurchase for holding in Treasury a total of 2,581,957 ordinary shares at a discount, for a total consideration of £1,850,000, representing 4.9% of the issued share capital at the beginning of the financial year. Since the period end, no further shares have been repurchased.

The Board will continue to monitor the volatility and the absolute level of discount at which the share price trades relative to NAV, and may make further repurchases of the Company's shares in the market. Since 1st May 2014, the share price discount to NAV has ranged between 1.4% and 12.8% and stands at 8.1% at the time of writing this report, on 16th December 2014.

Outlook

Following the close election outcome, there will be pressure on the re-elected president to balance the interests and expectations of a divided electorate and to change her economic policies in the absence of external growth drivers. Early indications, particularly the appointment of Joaquim Levy as finance minister, have raised hopes of more market-friendly policies from the new administration. The Investment Managers remain positive and ready to take advantage of investment opportunities thrown up by the implementation of new policies. The Board remains supportive of the Investment Managers' positive views on the long-term potential of Brazil and of their high conviction approach of selecting stocks for their fundamentals and growth prospects.

Howard Myles
Chairman

18th December 2014

Investment Managers' Report



Sophie Bosch De Hood



Luis Carrillo

Review

In the six months to 31st October 2014, investor sentiment towards Brazil was shaped by expectations that the October presidential election would bring with it a change in government and a more business-friendly policy agenda. In the event, while the outcome of the election was close, it was announced on 26th October 2014 that the incumbent, Dilma Rousseff of the Workers' Party (PT), would be returning to power for a further four years. Rousseff garnered more votes in the run-off second round than Aécio Neves of the Brazilian Social Democratic Party (PSDB), despite a late surge in support for the opposition candidate.

The impact on the Brazilian equity market of the uncertainty in the lead up to the election was, in the case of many stocks, a decoupling of share price performance from corporate fundamentals with prices instead driven by political concerns. This was especially the case for the politically charged stocks, particularly state-owned companies, which were highly sensitive to shifts in investor sentiment, given the concerns over government interference if Rousseff were re-elected.

On the monetary policy front, the central bank of Brazil kept its target interest rate (known as the Selic rate) on hold for most of the review period, but raised the rate by 25 basis points to 11.25% on 29th October. Inflation continued to hover near the upper limit of the central bank's target, but showed limited signs of trending further upwards. On the economic front, much of the data was disappointing over the six months, increasing the disillusionment of investors with the government's lack of economic reform. GDP growth was negative for the first two quarters of the year, while industrial production slowed significantly. Unemployment remained low, however, to Rousseff's benefit.

Portfolio

Over a six-month period in which markets were driven more by political developments and shifts in sentiment than by underlying company fundamentals, the Company's net asset value and share price underperformed the benchmark. Leading up to Brazil's presidential election, and in an environment of significant currency market volatility, the MSCI Brazil 10/40 Net Return Index delivered a modest positive return.

The Company had an overweight allocation in industrials in anticipation of companies in the sector benefiting from a weaker Brazilian Real. However, stock selection in this sector held back relative performance over the six months. The Brazilian Real appreciated and Brazilian industrial production growth stagnated amid broader economic weakness. A position in Mills Estruturas e Servicos de Engenharia, a rental services provider to the oil, shipbuilding and construction industries, detracted from relative returns. The holding in vehicle parts manufacturer Iochpe-Maxion also detracted from performance.

Stock selection in the consumer discretionary sector also contributed negatively, with holdings such as Alpargatas, a footwear producer, detracting from relative returns. Asset allocation in the sector contributed positively, however, particularly the Company's exposure to education-related stocks. Brazilian politicians have been focused on education, and regardless of the outcome of the presidential election, the government's commitment to the sector was expected to continue. Companies active in the sector have delivered good earnings growth, and the Company's relative returns were boosted by its holding in for-profit education institution Anhanguera Educacional Participacoes.

Investment Managers' Report continued

Performance attribution for the six months ended 31st October 2014

	%	%
Contributions to total returns		
Benchmark		1.4
Asset allocation	1.3	
Stock selection	-3.7	
Gearing/cash	-0.2	
Investment Manager contribution		-2.6
Portfolio return		-1.2
Management fee/ other expenses	-0.8	
Share repurchase	0.3	
Return on net assets		-1.7
Impact of change in discount		-0.9
Return to Ordinary shareholders		-2.6

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 15.

Over the six months, the Company's largest overweight position was in the financials sector. Exposure to Banco Bradesco and Itau Unibanco contributed positively in absolute terms, with both banks delivering improved quality in their loan portfolios and benefiting from the trend towards higher interest rates. Elsewhere in the sector, a position in Lopes detracted, as the real estate broker underperformed due in part to low transaction volumes.

Performance benefited from the positive returns generated by some of its holdings outside of Brazil. These included petrochemicals producer Mexichem, Peruvian financial services provider Credicorp, and Copa, an operator of airlines and airports. The Company added Copa towards the end of the period after its share price had suffered a sharp correction. Copa has had significant operations in Venezuela, where it has accumulated a meaningful cash holding. Currency controls in Venezuela make it difficult to repatriate local earnings, leading Copa to halve its Venezuelan capacity, which has weighed on its profits and share price. In other trading activity, the Company reduced its exposure to Vale. Being underweight the iron ore producer has contributed positively to relative returns, as continued commodity price weakness has weighed on the stock.

Outlook

Fiscal adjustment will be high on the political agenda as we move into 2015, particularly with Rousseff returning for a second term. Although this is likely to lead to increased volatility, it will also provide attractive investment opportunities.

The immediate challenge for the new Rousseff administration is to defend Brazil's investment grade credit rating, which the country is at risk of losing if major fiscal adjustments are not forthcoming. After a recent visit to Brazil, it is our understanding that the government is aware of the risks associated with losing investment grade status and it is very keen to maintain foreign direct investment flows.

To defend Brazil's investment grade rating, we believe the government will need to show a commitment to more orthodox economic policies. The early signs are positive. For example, the new finance minister, Joaquin Levy, is not only market friendly but he has already taken some very sensible actions, such as increasing interest rates to show the government's commitment to tackle inflation, and releasing guidelines for the 2015 budget that include a reduction in government spending, a cut in subsidies and an increase in taxes. These are all measures that are needed to bring the country's economy back into order.

On the currency front, the real has continued to depreciate this year, and we are now more comfortable with an exchange rate of 2.60 to the US dollar. Any further depreciation will likely be because of the higher inflation level in Brazil compared to the US. Meanwhile, the weaker currency should boost the competitiveness of Brazilian manufacturers and exporters.

Despite the positive signs from the new government and the boost provided by a weaker currency, we still believe that the economy will only grow very slowly in 2015. However, it is very important to remember that in the short term there is very little correlation between GDP growth and market return. We also believe that the companies we own are attractively valued and can continue to grow their earnings despite the challenging economic environment.

Sophie Bosch De Hood

Luis Carrillo

Investment Managers

18th December 2014

List of Investments

at 31st October 2014

Company	Sector	Valuation £'000	% ¹
Itaú Unibanco ADR	Financials	2,820	7.9
Banco Bradesco ADR	Financials	2,127	6.0
Cielo	Information Technology	1,816	5.1
Brasil Insurance Participações	Financials	1,593	4.5
Valid Soluções e Serviços de Segurança em Meios de Pagamento e Identificação	Industrials	1,426	4.0
Ambev ADR	Consumer Staples	1,259	3.5
Embraer ADR	Industrials	1,216	3.4
Kroton Educacional	Consumer Discretionary	1,054	3.0
Itaúsa Investimentos Itaú	Financials	991	2.8
BM&F Bovespa Sa Bolsa de Valores	Financials	984	2.8
CCR	Industrials	939	2.6
Localiza Rent a Car	Industrials	917	2.6
Companhia Brasileira de Distribuição	Consumer Staples	913	2.6
Ultrapar Participações	Energy	904	2.5
Lojas Renner	Consumer Discretionary	898	2.5
Banco do Brasil	Financials	880	2.5
Marcopolo	Industrials	842	2.4
Credicorp ² (Peru)	Financials	825	2.3
Suzano Papel e Celulose	Materials	777	2.2
Eternit	Materials	699	2.0
Drogasil	Consumer Staples	696	1.9
Estacio Participações	Consumer Discretionary	693	1.9
Iguatemi Empresa de Shopping Centers	Financials	600	1.7
Linx	Information Technology	598	1.7
lochpe-Maxion	Industrials	587	1.6
Alpargatas Preference	Consumer Discretionary	583	1.6
Ambev	Consumer Staples	560	1.6
Odontoprev	Health Care	546	1.5
Banco do Estado do Rio Grande do Sul	Financials	500	1.4
M Dias Branco	Consumer Staples	491	1.4
Mills Estruturas e Serviços	Industrials	463	1.3
Totvs	Information Technology	434	1.2
Mexichem ² (Mexico)	Materials	416	1.2
Souza Cruz	Consumer Staples	392	1.1
Arezzo Indústria E Comércio	Consumer Discretionary	386	1.1
LPS Brasil - Consultoria De Movei	Financials	385	1.1
Wilson Sons	Industrials	383	1.1
Randon Implementos e Participações	Industrials	346	1.0
S.A.C.I. Falabella ² (Chile)	Consumer Discretionary	335	0.9
Tractebel Energia	Utilities	334	0.9
Fras-Le	Consumer Discretionary	321	0.9

List of Investments continued

at 31st October 2014

Company	Sector	Valuation £'000	% ¹
Copa Holdings ² (Panama)	Industrials	312	0.9
Guararapes Confecções	Consumer Discretionary	253	0.7
Qualitas Controladora Sab De CV	Financials	201	0.6
CPFL Energia	Utilities	192	0.5
EZ Tec Empreendimentos	Consumer Discretionary	140	0.4
Gerdau	Materials	99	0.3
Net current assets		466	1.3
Total		35,592	100.0

¹Based on total assets less current liabilities of £35.6m (30th April 2014: £38.5m).

²Non-Brazilian holdings.

Sector Analysis

at 31st October 2014

	31st October 2014		30th April 2014	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Financials	33.6	30.7	30.7	32.2
Industrials	20.9	6.6	19.7	6.1
Consumer Discretionary	13.0	7.9	8.0	6.2
Consumer Staples	12.1	16.1	10.4	14.6
Information Technology	8.0	4.3	6.0	4.2
Materials	5.7	13.7	13.6	13.5
Energy	2.5	10.0	9.3	12.4
Health Care	1.5	0.8	1.5	0.8
Utilities	1.4	6.0	–	6.6
Telecommunication Services	–	3.9	–	3.4
Net current assets	1.3	–	0.8	–
Total	100.0	100.0	100.0	100.0

¹Based on total assets less current liabilities of £35.6m (30th April 2014: £38.5m).

Income Statement

for the six months ended 31st October 2014

	(Unaudited) Six months ended 31st October 2014			(Unaudited) Six months ended 31st October 2013			(Audited) Year ended 30th April 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments held at fair value through profit or loss	–	(648)	(648)	–	(9,399)	(9,399)	–	(14,224)	(14,224)
Net foreign currency (losses)/gains	–	(45)	(45)	–	–	–	–	18	18
Income from investments	463	–	463	621	–	621	1,412	–	1,412
Gross return/(loss)	463	(693)	(230)	621	(9,399)	(8,778)	1,412	(14,206)	(12,794)
Management fee	(192)	–	(192)	(241)	–	(241)	(433)	–	(433)
Other administrative expenses	(133)	–	(133)	(274)	–	(274)	(373)	–	(373)
Net return/(loss) on ordinary activities before taxation	138	(693)	(555)	106	(9,399)	(9,293)	606	(14,206)	(13,600)
Taxation	(51)	–	(51)	(49)	–	(49)	(119)	–	(119)
Net return/(loss) on ordinary activities after taxation	87	(693)	(606)	57	(9,399)	(9,342)	487	(14,206)	(13,719)
Return/(loss) per Ordinary share (note 4)	0.17p	(1.34)p	(1.17)p	0.10p	(16.60)p	(16.50)p	0.88p	(25.67)p	(24.79)p

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

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.

Reconciliation of Movements in Shareholders' Funds

Six months ended 31st October 2014 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve ¹ £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th April 2014	617	13	16,149	38,491	(17,740)	948	38,478
Repurchase of shares into Treasury	–	–	–	(1,850)	–	–	(1,850)
Net (loss)/return from ordinary activities	–	–	–	–	(693)	87	(606)
Dividend appropriated in the period	–	–	–	–	–	(430)	(430)
At 31st October 2014	617	13	16,149	36,641	(18,433)	605	35,592

Six months ended 31st October 2013 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve ¹ £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th April 2013	699	13	16,064	42,243	(3,534)	1,021	56,506
Repurchase of shares into Treasury	–	–	–	(1,978)	–	–	(1,978)
Issue of Ordinary shares on exercise of Subscription shares	–	–	3	–	–	–	3
Cancellation of Subscription shares	(82)	–	82	–	–	–	–
Net (loss)/return from ordinary activities	–	–	–	–	(9,399)	57	(9,342)
Dividend appropriated in the period	–	–	–	–	–	(560)	(560)
At 31st October 2013	617	13	16,149	40,265	(12,933)	518	44,629

Year ended 30th April 2014 (Audited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve ¹ £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th April 2013	699	13	16,064	42,243	(3,534)	1,021	56,506
Repurchase of shares into Treasury	–	–	–	(3,752)	–	–	(3,752)
Issue of Ordinary shares on exercise of Subscription shares	–	–	3	–	–	–	3
Cancellation of Subscription shares	(82)	–	82	–	–	–	–
Net (loss)/return from ordinary activities	–	–	–	–	(14,206)	487	(13,719)
Dividend appropriated in the year	–	–	–	–	–	(560)	(560)
At 30th April 2014	617	13	16,149	38,491	(17,740)	948	38,478

¹The 'Other reserve' was formerly share premium which was cancelled for the purpose of financing share buybacks.

Balance Sheet

at 31st October 2014

	(Unaudited) 31st October 2014 £'000	(Unaudited) 31st October 2013 £'000	(Audited) 30th April 2014 £'000
Fixed assets			
Investments held at fair value through profit or loss	35,126	42,869	38,151
Investment in liquidity fund held at fair value through profit or loss	–	1,712	–
Total investments	35,126	44,581	38,151
Current assets			
Financial assets: Derivative financial instruments	15	–	–
Debtors	1,464	194	212
Cash and short term deposits	–	151	194
	1,479	345	406
Creditors: amounts falling due within one year	(949)	(296)	(79)
Bank overdraft	(55)	–	–
Financial liability: Derivative financial instruments	(9)	(1)	–
Net current assets	466	48	327
Total assets less current liabilities	35,592	44,629	38,478
Net assets	35,592	44,629	38,478
Capital and reserves			
Called up share capital	617	617	617
Capital redemption reserve	13	13	13
Share premium	16,149	16,149	16,149
Other reserve	36,641	40,265	38,491
Capital reserves	(18,433)	(12,933)	(17,740)
Revenue reserve	605	518	948
Total equity shareholders' funds	35,592	44,629	38,478
Net asset value per Ordinary share (note 5)	70.4p	79.9p	72.4p

Company registration number: 7141630

Cash Flow Statement

for the six months ended 31st October 2014

	(Unaudited) Six months ended 31st October 2014 £'000	(Unaudited) Six months ended 31st October 2013 £'000	(Audited) Year ended 30th April 2014 £'000
Net cash inflow/(outflow) from operating activities	132	(37)	398
Net cash inflow from capital expenditure and financial investment	1,949	1,322	2,678
Dividend paid	(430)	(560)	(560)
Net cash outflow from financing	(1,850)	(1,984)	(3,749)
Net decrease in cash in the period	(199)	(1,259)	(1,233)
Reconciliation of net cash flow to movement in net debt			
Net cash movement	(199)	(1,259)	(1,233)
Exchange movements	(50)	1	18
Movement in net debt in the period	(249)	(1,258)	(1,215)
Net funds at the beginning of the period	194	1,409	1,409
Net (debt)/funds at the end of the period	(55)	151	194
Represented by:			
(Bank overdraft)/cash and short term deposits	(55)	151	194

Notes to the Accounts

for the six months ended 31st October 2014

1. Financial statements

The information contained within the Financial Statements in this Half Year Report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 30th April 2014 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. These accounts have been delivered to the Registrar of Companies and included the report of the auditors which are unqualified and did not contain a statement under either Section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The accounts have been prepared in accordance with 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' issued by the AIC in January 2009.

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

The accounting policies applied to these half year accounts are consistent with those applied on the accounts for the year ended 30th April 2014.

3. Dividend paid

	(Unaudited) Six months ended 31st October 2014 £'000	(Unaudited) Six months ended 31st October 2013 £'000	(Audited) Year ended 30th April 2014 £'000
Final dividend in respect of the year ended 30th April 2014 of 0.85p (2013: 1.00p)	430	560	560

4. Return/(loss) per Ordinary share

	(Unaudited) Six months ended 31st October 2014 £'000	(Unaudited) Six months ended 31st October 2013 £'000	(Audited) Year ended 30th April 2014 £'000
Return/(loss) per share is based on the following:			
Revenue return	87	57	487
Capital loss	(693)	(9,399)	(14,206)
Total loss	(606)	(9,342)	(13,719)
Weighted average number of Ordinary shares in issue during the period	51,598,974	56,631,491	55,333,798
Revenue return per share	0.17p	0.10p	0.88p
Capital loss per share	(1.34)p	(16.60)p	(25.67)p
Total loss per share	(1.17)p	(16.50)p	(24.79)p

5. Net asset value per Ordinary share

	(Unaudited) 31st October 2014	(Unaudited) 31st October 2013	(Audited) 30th April 2014
Ordinary shareholders' funds (£'000)	35,592	44,629	38,478
Number of Ordinary shares in issue	50,539,362	55,833,926	53,121,319
Net asset value per Ordinary share (pence)	70.4	79.9	72.4

6. Reconciliation of total loss on ordinary activities before taxation to net cash inflow/(outflow) from operating activities

	(Unaudited) Six months ended 31st October 2014 £'000	(Unaudited) Six months ended 31st October 2013 £'000	(Audited) Year ended 30th April 2014 £'000
Net loss on ordinary activities before taxation	(555)	(9,293)	(13,600)
Add: capital loss on ordinary activities before taxation	693	9,399	14,206
Decrease in accrued income	68	131	136
Decrease in other debtors	13	9	7
Decrease in accrued expenses	(36)	(19)	(17)
Overseas withholding tax	(51)	(49)	(119)
Performance fee paid	–	(215)	(215)
Net cash inflow/(outflow) from operating activities	132	(37)	398

Interim Management Report

The Company is required to make the following disclosures in its half year report:

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company have not changed and fall into the following broad categories: investment and strategy; market; accounting, legal and regulatory; corporate governance and shareholder relations; operational and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th April 2014.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, 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 there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st October 2014, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

For and on behalf of the Board

Howard Myles
Chairman

18th December 2014

Glossary of Terms and Definitions

Return to Ordinary shareholders

Share price total return to the Ordinary shareholder, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, into the Ordinary shares of the Company at the time the shares were quoted ex-dividend.

Return on net assets

Return on the net asset value ('NAV') per share on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

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 in the shares of the underlying companies at the time the shares 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 'track' this index and consequently, there will be divergence between the Company's performance and that of the benchmark.

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

Gearing/net cash

Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents. If the amount calculated is negative, this is shown as a 'net cash' position.

Ongoing charges

The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs and any performance fee payable, expressed as a percentage of the average daily net assets during the period. The figure as at 31st October 2014 is an estimated annualised figure.

Performance attribution definitions:

Asset allocation

Measures the impact of allocating assets differently to 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 fee/other expenses

The payment of fees and expenses reduces the Company's net assets and therefore has a negative effect on relative performance.

Share repurchase

Measures the enhancement to net asset value per share of buying back the Company's shares for cancellation at a price which is less than the Company's net asset value per share.

Financial Conduct Authority

Beware of share fraud



In association with:
icsa.
Registrars
Group

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

How to avoid share fraud

- 1 Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- 2 Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- 3 Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA.
- 4 Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- 5 Use the firm's contact details listed on the Register if you want to call it back.
- 6 Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- 7 Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
- 8 Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- 9 Think about getting independent financial and professional advice before you hand over any money.
- 10 **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000

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
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.

Directors

Howard Myles (Chairman)
Mark Bridgeman
Victor Bulmer-Thomas

Company Numbers

Company registration number: 7141630

Ordinary Shares

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

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 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 Funds Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone number: 020 7742 4000

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

Depository

BNY Mellon Trust & Depository (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

The Depository employs JPMorgan Chase Bank, N.A. as the Company's custodian.

Registrars

Equiniti Limited
Reference 3533
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2317

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
Chartered Accountants and 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.



The Association of
Investment Companies

A member of the AIC

J.P. Morgan Helpline
Freephone 0800 20 40 20 or +44 (0)20 7742 9995

Your telephone call may be recorded for your security

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