



Half Year Report **2012/13**

JPMorgan Brazil
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st October 2012

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.
- To invest no more than 15% of gross assets in any one company or group at the time of investment.
- To invest no more than 10% of gross assets in other UK listed investment companies (including investment trusts).

Benchmark

The Company's benchmark is the MSCI Brazil 10/40 Index (in sterling terms), with net dividends reinvested. This index limits any individual stock constituent to a maximum of 10% and the weighting in any particular sector is capped at 40%.

Capital Structure

At 31st October 2012, the Company's share capital comprised 61,725,198 Ordinary shares of 1p each of which 2,947,482 were held in Treasury, and 8,214,424 Subscription shares of 1p each.

Management Company

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

Half Year Performance

Total returns (includes dividends reinvested)

-8.7%

Return to Ordinary
shareholders¹

-7.6%

Undiluted return on net assets²

-9.7%

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 16.

Long Term Performance for period ended 31st October 2012

	Return to Ordinary shareholders ¹	Undiluted return on net assets ²	Benchmark ³
1 Year	-2.2	-6.3	-10.9
2 Year	-28.0	-20.2	-22.2
Since inception	-16.8	-8.7	-17.3

¹Morningstar.

²Source: J.P. Morgan.

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

Financial Data

	31st October 2012	30th April 2012	% change
Net assets (£'000)	51,335	57,966	-11.4
Number of Ordinary shares in issue	58,777,716	60,451,716	-2.8
Number of Subscription shares in issue	8,214,424	8,214,424	0.0
Undiluted net asset value per Ordinary share	87.3p	95.9p	-9.0
Ordinary share price	84.5p	94.0p	-10.1 ⁴
Subscription share price	6.5p	22.5p	-17.1 ⁴
Ordinary share price discount to undiluted net asset value per Ordinary share	3.2%	2.0%	

⁴These are capital returns only and exclude the benefit of the dividend received in the period.

Chairman's Statement



Introduction and Performance

The six months to 31st October 2012 continued to remain challenging for the Company and for Brazil's stockmarkets generally. There was a strong downward adjustment in earnings forecasts in Brazil during the period, bringing expectations to more realistic levels. The Company recorded a total undiluted return on net assets for the reporting period of minus 7.6%, outperforming the benchmark, the MSCI 10/40 Index (in sterling terms) which returned minus 9.7% for the same period. The share price return to Ordinary shareholders was minus 8.7%. The Company's outperformance against the benchmark was due principally to sector selection.

Although the Company's performance has been negative in absolute terms, at 31st October 2012 the relative performance record since inception in April 2010 remains strong as shown below:

Total Return

Net Asset Value	-8.7%
Share Price	-16.8%
Benchmark	-17.3%

The Investment Managers provide a detailed commentary covering market developments and the Company's portfolio in their report.

Share issuance and repurchases

In the six months to 31st October 2012, no Ordinary shares were issued. The Company continued to use the authority given by shareholders to repurchase its shares in the market to help maintain an orderly market for the Company's shares, thereby reducing the volatility of the discount. The Company repurchased a total of 1,674,000 ordinary shares for holding in Treasury for a total consideration of £1,400,000 representing 2.8% of the issued share capital at the beginning of the year. The shares were repurchased at an average discount of 6.8%. Since the period end, no shares have been issued nor repurchased.

The Board will continue to manage the volatility and the absolute level of discount at which the share price trades relative to NAV if it should become necessary, by means of further repurchases of the Company's shares in the market and, should a sufficient premium arise, by issuance from Treasury. Since 1st May 2012, the share price premium/discount to NAV has ranged between a premium of 1.2% and a discount of 7.9% and stands at a discount of 5.8% at the time of writing this report, 13th December 2012.

Outlook

Despite the short term risks, Brazil's equity market has already discounted a lot of bad news. While macro drivers dominate the market making it a challenging environment for the Investment Managers' bottom-up stock selection approach, they continue to maintain their focus on finding companies that are generating strong cashflows with growth potential over the long term. The Board remains optimistic about prospects for Brazil, but it recognises that a recovery will depend to a large extent on the effectiveness of governmental efforts to stimulate growth in Brazil against a very uncertain global backdrop.

Howard Myles
Chairman

17th December 2012

Investment Managers' Report



Luis Carrillo



Sebastian Luparia

Results

Brazil has experienced a disappointing 2012, and within that, the six month period to 31st October. During the review period investors have had to face several global risks, while a series of unfortunate policies have created domestic risks and uncertainties. The weak growth outlook and ongoing government intervention meant the MSCI Brazil 10/40 Index (in sterling terms) declined 9.7%. By comparison, the net asset value per share moved down by 7.6% in this challenging environment.

Further details on performance are shown on the table on page 5, which shows that, while sector selection allocation contributed significantly to returns, there was a negative impact from stock selection. Two of the largest contributors to positive performance in the period were consumer related, Iguatemi Empresa de Shopping Centers which invests in shopping centres throughout Brazil and reported improved earnings relative to last year, and Valid Solucoes which offers commercial banking and printing services and was able to deliver growth in a difficult market environment. One of the main detractors from performance in the period was OGX. In June the price dropped significantly as investors questioned the credibility of OGX's management which had communicated poorly with the market - over-promising and under-delivering on oil production targets. This occurred at the same time as other companies in the oil sector were suffering, so investors lost patience with the issues faced by OGX. We have owned, and continue to own, OGX as an alternative to Petrobras as we are concerned by falling profitability and government interference in the latter, but over this short period this holding has detracted from returns.

Investment Activity

We continue to focus on high growth, domestically orientated businesses at the expense of large-cap global cyclicals where we see pressures on long-term profitability. We look to invest in businesses that are generating strong cash flow and that will benefit from a domestic recovery later this year and into 2013. Therefore, we prefer domestic sectors with strong cash flow generation and earnings visibility over sectors such as commodities which dominate the major Brazilian stock market indices.

One of our largest underweight sector positions is in Utilities. Utilities were significantly affected by government actions in recent months, with some companies seeing their share price fall by 30% in a month on the back of aggressive energy price cuts which aimed to reduce electricity bills for both households and industry. Our overall sectoral underweight contributed to relative returns in the period; however we were not immune to losses from this sector as we held several utility companies, with our exposure in CTEEP hurting most. During the period however we have sold out of both this name and AES Tiete, leaving us with only CEMIG in the sector. Although we have been concerned about the long-term direction of government policy in Brazil we did not expect this intervention.

Another sector of current interest is Financials. In 2012 the government put pressure on all banks to boost lending by lowering margins at a time when concerns over asset quality were rising. Although large-cap Brazilian banks are well funded by deposits and have strong capital ratios, they are still suffering from the tail-end of the last non-performing loan (NPL) cycle, which has lasted longer than expected. A recent increase in NPLs has caused concern, but this has been mostly focused on auto loans, where badly designed financial products and poor underwriting

Performance attribution for the six months ended 31st October 2012

	%	%
Contributions to total returns		
Benchmark		-9.7
Sector selection	+5.6	
Stock selection	-2.5	
Investment Manager contribution		+3.1
Portfolio return		-6.6
Management fee/ other expenses	-0.8	
Performance fee	-0.3	
Share repurchase	+0.1	
Undiluted return on net assets		-7.6
Impact of change in discount	-1.1	
Return to Ordinary shareholders		-8.7

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 16.

standards have been the cause of the problem. We therefore do not see this as the start of a new NPL cycle, but as a problem related to a particular component of banks' loan books. It should also be noted that the last NPL cycle which was also driven by poor underwriting rather than economic weakness did not do significant harm to bank profitability. Despite worries over some auto loans, broader underwriting standards have generally been tightened. There are concerns that consumers could be overburdened if the current rapid loan growth continues, but we believe that private sector banks understand the risks and are therefore not pushing growth in this area. The end of September saw a sell off in the banking sector, triggered by some banks reducing their charges on credit card products. However, we do not see this move having a significant impact on profitability. In summary, we feel more comfortable about the evolution of the credit cycle in Brazil and confident that profitability will not deteriorate further. We believe that current valuations within the Financials sector are compelling.

What's next for Brazil

Company earnings across emerging markets as a whole have disappointed over the past year, resulting in volatile stock market returns. We have also seen structural headwinds to margins in commodity sectors, as costs rise. This is an important headwind for Brazil and although it drives our long-standing underweight position in large-cap commodity stocks, its effects have influenced the Brazilian market as a whole.

We believe cyclical pressures are now diminishing broadly across emerging markets. Revenue growth is likely to improve, as local demand increases and the drag from failing global demand diminishes. At the same time, inflation has fallen, supporting margins.

Most importantly, analysts have spent much of the year cutting their earnings forecasts, so expectations are now more realistic. We have highlighted previously that valuations are attractive, but up until now a catalyst has been lacking. This is now changing, as business cycles in key markets have bottomed and recent data suggest mild recoveries are taking place, particularly in China and Brazil.

In Brazil government's efforts to stimulate growth, while cutting the high cost of doing business in the country, have had the effect of hurting investor sentiment. Most recently, the government has intervened in the telecom and utility sectors. We have been underweight these regulated sectors, but these unwelcome interventions have led to a de-rating of the market and have left Brazil as the regional underperformer. In this environment, we have focused the portfolio on companies that are generating strong cash flows and that should benefit from an eventual recovery in growth. We are also beginning to find some attractive valuations, after weak performance this year, notably in bank stocks.

Overall, our focus remains on high growth, domestically orientated businesses at the expense of large-cap global cyclical, and to identify quality companies that will continue to deliver attractive returns in the long term.

Luis Carrillo
Sebastian Luparia
Investment Managers

17th December 2012

List of Investments

at 31st October 2012

Company	Sector	Valuation £'000	% ¹
Itaú Unibanco ADR	Financials	3,293	6.4
BRF Brasil Foods ADR	Consumer Staples	2,885	5.6
Valid Soluções e Serviços de Segurança em Meios de Pagamento e Identificação	Consumer Discretionary	2,455	4.8
Companhia de Bebidas das Américas ADR	Consumer Staples	2,411	4.7
Banco Bradesco ADR	Financials	2,299	4.5
Drogasil	Consumer Staples	2,143	4.2
Gerdau	Materials	2,002	3.9
BR Malls Participações	Financials	1,873	3.6
BM&F Bovespa Sa Bolsa de Valores	Financials	1,816	3.5
EcoRodovias Infraestrutura e Logística	Industrials	1,801	3.5
Localiza Rent a Car	Industrials	1,688	3.3
Iguatemi Empresa de Shopping	Financials	1,534	3.0
Lojas Renner	Consumer Discretionary	1,499	2.9
Eternit	Materials	1,441	2.8
Odontoprev	Health Care	1,424	2.7
Banco do Estado do Rio Grande do Sul	Financials	1,293	2.5
Eucatex Industria e Comercio	Materials	1,261	2.4
Alpargatas Preference	Consumer Discretionary	1,116	2.1
Randon Implementos e Participações	Industrials	1,067	2.0
Marcopolo	Industrials	1,026	2.0
Multiplus	Industrials	966	1.9
OGX Petróleo e Gas Participações	Energy	915	1.8
Brasil Brokers Participações	Financials	830	1.6
Duratex	Materials	820	1.6
Cia.Hering	Consumer Discretionary	816	1.6
Cia.Energetica Minas Gerais	Utilities	809	1.6
Wilson Sons	Industrials	774	1.5
Fleury	Health Care	764	1.5
MRV Engenharia	Consumer Discretionary	760	1.5
Mills Estruturas e Serviços	Industrials	713	1.4
lochpe-Maxion	Industrials	666	1.3
Credicorp	Financials	658	1.3
BR Properties	Financials	647	1.2
Ultrapar Participações ADR	Energy	617	1.2
OSX Brasil	Energy	545	1.0
Souza Cruz	Consumer Staples	539	1.0
Marisa Lojas	Consumer Discretionary	469	0.9
Fras-Le	Consumer Discretionary	406	0.8
Cielo	Information Technology	282	0.6
JPM US Dollar Liquidity Fund	Liquidity Fund	503	1.0
Net current assets		1,704	3.3
Total		51,530	100.0

¹Based on total assets less current liabilities of £51.5m.

Sector Analysis

at 31st October 2012

	31st October 2012		30th April 2012	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Financials	27.6	27.4	23.9	25.0
Industrials	16.9	6.2	15.1	5.0
Consumer Staples	15.5	14.1	15.8	14.7
Consumer Discretionary	14.6	5.7	14.1	5.1
Materials	10.7	17.3	9.6	17.6
Health Care	4.2	1.4	3.4	1.1
Energy	4.0	12.1	7.0	12.7
Utilities	1.6	8.7	4.4	9.3
Information Technology	0.6	2.9	–	4.3
Telecommunication Services	–	4.2	0.5	5.2
Liquidity Fund	1.0	–	–	–
Net current assets	3.3	–	6.2	–
Total	100.0	100.0	100.0	100.0

¹Based on total assets less current liabilities of £51.5m (30th April 2012: £58.0m).

Income Statement

for the six months ended 31st October 2012

	(Unaudited) Six months ended 31st October 2012			(Unaudited) Six months ended 31st October 2011			(Audited) Year ended 30th April 2012		
	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	–	(4,219)	(4,219)	–	(9,429)	(9,429)	–	(9,060)	(9,060)
Net foreign currency (losses)/gains	–	(182)	(182)	–	120	120	–	(95)	(95)
Income from investments	544	–	544	1,074	–	1,074	2,155	–	2,155
Other interest receivable and similar income	–	–	–	2	–	2	1	–	1
Gross return/(loss)	544	(4,401)	(3,857)	1,076	(9,309)	(8,233)	2,156	(9,155)	(6,999)
Management fee	(268)	–	(268)	(317)	–	(317)	(616)	–	(616)
Performance fee	–	(125)	(125)	–	–	–	–	(70)	(70)
Other administrative expenses	(167)	–	(167)	(172)	–	(172)	(342)	–	(342)
Net return/(loss) on ordinary activities before taxation	109	(4,526)	(4,417)	587	(9,309)	(8,722)	1,198	(9,225)	(8,027)
Taxation	(21)	–	(21)	(58)	–	(58)	(118)	–	(118)
Net return/(loss) on ordinary activities after taxation	88	(4,526)	(4,438)	529	(9,309)	(8,780)	1,080	(9,225)	(8,145)
Return/(loss) per Ordinary share (note 3)	0.15p	(7.62)p	(7.47)p	0.86p	(15.08)p	(14.22)p	1.76p	(15.05)p	(13.29)p

All revenue and capital items in the above statement derive from continuing operations.

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 2012 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th April 2012	699	13	16,063	44,099	(4,123)	1,215	57,966
Repurchase of shares into Treasury	–	–	–	(1,400)	–	–	(1,400)
Net (loss)/return on ordinary activities	–	–	–	–	(4,526)	88	(4,438)
Dividend appropriated in the period	–	–	–	–	–	(793)	(793)
At 31st October 2012	699	13	16,063	42,699	(8,649)	510	51,335

Six months ended 31st October 2011 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th April 2011	699	13	16,039	45,246	5,102	444	67,543
Share issue expenses	–	–	(1)	–	–	–	(1)
Issue of Ordinary shares on exercise of Subscription shares	–	–	22	–	–	–	22
Net (loss)/return on ordinary activities	–	–	–	–	(9,309)	529	(8,780)
Dividend appropriated in the period	–	–	–	–	–	(308)	(308)
At 31st October 2011	699	13	16,060	45,246	(4,207)	665	58,476

Year ended 30th April 2012 (Audited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
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)
Net (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

Balance Sheet

at 31st October 2012

	(Unaudited) 31st October 2012 £'000	(Unaudited) 31st October 2011 £'000	(Audited) 30th April 2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	49,323	54,529	54,416
Investment in liquidity fund held at fair value through profit or loss	503	1,502	–
	49,826	56,031	54,416
Current assets			
Debtors	106	137	381
Cash and short term deposits	1,843	2,956	3,328
	1,949	3,093	3,709
Creditors: amounts falling due within one year	(245)	(648)	(89)
Net current assets	1,704	2,445	3,620
Total assets less current liabilities	51,530	58,476	58,036
Provisions for liabilities and charges			
Performance fee	(195)	–	(70)
Net assets	51,335	58,476	57,966
Capital and reserves			
Called up share capital	699	699	699
Capital redemption reserve	13	13	13
Share premium	16,063	16,060	16,063
Other reserve	42,699	45,246	44,099
Capital reserves	(8,649)	(4,207)	(4,123)
Revenue reserve	510	665	1,215
Total equity shareholders' funds	51,335	58,476	57,966
Net asset value per Ordinary share (note 4)	87.3p	94.7p	95.9p

Company registration number: 7141630

Cash Flow Statement

for the six months ended 31st October 2012

	(Unaudited) Six months ended 31st October 2012 £'000	(Unaudited) Six months ended 31st October 2011 £'000	(Audited) Year ended 30th April 2012 £'000
Net cash inflow from operating activities (note 5)	332	199	543
Net cash inflow/(outflow) from capital expenditure and financial investment	558	(1,951)	(565)
Dividend paid	(793)	(308)	(309)
Net cash (outflow)/inflow from financing	(1,400)	20	(1,123)
Decrease in cash in the period	(1,303)	(2,040)	(1,454)
Reconciliation of net cash flow to movement in net debt			
Net cash movement	(1,303)	(2,040)	(1,454)
Exchange movements	(182)	119	(95)
Movement in net debt in the period	(1,485)	(1,921)	(1,549)
Net funds at the beginning of the period	3,328	4,877	4,877
Net funds at the end of the period	1,843	2,956	3,328
Represented by:			
Cash and short term deposits	1,843	2,956	3,328

Notes to the Accounts

for the six months ended 31st October 2012

1. Financial statements

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

The figures and financial information for the year ended 30th April 2012 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 2012.

3. Return/(loss) per Ordinary share

	(Unaudited) Six months ended 31st October 2012 £'000	(Unaudited) Six months ended 31st October 2011 £'000	(Audited) Year ended 30th April 2012 £'000
Revenue return	88	529	1,080
Capital loss	(4,526)	(9,309)	(9,225)
Total loss	(4,438)	(8,780)	(8,145)
Weighted average number of Ordinary shares in issue during the period used for the purpose of the undiluted calculation	59,414,531	61,716,157	61,304,757
Revenue return per share	0.15p	0.86p	1.76p
Capital loss per share	(7.62)p	(15.08)p	(15.05)p
Total loss per share	(7.47)p	(14.22)p	(13.29)p

The Company has in issue 8,214,424 Subscription shares which are convertible in to Ordinary shares at a price of 100 pence per share at any time up to and including 30th June 2013, whereupon the rights under the Subscription shares will lapse. There was no dilution of return per Ordinary share in respect of the exercise rights attaching to the Subscription shares, as calculated in accordance with the requirements of Financial Reporting Standard 22: 'Earnings per Share' (30th October 2011 and year ended 30th April 2012: no dilution respectively).

4. Net asset value per Ordinary share

	(Unaudited) 31st October 2012	(Unaudited) 31st October 2011	(Audited) 30th April 2012
Ordinary shareholders' funds (£'000)	51,335	58,476	57,966
Number of Ordinary shares in issue	58,777,716	61,722,698	60,451,716
Net asset value per Ordinary share (pence)	87.3	94.7	95.9

There was no dilutive effect from the Subscription shares at 31st October 2012 (31st October 2011 and 30th April 2012) as the Ordinary share price was below the Subscription share conversion price at that date. There are no dilutive Subscription shares in issue at 31st October 2012, as the Ordinary share price was below the Subscription share conversion price at that date.

5. Reconciliation of total loss on ordinary activities before taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 31st October 2012 £'000	(Unaudited) Six months ended 31st October 2011 £'000	(Audited) Year ended 30th April 2012 £'000
Total loss on ordinary activities before taxation	(4,417)	(8,722)	(8,027)
Less: capital loss on ordinary activities before taxation	4,526	9,309	9,225
Decrease/(increase) in accrued income	264	121	(118)
Decrease in other debtors	11	13	8
Decrease in accrued expenses	(31)	(61)	(24)
Overseas withholding tax	(21)	(58)	118
Performance fee paid	–	(403)	(403)
Net cash inflow from operating activities	332	199	543

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 fall into the following broad categories: market; investment and strategy; 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 Company's Annual Report and Accounts for the period ended 30th April 2012.

Related Parties' 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.

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within this interim financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports'; 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.

For and on behalf of the Board

Howard Myles

Chairman

17th December 2012

Details of Subscription shares

On 26th 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 Company 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 Ordinary shares and 5.66% to the Subscription shares.

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.

Undiluted return on net assets

Return on the undiluted 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.

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.

Performance fee

The Company may be required to make provision for a performance fee payable under the terms of the performance fee agreement. This will reduce the Company's net assets and therefore have a negative effect on relative performance.

Brazilian taxes

The payment of Brazilian taxes on the purchase of Brazilian currency has a negative effect on relative performance.

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.

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

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

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Canary Wharf
London E14 5JP

Registrars

Equiniti Limited
Reference 3533
Aspect House
Spencer Road
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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.

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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