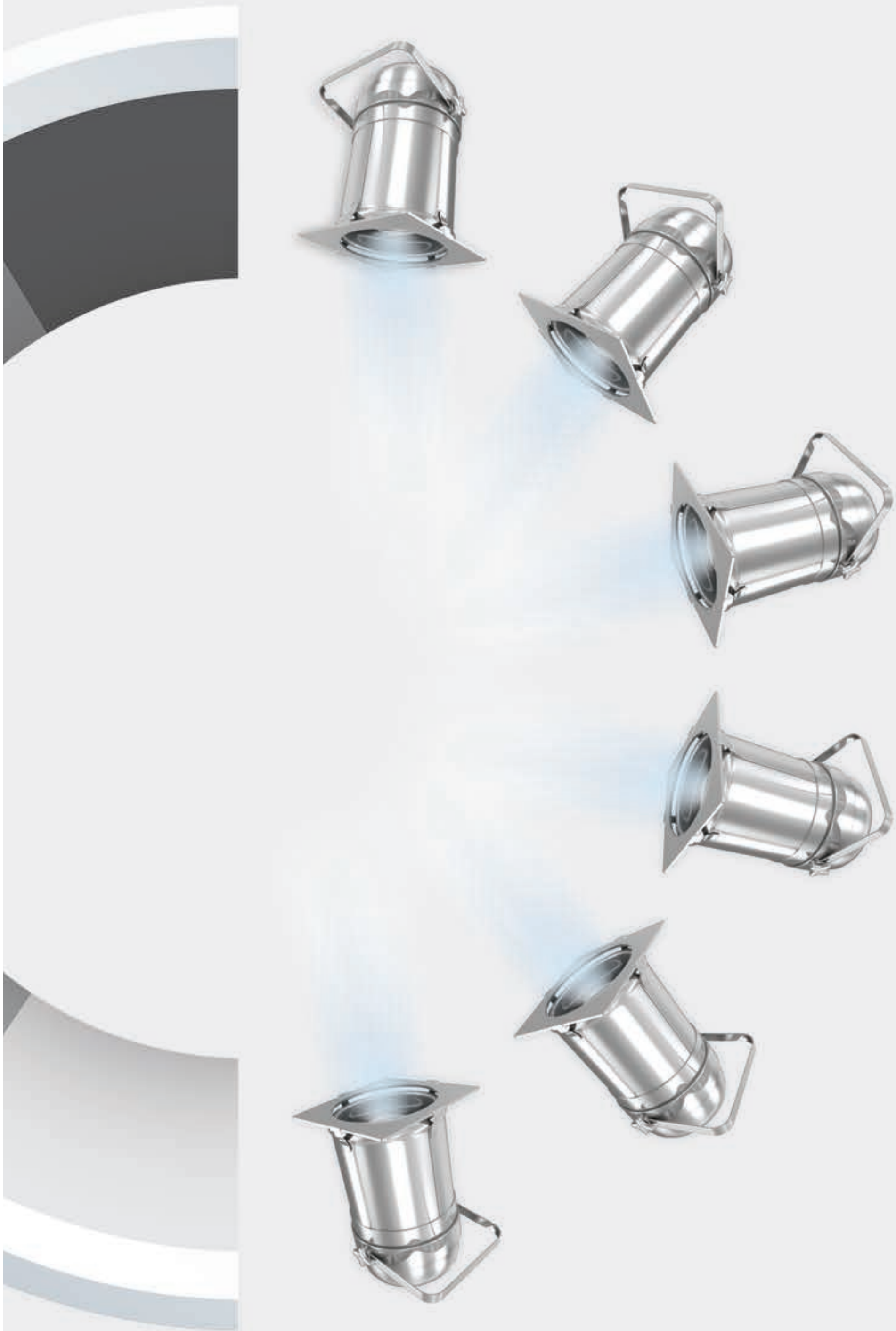
JPMorgan Brazil Investment Trust plc

Annual Report & Accounts for the year ended 30th April 2017



J.P.Morgan
Asset Management

Features

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 Policy

- 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 2017, the Company's share capital comprised 61,728,898 ordinary shares of 1p each including 27,604,044 shares held in Treasury.

Continuation Vote

In accordance with the Company's Articles of Association, the Directors are required to propose a resolution that the Company continue as an investment trust at the Annual General Meeting in 2019 and every third year thereafter.

Management Company

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM' or the'Manager').

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.

Association of Investment Companies

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.

Contents

Financial Results

TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED) TO 30TH APRIL 2017

+38.6%
Return to shareholders[1,2]
(2016: –18.2%)

+44.0%
Return on net assets[1]
(2016: –14.4%)

+44.5%
Benchmark[1,3]
(2016: –10.9%)

0.80p
Dividend
(2016: 0.50p)

[1] Source: Morningstar/J.P. Morgan.

[2] Share price total return.

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

A glossary of terms is provided on page 57.

CHAIRMAN'S STATEMENT

Introduction and Performance

The financial year to 30th April 2017 started with Brazil's equity market performing very strongly as economic and political sentiment improved. The Company also performed strongly over the period and recorded a total return on net assets of +44.0%, compared with the performance of the benchmark, the MSCI Brazil 10/40 Index of +44.5%. The share price return to shareholders of +38.6% reflected the widening of the share price discount from 10.6% to 14.0% over the year. At the time of writing this report, it stood at 16.7%.

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

Revenue and Dividends

Gross revenue for the year amounted to £983,000 (2016: £683,000) and net total revenue after administrative expenses and taxation amounted to £380,000 (2016: £212,000).

The Company's dividend policy has been to distribute all, or substantially all, of the available income each year. The Board recommends a dividend of 0.80p per share. Subject to shareholders' approval at the forthcoming Annual General Meeting ('AGM') on 14th September 2017, the dividend will be payable on 22nd September 2017 to shareholders on the register at 25th August 2017.

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 2017, net cash represented 3.1% of the Company's assets.

Share Repurchases

At last year's AGM and at the General Meeting in March this year, shareholders granted Directors authority to repurchase the Company's shares. During the financial year, the Company repurchased a total of 11,650,000 shares into Treasury at a discount, thereby marginally enhancing the net asset value per share. 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. The Board believes this mechanism has been helpful and therefore proposes and recommends that powers to repurchase up to 14.99% of the Company's issued share capital be renewed for a further period.

As announced in January 2017, the Board has adopted a flexible buyback strategy that takes into account the sentiment to emerging market funds as well as the absolute level of the Company's own discount and prevailing general market conditions. However, over the longer term, the Board will seek to ensure that the Company's shares should not trade at a discount in excess of approximately 10% to ex-income net asset value. This long term discount target will be reviewed periodically in the light of prevailing market conditions. The discount triggered tender mechanism will no longer be proposed because the Board believes that it is no longer in the best interests of shareholders as a whole to adopt a rigid discount control mechanism that seeks to target a defined maximum discount level regardless of general market conditions, the size of the Company and in particular, sentiment to emerging markets.

CHAIRMAN'S STATEMENT *CONTINUED*

Annual General Meeting

The Company's sixth AGM will be held on 14th September 2017 at 2.00 p.m. at 60 Victoria Embankment, London EC4Y 0JP. 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 by writing to the Company Secretary. Shareholders who are unable to attend the Meeting in person are encouraged to use their proxy votes.

Outlook

Despite renewed political challenges, Brazil is also brimming with opportunities. Foreign investors have been returning to emerging markets, and the Brazilian government has focussed on social security and labour reforms that will, if achieved, have a positive effect on the markets and the economy. The labour reform bill has now been approved in the Senate and the forthcoming presidential and congressional elections, due in 2018, should provide a further opportunity to pursue structural reforms. The Board continues to believe that the long term case for investing in Brazil remains valid and that the Brazilian market contains many well-run companies which it expects to perform strongly as the country benefits from a stabilisation of the economy. The Board believes that the Company benefits from a well resourced and highly experienced investment management team that remains focused on a disciplined long-term investment approach to achieve superior medium to long-term returns for shareholders from a high conviction portfolio.

Howard Myles
Chairman

18th July 2017

INVESTMENT MANAGERS' REPORT

Luis Carrillo

Sophie Bosch De Hood

Market review

The start of the review period saw Brazilian equities benefit from improving sentiment, boosted by a stabilising political landscape and appreciating currency. The much anticipated impeachment of Dilma Rousseff in August 2016, and the subsequent appointment of Michel Temer as president was welcomed by investors. Following his appointment, the new government began pushing through much-needed unpopular reforms and reducing government expenditure, resulting in an improvement in the political climate.

Meanwhile, the macroeconomic backdrop began to show tentative signs of stabilisation. Unemployment continued to rise, but inflation started to ease, leading to expectations that interest rates would soon begin to come down at a sharper pace. However, in November the US election led to uncertainty in the market, with equity prices across the Latin American region as a whole suffering following Donald Trump's victory. This is despite the Brazilian economy having no trade treaties with the US and the weakness reflected broader concerns over the direction of US policy rather than any specific Brazilian issues.

Moving into 2017, Brazilian equities continued their strong performance, supported by commodity prices that rose in response to improved global growth prospects, the strengthening Brazilian real vs. the US dollar, and the central bank's decision to continue cutting interest rates to 11.25% by the end of the review period on the back of decelerating inflation.

The market was relatively subdued from February until the end of the review period, as a depreciating currency and weaker-than-expected fourth-quarter GDP data, showing a 0.9% year-on-year fall, weighed on equity prices that had up to that point enjoyed a prolonged period of growth from lows hit in early 2016.

Portfolio review

Against this backdrop, the Company's net asset value and share price rose strongly in the review period, performing in line with the benchmark. Stock selection contributed positively to performance, while asset allocation detracted.

The top contributor to performance when reviewed on a stock-by-stock basis was an overweight position in Fleury; a provider of medical services including health testing. The company has gone through a major turnaround process, which started in late 2015 and which has seen a significant increase in profitability. In the review period, the company benefited from improving profit margins, reflecting efforts within the business to reduce costs and improve efficiencies. In addition to these internal changes, Fleury continued to deliver solid growth, reflecting an increase in the overall size of its market driven by demographic change and increasing health consciousness, as well as market share gains, helped by the strength of its brands. We expect margins to continue to improve reflecting further work to streamline operations and the recently-announced expansion plan to open between 70 and 90 new patient service centres over the next five years.

At the sector level, our consumer discretionary exposure delivered positive returns, in particular our position in Smiles, which runs one of the largest loyalty programmes in Brazil. The company, which was spun off from low-cost airline GOL's frequent flyer programme, continues to grow even as its competitors struggle, and has been improving margins while at the same time enhancing the travel offerings in its loyalty programme.

Turning to detractors from performance, the holding that has done the greatest damage to returns over the year has been our position in Valid, a stock that is not represented in the Company's benchmark index. The payment and identity company's operations suffered more

INVESTMENT MANAGERS' REPORT *CONTINUED*

than expected both domestically, where Brazilians delayed renewing their ID documentation due to a weak economy, and internationally, where its operations in the US also faced challenges. We have revised our numbers, but the company's management remains focused on turning the company around. We therefore maintain our position given its long-term potential as economic growth returns.

Elsewhere, not owning Petrobras detracted from relative performance. The change of management and a focus on improving the balance sheet though efforts to reduce bank debt improved investor sentiment towards the scandal-hit state-owned oil producer and suggested it was on the path to becoming more of a private-sector corporation than an arm of government.

More recently, however, the stock weakened along with the global energy sector. When viewed as a whole, the energy sector reported its worst first-quarter performance in history, which has gone some way to mitigating the negative contribution from not holding Petrobras.

PERFORMANCE ATTRIBUTION

	Year to 30th April 2017		Year to 30th April 2016	
Contributions to total return	%	%	%	%
Benchmark return		+44.5		-10.9
Asset allocation	-1.4		-3.3	
Stock selection	+0.7		+1.6	
Gearing/cash	-0.3		+0.0	
Investment Manager's contribution		-1.0		-1.7
Portfolio return		+43.5		-12.6
Management fee/other expenses	-2.0		-2.0	
Share buybacks	+2.5		+0.2	
Other effects		+0.5		-1.8
Return on net assets		+44.0		-14.4
Impact of change in discount		-5.4		-3.8
Return to shareholders		+38.6		-18.2

Source: FactSet, JPMAM and 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 is provided on page 57.

Given the strong run in commodity prices, our underweight exposure to materials damaged performance, notably our underweight position in Vale. Despite increasing our position in the company, we remained underweight relative to the benchmark and so suffered, as Vale performed well on the back of a resilient iron ore price. Elsewhere in the materials sector, our exposure to the pulp and paper producer Suzano detracted from returns. The company underperformed as the negative effects of a strengthening Brazilian real outweighed any positive benefit from improving pulp prices.

Improving sentiment towards Brazilian equities led to positioning changes over the review period. At the beginning, when we were cautious on Brazil, we had a significant portion – close to 9% – of the trust allocated to names outside Brazil. We have trimmed this off-benchmark allocation, selling certain positions while maintaining those with positive momentum, meaning that today we have only 3% invested outside of Brazil.

Other changes included trimming our position in brewer Anheuser-Busch InBev following weak results earlier in the review period. The proceeds of this sale were used to increase our positions in banks, which we then rotated away from late in the review period. They were also invested into the commodity sector, and into a couple of small-cap names, such as travel agency CVC. Late in 2016, we also added to our position in Cielo, a leading payment system operator in Latin America, after the stock fell on the back of fears that a more stringent regulatory environment would be negative for profits. Given the valuation level and our reassessment of the investment case, we viewed price weakness as a buying opportunity.

Our exposure remains tilted in favour of domestic themes, especially domestic cyclicals, in anticipation of better growth ahead. We believe the strong relative performance enjoyed by mega-cap commodity-oriented names where we have been underweight may be coming to an end, and we are comfortable with our limited exposure here.

Outlook

The Brazilian economy is likely to grow this year, but the implementation of the reform programme may be delayed given reports in May of alleged government corruption centred on President Temer. However, it is important to remember that Brazil is coming out of the deepest recession in decades. The political uncertainty clearly weighs on investor confidence and could also limit the extent to which domestic interest rates may fall. Despite this, operational leverage, lower interest rates and the positive momentum in GDP should be reflected in double-digit earnings growth. First-quarter earnings have already shown a positive trend across sectors and beyond the large commodity cyclicals, reflecting improving domestic conditions and not just increasing commodity prices.

Given the gradual improvement in fundamentals that we are seeing and the strong support for structural reform, we are more likely to view such politically-driven market dislocation as an opportunity to increase exposure to high-quality stocks that are now more attractively valued.

As a long-term investor, we continue to look for quality companies that can continue to deliver growth regardless of the political and macroeconomic environments, as we believe these companies will continue to outperform over market and business cycles.

Luis Carrillo
Sophie Bosch De Hood
Investment Managers 18th July 2017

SUMMARY OF RESULTS

	2017	2016	
Total returns for the year ended 30th April			
Return to shareholders[1]	+38.6%	-18.2%	
Return on net assets[1]	+44.0%	-14.4%	
Benchmark[1,2]	+44.5%	-10.9%	
Net asset value, share price and discount			**% change**
Net assets (£'000)	25,329	23,780	6.5
Shares in issue (excluding shares held in Treasury)	34,124,854	45,774,854	-25.5
Net asset value per share	74.2p	51.9p	43.0
Share price	63.8p	46.4p	37.5
Share price discount to net asset value per share	14.0%	10.6%	
Revenue for the year ended 30th April			
Gross revenue attributable to shareholders (£'000)	983	683	43.8
Net revenue return attributable to shareholders (£'000)	380	212	79.2
Revenue return per share	0.96p	0.46p	108.7
Dividend per share	0.80p	0.50p	60.0
Gearing/(net cash) at 30th April[3]	**(3.1)%**	**(3.3)%**	
Ongoing charges	**2.00%**	**1.96%**	

[1] Source: Morningstar/J.P. Morgan.

[2] The Company's benchmark is the MSCI Brazil 10/40 Index, with net dividends reinvested, in sterling terms.

[3] The methodology to calculate gearing has been amended during the year. The previous years' figure has been amended for fair comparison. Please refer to the glossary of items and definitions on page 57 for the revised calculation.

A glossary of terms is provided on page 57.

TEN LARGEST EQUITY INVESTMENTS AT 30TH APRIL 2017

Company	Sector	2017 Valuation £'000	%[1]	2016 Valuation £'000	%[1]
Itaú Unibanco ADR	Financials	1,951	7.9	2,068	9.0
Vale[3]	Materials	1,831	7.5	–	–
Banco Bradesco ADR	Financials	1,372	5.6	1,978	8.6
BB Seguridade Participações	Financials	1,199	4.9	835	3.6
Kroton Educacional	Consumer Discretionary	1,061	4.3	855	3.7
BM&F Bovespa Sa Bolsa de Valores	Financials	1,042	4.2	1,371	6.0
Lojas Renner	Consumer Discretionary	1,003	4.1	955	4.2
Itaúsa Investimentos Itaú[2]	Financials	980	4.0	730	3.2
Fleury[3]	Health Care	977	4.0	–	–
WEG[2]	Industrials	932	3.8	761	3.3
Total[4]		**12,348**	**50.3**		

[1] Based on total investments of £24.6m (2016: £23.0m).

[2] Not within the ten largest equity investments at 30th April 2016.

[3] Not within the investments portfolio at 30th April 2016.

[4] At 30th April 2016, the value of the ten largest equity investments amounted to £12.9m representing 56.1% of total investments.

SECTOR ANALYSIS

	30th April 2017 Portfolio %[1]	30th April 2017 Benchmark %	30th April 2016 Portfolio %[1]	30th April 2016 Benchmark %
Financials	28.0	29.7	34.4	29.6
Consumer Discretionary	14.7	6.8	12.2	6.3
Industrials	14.6	7.0	18.2	6.0
Consumer Staples	10.1	14.6	12.7	19.5
Materials	10.1	12.7	4.3	10.2
Utilities	6.8	7.2	4.9	6.0
Information Technology	5.9	3.7	6.9	4.9
Health Care	4.4	0.8	2.4	0.7
Energy	3.5	12.1	4.0	13.7
Real Estate	1.9	1.7	–	–
Telecommunication Services	–	3.7	–	3.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £24.6m (2016: £23.0m).

LIST OF INVESTMENTS AT 30TH APRIL 2017

Company	Valuation £'000
Financials	
Itaú Unibanco ADR	1,951
Banco Bradesco ADR	1,372
BB Seguridade Participações	1,199
BM&F Bovespa Sa Bolsa de Valores	1,042
Itaúsa Investimentos Itaú[1]	980
Banco ABC Brasil	323
	6,867
Consumer Discretionary	
Kroton Educacional	1,061
Lojas Renner	1,003
Smiles	577
Fras-Le	311
Arezzo Indústria e Comércio	275
Tupy	250
Ser Educacional	143
	3,620
Industrials	
WEG	932
CCR	901
Localiza Rent a Car	496
Iochpe Maxion	380
Wilson Sons BDR	370
Valid	280
Grupo Aeroportuario del Pacífico[2]	236
	3,595
Consumer Staples	
Raia Drogasil	928
Ambev ADR	894
M Dias Branco	262
BRF	134
Minerva	128
São Martinho	124
	2,470

Company	Valuation £'000
Materials	
Vale	1,831
Suzano Papel e Celulose	367
Gerdau ADR	271
	2,469
Utilities	
Engie Brasil Energia	631
Transmissora Aliança de Energia Elétrica	445
AES Tietê Energia	310
Cia. de Saneamento Basico do Estado de São Paulo	235
Cia. Paranaense de Energia	51
	1,672
Information Technology	
Cielo	865
Globant[2]	333
Linx	240
	1,438
Health Care	
Fleury	977
Ouro Fino Saude Animal Participações	106
	1,083
Energy	
Ultrapar Participações	871
	871
Real Estate	
Iguatemi Empresa de Shopping Centers	278
Corp. Inmobiliaria Vesta[2]	187
	465
Total Investment Portfolio	**24,550**

[1] Includes preference shares.
[2] Non-Brazilian holdings.

The portfolio comprises investments in equity shares and American Depositary Receipts ('ADRs').

BUSINESS REVIEW

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, performance and key performance indicators, share capital, principal risks and how the Company seeks to manage those risks, the Company's environmental, social and ethical policy and its long term viability.

Structure and Objective of the Company

JPMorgan Brazil Investment Trust plc is an investment trust company that has a premium listing on the London Stock Exchange. Its 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. In seeking to achieve this objective, JPMorgan Funds Limited ('JPMF' or the 'Manager'), an affiliate of JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Manager'), has been appointed as the Company's Alternative Investment Fund Manager ('AIFM') to manage its assets and also to act as the Company Secretary. The Board has determined an investment policy and related guidelines and limits as described below.

The Company is subject to UK and European legislation and regulations including UK company law, Financial Reporting Standards, the UK Listing, Prospectus, Disclosure and Transparency Rules, taxation law and the Company's own Articles of Association.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010). As a result, the Company is not liable for taxation arising on capital gains. The Directors have no reason to believe that approval will not continue to be retained. The Company is not a close company for taxation purposes.

Investment Policies and Risk Management

In order to achieve the Company's investment objective and to seek to manage risk, the Board imposes various investment limits and restrictions.

- The Company invests 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.
- 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.
- The Company may use gearing when appropriate to increase potential returns to shareholders.

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 2017, the Company produced a return on net assets of +44.0%, compared with the return on the Company's benchmark index of +44.5%. At 30th April 2017, the value of the Company's investment portfolio was £24.6 million (2016: £23.0 million). The Investment Managers' Report on pages 5 to 7 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 return amounted to £9.6 million (2016: £4.0 million loss) and net total return after deducting administrative expenses and taxation, amounted to £9.0 million (2016: £4.4 million loss). Distributable income for the year amounted to £0.4 million (2016: £0.2 million).

The Directors recommend a final dividend of 0.80p (2016: 0.50p) per share payable on 22nd September 2017 to holders on the register at the close of business on 25th August 2017. This dividend will cost £273,000 (2016: £229,000) and the revenue reserve after allowing for the dividend will amount to £651,000 (2016: £517,000).

BUSINESS REVIEW *CONTINUED*

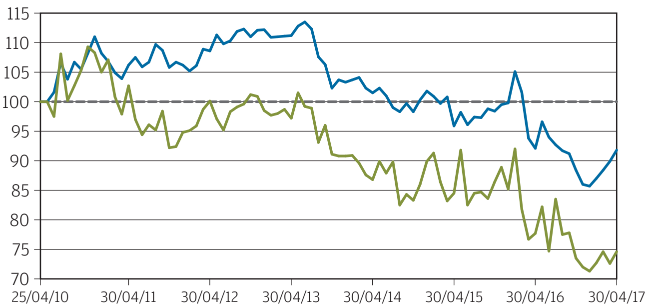
Key Performance Indicators ('KPIs')

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 index**
  This is the most important KPI by which performance is judged and it is explained in the Investment Managers' report in more detail on pages 5 to 7.

Performance Relative to Benchmark Index

FIGURES HAVE BEEN REBASED TO 100 AT 25TH APRIL 2010



Source: Morningstar/J.P. Morgan.

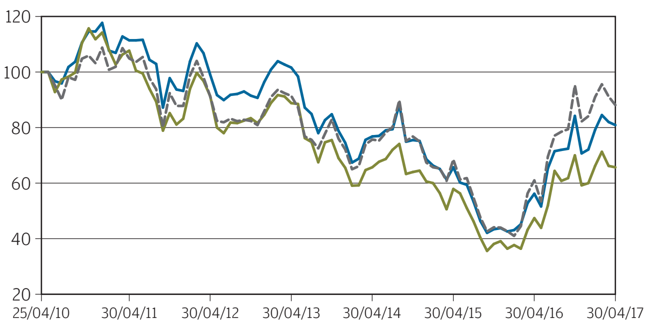
JPMorgan Brazil – share price.

JPMorgan Brazil – net asset value per 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 25TH APRIL 2010



Source: Morningstar/J.P. Morgan.

JPMorgan Brazil – share price.

JPMorgan Brazil – net asset value per share.

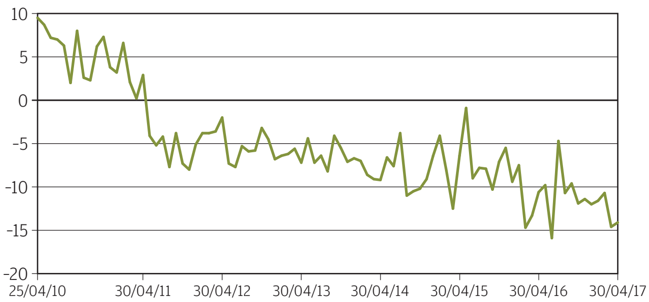
Benchmark

- **Performance against the Company's peers**
  The principal objective is to achieve capital growth. The Board also monitors performance compared with a broad range of competitor funds, however, there is a limited degree of comparability with the Company's unique investment objective and policies. Performance is discussed in the Chairman's Statement in detail on pages 3 and 4.

- **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 or 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 or discount. In the year to 30th April 2017, the shares traded at a discount varying between 4.7% and 15.9%, with a five year average discount of 8.1% (using month end data).

  As announced in January 2017, the Board has adopted a flexible buyback strategy that takes into account the sentiment to emerging market funds as well as the absolute level of the Company's own discount and prevailing general market conditions. However, over the longer term, the Board will seek to ensure that the Company's shares should not trade at a discount in excess of approximately 10% to ex-income net asset value. This long term discount target will be reviewed periodically in the light of prevailing market conditions. The discount triggered tender mechanism will no longer be proposed because the Board believes that it is no longer in the best interests of shareholders as a whole to adopt a rigid discount control mechanism that seeks to target a defined maximum discount level regardless of general market conditions, the size of the Company and in particular, sentiment to emerging markets.

Premium (+)/Discount (–)



Source: Morningstar.

JPMorgan Brazil – share price premium/(discount) to net asset value per share.

- **Ongoing charges**
  The Ongoing Charges represents the Company's management fee and all other operating expenses, expressed as a percentage of the average daily net assets during the year. The Ongoing Charges for the year were 2.00% (2016: 1.96%). The Board pays close attention to the level of expenses. The charges for the year under review were considered reasonable, particularly given the smaller size of the Company. In light of the reduced size of the Company, it was agreed with the Manager that the management fee would be reduced to

the extent necessary to ensure that the Company's Ongoing Charges ratio do not exceed 2% with effect from 1st May 2015. Any such reduction is non-cumulative and therefore will not be clawed back in future years. The management fee charged was £226,000 after being reduced by £34,000 for the year ended 30th April 2017.

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 11,650,000 (2016: 2,017,508) ordinary shares into Treasury, this represented 18.9% (2016: 3.2%) of the issued share capital. As at 30th April 2017, 27,604,044 (2016: 15,954,044) shares were held in Treasury. The Company will reissue shares held in Treasury only at a premium to NAV. There were no shares repurchased for cancellation nor any shares issued.

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 pages 17 and 18 and the full text of the resolutions is set out in the Notice of Meeting on pages 54 and 55.

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 56.

In addition to the votes available as referred to above, the ordinary shares also have rights in respect of dividends and return of assets as detailed in the Company's Articles of Association.

Board Diversity

The Board has no current intention of making any changes to the Board composition. When recruiting a new Director in future, the Board's policy is to introduce diversity subject to identifying candidates with optimum skill, knowledge and experience relevant to the Company's requirements. At 30th April 2017, there were three male Directors and no female Directors on the Board.

Employees, Social, Community and Human Rights Issues

The Company has a management contract with the Manager. It has no employees and all of its Directors are non-executive. The day to day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board notes the Manager's policy statements in respect of Social, Community, Environmental and Human Rights issues, as highlighted in italics:

Social, Community, Environmental and Human Rights

The Manager 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 the Manager'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.

The Manager 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.

The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager.

Greenhouse Gas Emissions

The Company is managed by JPMF with delegation of the active management of the Company's assets to JPMAM. JPMF acts as Company Secretary and provides administrative support. The Company has no employees, all its Directors being non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Company itself has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. The Company's manager is a signatory to the Carbon Disclosure Project and JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on Human Rights can be found on the following website: www.jpmorganchase.com/corporate/About-JPMC/ab-human-rights.htm

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

BUSINESS REVIEW *CONTINUED*

With the assistance of the Manager, 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. The Manager 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. In addition to the regular Board meetings, the Board visits Brazil from time to time to discuss strategy and consider all relevant aspects of investment in Brazil.
- Financial: The financial risks faced by the Company include foreign currency risk, interest rate risk, other price risk, liquidity risk and credit risk. Further details are disclosed in note 21 on pages 47 to 51.
- 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 the Manager and the results reviewed by 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, Disclosure and Transparency Rules ('DTRs') and, as an investment trust, the Alternative Investment Fund Managers Directive ('AIFMD'). 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 or DTRs 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, the Manager and its professional advisers to ensure compliance with the Companies Act 2006 and the UKLA Listing Rules, DTRs and AIFMD.
- 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 18 to 21.
- Operational: Disruption to, or failure of the Manager's accounting, dealing or payments systems or the depositary's or the custodian's records may prevent accurate reporting and monitoring of the Company's financial position. On 1st July 2014, the Company appointed BNY Mellon & Depositary (UK) Limited to act as its depositary, responsible for overseeing the operation of the custodian, JPMorgan Chase Bank, N.A., and the Company's cash flow. Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included within the Risk Management and Internal Control section of the Corporate Governance report on pages 19 and 20.
- Political and Economic: Changes in financial or tax legislation, including in Brazil, may adversely affect the Company. The Manager makes recommendations to the Board on accounting, dividend and tax policies and the Board seeks external advice where appropriate. In addition, the Company is subject to administrative risks, such as the imposition of restrictions on the free movement of capital. The Board monitors the impact of any changes in such restrictions on the Company.

Long Term Viability

Taking account of the Company's current position, the principal risks that it faces and their potential impact on its future development and prospects, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next three years. They have made that assessment by considering those principal risks, the Company's investment objective and strategy, the investment capabilities of the Manager and the current outlook for the Brazil economy and equity markets. In the light of the reduced size of the Company, JPMorgan has agreed to reduce the management fee to the extent necessary to ensure that the Company's ongoing charges ratio does not exceed 2%. Furthermore, JPMorgan has agreed to terminate the performance fee with effect from 1st May 2016. The Manager continues to remain supportive of the Company.

In determining the appropriate period of assessment the Directors had regard to their view that, given the Company's objective of achieving long term capital growth, shareholders should consider the Company as a long term investment proposition. This is in line with the Company's continuation vote every three years. Thus the Directors consider three years to be an appropriate time horizon to assess the Company's viability.

The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of assessment.

For and on behalf of the Board
Howard Myles,
Chairman

18th July 2017

BOARD OF DIRECTORS

Howard Myles
Chairman since 24th February 2010.

Remuneration: £30,000.

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 Aberdeen Private Equity Fund Limited, Baker Steel Resources Trust Limited, Lazard World Trust Fund SICAF, Small Companies Dividend Trust PLC, BBGI SICAV S.A. and The Forest Company Limited.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: Nil.

Mark Bridgeman
Chairman of the Audit Committee.

A Director since 24th February 2010.

Remuneration: £27,000.

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. He is currently a non-executive director of Blackrock Emerging Europe plc and The Law Debenture Trust Corporation plc.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 21,007 Ordinary Shares.

Victor Bulmer-Thomas
A Director since 24th February 2010.

Remuneration: £24,000.

Qualifications for Board Membership: 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 was made a Commander of the Order of the Southern Cross by the Brazilian government in 1998. He was previously a non-executive director of New India Investment Trust PLC.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 179,350 Ordinary Shares.

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

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 30th April 2017.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA. JPMF, an affiliate of JPMAM is employed under a contract 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.

JPMF is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking, dealing and custodian 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 the Manager. 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.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF').

JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed BNY Mellon Trust and Depositary (UK) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmbrazil.co.uk There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure.

Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

JPMF's remuneration disclosures are set out on page 53.

Management Fee

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.

Up to 30th April 2016, the Manager was also entitled to receive a performance fee, but with effect from 1st May 2016 this was terminated. As at 30th April 2016 there was no performance fee accrual and therefore no performance fee was paid this year.

The Manager has agreed to reduce management fees to cap the Company's Ongoing Charges ratio to 2% per annum up to the 2019 Continuation Vote. Further details are given under Ongoing Charges on pages 12 and 13.

Directors

All Directors served throughout the year and their details are included on page 15. Details of their beneficial shareholdings may be found in the Directors' Remuneration Report on page 25.

Victor Bulmer-Thomas 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.

Independent Auditor

Ernst & Young LLP have expressed their willingness to continue in office as auditor to the Company and a resolution proposing their reappointment and to authorise the Directors to agree their remuneration for the ensuing year will be put to shareholders at the forthcoming Annual General Meeting. The Audit Committee has considered the possibility of tendering the role of auditor and will review the timing of a tender in accordance with the required time limits.

Capital Structure and Voting Rights

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 56.

Notifiable Interests in the Company's Voting Rights

At the financial year end the following had declared a notifiable interest in the Company's voting rights:

Ordinary shares Shareholders	Number of shares held	%
Rathbone Investment Management Ltd	3,534,190	6.09
Brewin Dolphin	2,628,523	4.95
City of London	1,364,455	3.96

Since the year end no further notifiable interests have been declared and no changes to the above holdings had been notified as at the date of this report.

The Company is also aware that approximately 19% of the Company's total voting rights are held by individuals through savings products managed by the Manager and registered in the name of Chase Nominees Limited. If those voting rights are not exercised by the beneficial holders, in accordance with the terms and conditions of the savings products, under most circumstances the Manager has the right to exercise those voting rights. That right is subject to certain limits and restrictions and falls away at the conclusion of the relevant general meeting.

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.

Listing Rule 9.8.4R

Listing Rule 9.8.4R requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

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 7)
The Directors will seek authority at the Annual General Meeting to issue new shares equivalent to 10% of the present issued share capital. This authority will remain in effect until the conclusion of the Annual General Meeting in 2018 unless renewed at an earlier general meeting. The full text of the resolution is set out in the Notice of Meeting on page 54.

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 8)
Resolution 8 seeks authority to disapply statutory pre-emption rights on any issues of new shares (subject to the passing of resolution 7). 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 54.

DIRECTORS' REPORT *CONTINUED*

(iii) Authority to repurchase the Company's shares (resolution 9)
The authority to repurchase up to 14.99% of the Company's issued share capital, granted by shareholders at the General Meeting on 10th March 2017, will expire on 9th September 2018 unless renewed at the forthcoming AGM. The Directors consider that the renewal of the authority is in the interests of shareholders as a whole. A resolution will therefore 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 distributable 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 expire on 13th March 2019 unless renewed at the forthcoming Annual General Meeting 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.

Recommendation

The Board considers that resolutions 7 to 9 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 Statement

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 26, 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') 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.

Copies of the UK Corporate Governance Code and the AIC Code may be found on the respective organisations' websites at www.frc.org.uk and www.theaic.co.uk.

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 the Manager 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, in accordance with the requirements 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 by the Manager 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, 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 15.

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

The Board recommends the reappointment of Victor Bulmer-Thomas following a performance review conducted by the Audit Committee which concluded that he continues to add value to the Board.

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 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.

Meetings and Committees

The Board delegates certain responsibilities and functions to the Audit Committee. Details of membership of the Audit Committee are shown with the Directors' profiles on page 15.

The table below details the number of Board and Committee meetings attended by each Director. During the year there were four Board meetings, including a separate meeting devoted to strategy, two private meetings of the Directors, one of which was to evaluate the Manager, three Audit Committee meetings, one to consider nomination matters.

Director	Board Meetings Held(Attended)	Audit Committee Meetings Held(Attended)
Mark Bridgeman	4(4)	3(3)
Victor Bulmer-Thomas	4(4)	3(3)
Howard Myles	4(4)	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 report of the Audit Committee is set out on page 22.

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.

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

DIRECTORS' REPORT *CONTINUED*

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 the Manager and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal Risks on pages 13 and 14). This process has been in place for the year under review and up to the date of the approval of the annual report and accounts, and it accords with the Turnbull guidance. Whilst the Company does not have an internal audit function of its own, the Board considers that it is sufficient to rely on the internal audit department of the Manager. This arrangement is kept 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 and Depositary Agreements – Appointment of a manager and depositary regulated by the Financial Conduct Authority (FCA), 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 the Manager's Compliance Department which regularly monitors compliance with FCA 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 the Manager's Compliance department;
- 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 the Manager.

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 2017, and that the systems have been in place during the year under review and up to the date of approval of this Annual Report and Accounts. Moreover, the controls accord with the Financial Reporting Council, Guidance on Risk Management, internal control and related Financial and Business Reporting, September 2014.

The Board confirms that any failings or weaknesses identified during the course of its review of the system of risk management and internal control were not significant and did not impact the Company.

Going Concern

The Directors believe that, having considered the Company's investment objective (see page 11), risk management policies (see pages 47 to 51), capital management policies and procedures (see page 52), 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 at least 12 months from approving this report. For these reasons, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the accounts. A continuation vote was passed by the Company's shareholders in 2016. This will be put to shareholders again at the 2019 AGM.

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 the Manager 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 59 or via the 'Ask a Question' link on the Company's website.

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 59 or via the 'Ask a Question' link on the Company's website.

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

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through the Manager. 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. Details on social and environmental issues are included in the Strategic Report on page 13.

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

The Manager 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.

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
JPMorgan Funds Limited,
Secretary

18th July 2017

AUDIT COMMITTEE REPORT

The Audit Committee, chaired by Mark Bridgeman, and comprising all the independent Directors, meets at least twice each year to consider audit matters. 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.

During its review of the Company's financial statements for the year ended 30th April 2017, the Audit Committee considered the following significant issues, including those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1(b) to the accounts on page 37. Controls are in place to ensure valuations are appropriate and existence is verified through custodian reconciliations. The Board monitors significant movements in the underlying portfolio.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(d) to the accounts on page 37. The Board reviews subjective elements of income such as special dividends and agrees their treatment is relevant.
Compliance with Sections 1158 and 1159	Approval for the Company as an investment trust under Sections 1158 and 1159 has been obtained and ongoing compliance with the eligibility criteria is monitored by the Board on a regular basis.
Going Concern assessment	The Board has negotiated a cap on the Company's Ongoing Charges ratio to 2% by reducing the management fees with the Manager and the termination of performance fees. The Board has reviewed the Company's revenue forecast for the next 12 months and is comfortable with the going concern assessment.

The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

As a result of the work performed above, the Committee has concluded that the Annual Report for the year ended 30th April 2017, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 26.

The Committee assesses the Company's ability to continue as a going concern and makes recommendations to the Board. The Audit Committee recommends the Board to approve the going concern concept for preparation of the accounts. The Directors' statement on Going Concern is set out on page 20.

The Committee 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 effectiveness and cost effectiveness, the balance of audit and non-audit services, and the independence and objectivity of the external Auditor. In the Directors' opinion the Auditors are independent. The Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of external Auditors. Representatives of the Company's Auditors attend the Committee meeting at which the draft annual report and accounts are considered.

Having reviewed the performance of the external Auditors, including assessing the quality of work, timing of communications and work with the Manager, the Committee considered it appropriate to recommend their reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting. The current audit firm has audited the company's financial statements since its launch in 2010. The Company's year ended 30th April 2017 is the current Audit Partner's last of a five year maximum term and a new partner will be taking over the engagement for the year ending 30th April 2018. The performance of the Auditors will continue to be reviewed annually by the Committee, taking into account all relevant guidance and best practice.

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 and meets at least once a year to ensure 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 Board's policy on diversity, including gender, is to take account of the benefits of these during the appointment process. However, the Board remains committed to appointing the most appropriate candidate, regardless of gender or other forms of diversity. Therefore, no targets have been set against which to report.

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 in relation to remuneration policy.

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.

By order of the Board
Mark Bridgeman
Chairman of the Audit Committee

18th July 2017

DIRECTORS' REMUNERATION REPORT

The Board presents the Directors' Remuneration Report for the year ended 30th April 2017, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

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 auditor's opinion is included in their report on page 27.

As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead, the Audit Committee reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate.

Directors' Remuneration Policy

The Directors' Remuneration Policy is subject to a triennial binding vote, however, a decision has been taken to seek approval annually and therefore an ordinary resolution to approve this policy will be put to shareholders at the forthcoming Annual General Meeting. The policy subject to the vote is set out in full below and is currently in force.

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 and retained. 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 those roles.

Reviews are based on information provided by the Manager, and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The involvement of remuneration consultants has not been deemed necessary as part of this review. The Company has no Chief Executive Officer and no employees and therefore no consultation of employees is required and there is no employee comparative data to provide, in relation to the setting of the remuneration policy for Directors.

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award 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 granted exit payments and are not provided with 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 the Company's business.

Directors' fees were last increased with effect from 1st May 2014. In the year under review, Directors' fees were paid at the following annual rates: Chairman £30,000; Chairman of the Audit Committee £27,000; and other Director £24,000.

The fees for the Chairman and all other Directors will remain the same for the year ending 30th April 2018.

The Company's Articles of Association provide that any increase in the maximum aggregate annual limit on Directors' fees, currently £175,000, requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Audit Committee in its role of considering remuneration matters, considers any comments received from shareholders on remuneration policy on an ongoing basis and takes account of those views.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 19.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 30th April 2016 and no changes are proposed for the year ending 30th April 2018.

At the Annual General Meeting held on 7th September 2016, of votes cast, 98.8% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) the remuneration policy and 1.2% voted against. Abstentions were received from less than 1.0% of the votes cast. In respect of the Remuneration Report, 99.0% of the votes cast were in favour (or granted discretion to the Chairman who voted in favour) and 1.0% voted against. Abstentions were received from less than 1.0% of the votes cast.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2017 Annual General Meeting will be given in the annual report for the year ending 30th April 2018.

Details of the implementation of the Company's remuneration policy are given below. No advice from remuneration consultants was received during the year under review.

Single total figure of remuneration

The single total figure of remuneration for each Director is detailed below together with the prior year comparative.

Single total figure table[1]

	2017 Fees £	2017 Taxable expenses[2] £	2017 Total £	2016 Fees £	2016 Taxable expenses[2] £	2016 Total £
Howard Myles	30,000	–	30,000	30,000	–	30,000
Mark Bridgeman	27,000	1,306	28,306	27,000	–	27,000
Victor Bulmer-Thomas	24,000	–	24,000	24,000	–	24,000
Total	**81,000**	**1,306**	**82,306**	**81,000**	**–**	**81,000**

[1] Audited information. Other subject headings for the single figure table as prescribed by regulation are not included because there is nothing to disclose in relation thereto.

[2] Taxable travel and subsistence expenses incurred in attending Board and Committee meetings.

A table showing the total remuneration for the Chairman since launch to 30th April 2017 is below:

Remuneration for the Chairman over the period from the date of appointment on 24th February 2010 to 30th April 2017

Year ended 30th April	Fees
2017	£30,000
2016	£30,000
2015	£30,000
2014	£30,000
2013	£25,000
2012	£25,000
2011[1]	£29,455

[1] The Company's first remuneration reporting period was from the date of appointment on 24th February 2010 to 30th April 2011.

Directors' Shareholdings[1]

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The Directors' shareholdings are detailed below. All shares are held beneficially.

Directors' Name	30th April 2017	30th April 2016
Howard Myles	–	–
Mark Bridgeman	21,007	21,007
Victor Bulmer-Thomas	179,350	179,350
Total	**200,357**	**200,357**

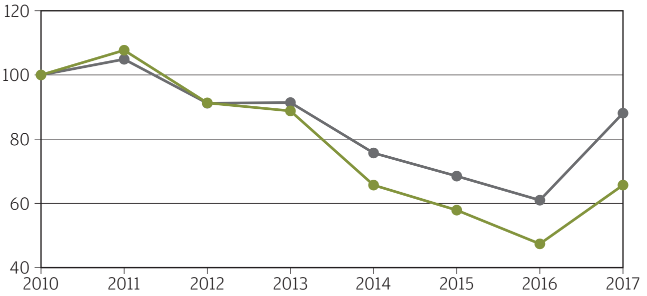
[1] Audited information.

As at the latest practicable date before the publication of this document, there have been no changes to the Directors' shareholdings.

The Directors have no other share interests or share options in the Company and no share schemes are available.

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

Share price and benchmark performance for the period from launch on 26th April 2010 to 30th April 2017



Source: Morningstar/J.P. Morgan.

Share price total return.

Benchmark total return.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 30th April 2017 £	Year ended 30th April 2016 £
Remuneration paid to all Directors by way of fees	81,000	81,000
Distribution to shareholders		
- by way of dividends paid	202,000	187,000
- by way of share repurchase	7,218,000	873,000

For and on behalf of the Board
Howard Myles
Chairman

18th July 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts 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) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that, taken as a whole, the annual report and accounts are fair balanced and understandable, provide the information necessary, for shareholders to assess the Company's performance, business model and strategy, and 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;
- 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 a 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.

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. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. 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.

Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report, a Directors' Report and a Directors' Remuneration Report that comply with that law. The Strategic Report and the Directors' report include a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

Each of the Directors, whose names and functions are listed on page 15 confirms that, to the best of their knowledge the financial statements, which have been 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 return or loss of the Company. The Board confirms that it is satisfied that the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the strategy and business model of the Company.

For and on behalf of the Board
Howard Myles
Chairman

18th July 2017

Independent Auditor's Report

TO THE MEMBERS OF JPMORGAN BRAZIL INVESTMENT TRUST PLC

Our opinion on the 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The Company's financial statements comprise:

Statement of Comprehensive Income for the year ended 30th April 2017

Statement of Changes in Equity for the year ended 30th April 2017

Statement of Financial Position as at 30th April 2017

Statement of Cash Flows for the year ended 30th April 2017

Related notes 1 to 23 to the financial statements

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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Overview of our audit approach

Risks of material misstatement	• Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment. • Going concern assessment. • Incorrect valuation and existence of the investment portfolio.
Materiality	• Overall materiality of £0.25 million (2016: £0.24 million) which represents 1% of equity shareholder's funds.

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those with the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk Identified	**Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment** (as described on page 22 in the Audit Committee Report). The investment income receivable by the Company during the period directly drives the Company's ability to make a dividend payment to shareholders. The investment income receivable for the year to 30 April 2017 was £0.98 million (2016: £0.68 million) as disclosed in Note 4 to the financial statements. If the Company is not entitled to receive the dividend income recognised in the financial statements or the income recognised does not relate to the current financial year, this will impact the extent of the profits available to fund dividend distributions to shareholders. The accounting treatment adopted has a direct impact on the profits available for distribution to shareholders of the Company by way of dividends. In addition, there is also a risk that inappropriate journal entries applied to the income account could result in a manipulation of the Company's revenue to support performance and dividend targets.

Our response to the risk	We have performed the following procedures: We assessed the Administrator's and the Managers systems to gain an understanding of the process in relation to the revenue recognition particularly in relation to the identification of special dividends. We tested the appropriateness of manual journal entries posted to the income account during the year and other adjustments made in the preparation of the financial statements. We agreed the rates and entitlement for a sample of dividends received on the income receipts report to an independent source. We traced dividends receivable, using the rates and entitlements from an independent source for a sample of investments held at dividend entitlement dates, to the income receipts report; and We agreed 100% of accrued dividends to an independent source and traced a sample of items to the post year end bank statements.
Key observations communicated to the Audit Committee	The results of our procedures are: We have no matters to communicate with respect to our review of the process in relation to revenue recognition process, including the identification of special dividends. We noted no issues in testing the appropriateness of manual journal entries posted to the income account during the year and other adjustments made in the preparation of the financial statements. We noted no issues in agreeing the rates and entitlement for a sample of dividends received on the income receipts report to an independent source. We noted no issues in tracing dividends receivable, using the rates and entitlements from an independent source for a sample of investments held at dividend entitlement dates, to the income receipts report; and We noted no issues in agreeing 100% of accrued dividends to an independent source and tracing a sample of items to the post year end bank statement.
Risk Identified	Going concern assessment The Directors are required to include a going concern statement in their annual financial report, together with the supporting assumptions, that have been considered in arriving at these conclusions. As the Company is subject to a Continuation Vote every three years, this going concern assessment extends to a responsibility for considering factors that may influence the result of the Continuation Vote. The next continuation vote is due to take place at the 2019 AGM. Due to the low net asset value of the Company of £25.33 million (2016: £23.78 million) the Manager has agreed to cap the management fee so that the ongoing charges do not exceed 2% of the average net asset value.
Our response to the risk	We performed the following procedures: We reviewed the cash flow and revenue forecast which support the Directors' assessment of going concern; We ascertained that the going concern assessment covers a period of at least twelve months from the date of approval of the financial statements; and We discussed with the Directors and the Manager whether events or conditions exist that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern. We assessed whether the management fees payable had been reduced to the extent necessary to ensure the Company's on-going charges ratio does not exceed 2% of the average net asset value. We have reviewed the financial statements to ensure that appropriate disclosures have been made.

Key observations communicated to the Audit Committee	The results of our procedures are: We noted no issues in reviewing the cash flow and revenue forecast which support the Directors' assessment of going concern. We noted no that the going concern assessment covers a period of at least twelve months from the date of approval of the financial statements. We noted no events or conditions, as per our discussion with the Directors and the Manager, that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern. We noted that the management fee was reduced during the year and noted no issues in ensuring that the Company's ongoing charges did not exceed 2% of the average net asset value. We noted no issues from our review of the financial statements.
Risk Identified	Incorrect valuation and existence of the investment portfolio (as described on page 22 in the Audit Committee Report). The valuation of the assets held in the investment portfolio is the key driver of the Company's investment return. The value of the Company's investment portfolio at 30th April 2017 was £24.55 million (2016: £23.00 million) and consisted entirely of listed equities (movements in the investment portfolio are shown in Note 11 to the financial statements). Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders.
Our response to the risk	We performed the following procedures: We assessed the Administrator's and the Manager's processes and controls to gain an understanding of the investment pricing process for quoted investments; We agreed 100% of the prices used to value the investment portfolio and exchange rates used to an independent source; We reviewed pricing exception reports for unusual or static movements in prices; and We obtained confirmation from the Custodian and Depositary of all securities held at the year end and agreed all securities held from the Company's records to those of the Custodian and Depositary.
Key observations communicated to the Audit Committee	The results of our procedures are: We have no matters to communicate with respect to our review of the process in relation to the investment pricing process for quoted investment. We noted no issues in agreeing 100% of the prices used to value the investment portfolio and exchange rates to an independent source. We noted no issues in reviewing the pricing exception report. We noted no differences between the confirmation obtained from the Custodian and Depositary and the Company's records.

In the prior year, our auditor's report included a risk of material misstatement in relation to management fees payable by the Company for investment management services not being calculated in accordance with the methodology prescribed in the investment management agreement. In the current year, however, we have reassessed this risk and have not identified it as a risk of material misstatement in the table above because the calculation of management fees is considered to be of a straightforward nature.

The scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. Taken together, this enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of Company-wide controls, changes in the business environment and other factors when assessing the level of work to be performed.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality to be £0.25 million (2016: £0.24 million), which is 1% of equity shareholders' funds. We derived our materiality calculation from a proportion of total shareholders' funds as we consider that to be the most important financial metric on which shareholders judge the performance of the Company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that overall performance materiality was 75% of materiality, being £0.19 million (2016: £0.18 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold of £0.02 million (2016: £0.01 million) for the revenue column of the Income Statement, being 5% of the revenue return on ordinary activities before taxation.

Reporting threshold

An amount below which identified misstatements are considered to be clearly trivial.

We agreed with the audit committee that we would report all audit differences in excess of £0.01 million (2016: £0.01 million) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in the light of other relevant qualitative considerations in forming our opinion.

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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 26 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.

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.

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
- based on the work undertaken in the course of the audit
  - the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements:
  - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

ISAs (UK and Ireland) reporting

We are required to report to you if, in our opinion, financial and non-financial information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the Directors' statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report appropriately addresses those matters that we communicated to the audit committee that we consider should have been disclosed.

We have no exceptions to report.

Companies Act 2006 reporting

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report and Directors' Report on pages 3 to 25 of the annual report.

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

We have no exceptions to report.

Listing Rules review requirements

We are required to review:

- the Directors' statement in relation to longer-term viability and going concern are set out on pages 14 and 20; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

We have no exceptions to report.

Statement on the Directors' Assessment of the Principal Risks that Would Threaten the Solvency or Liquidity of the Entity

ISAs (UK and Ireland) reporting

We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing material to add or to draw attention to.

Michael-John Albert (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
London

18th July 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH APRIL 2017

	Notes	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	3	–	8,587	8,587	–	(4,628)	(4,628)
Net foreign currency gains/(losses)		–	2	2	–	(11)	(11)
Income from investments	4	981	–	981	683	–	683
Interest receivable and similar income	4	2	–	2	–	–	–
Gross return/(loss)		**983**	**8,589**	**9,572**	**683**	**(4,639)**	**(3,956)**
Management fee	5	(226)	–	(226)	(123)	–	(123)
Other administrative expenses	6	(294)	–	(294)	(300)	–	(300)
Net return/(loss) on ordinary activities before finance costs and taxation		**463**	**8,589**	**9,052**	**260**	**(4,639)**	**(4,379)**
Finance costs	7	(2)	–	(2)	(1)	–	(1)
Net return/(loss) on ordinary activities before taxation		**461**	**8,589**	**9,050**	**259**	**(4,639)**	**(4,380)**
Taxation	8	(81)	–	(81)	(47)	–	(47)
Net return/(loss) on ordinary activities after taxation		**380**	**8,589**	**8,969**	**212**	**(4,639)**	**(4,427)**
Return/(loss) per share	10	**0.96p**	**21.79p**	**22.75p**	**0.46p**	**(9.94)p**	**(9.48)p**

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. Net return/(loss) on ordinary activities after taxation represents the profit/(loss) for the year and also Total Comprehensive Income.

The notes on pages 37 to 52 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH APRIL 2017

	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve[1] £'000	Total £'000
At 30th April 2015	617	13	16,149	34,970	(23,203)	721	29,267
Repurchase of shares into Treasury	–	–	–	(873)	–	–	(873)
Net (loss)/return from ordinary activities	–	–	–	–	(4,639)	212	(4,427)
Dividend paid in the year	–	–	–	–	–	(187)	(187)
At 30th April 2016	617	13	16,149	34,097	(27,842)	746	23,780
Repurchase of shares into Treasury	–	–	–	(7,218)	–	–	(7,218)
Net return from ordinary activities	–	–	–	–	8,589	380	8,969
Dividend paid in the year	–	–	–	–	–	(202)	(202)
At 30th April 2017	617	13	16,149	26,879	(19,253)	924	25,329

[1] This reserve forms the distributable reserve of the Company and may be used to fund distributions of profits to investors via dividend payments.

The notes on pages 37 to 52 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 30TH APRIL 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	24,550	23,004
Current assets	12		
Debtors		163	169
Cash and cash equivalents		705	697
		868	**866**
Creditors: amounts falling due within one year			
Creditors	13	(89)	(90)
Net current assets		**779**	**776**
Total assets less current liabilities		**25,329**	**23,780**
Net assets		**25,329**	**23,780**
Capital and reserves			
Called up share capital	14	617	617
Capital redemption reserve	15	13	13
Share premium	15	16,149	16,149
Other reserve	15	26,879	34,097
Capital reserves	15	(19,253)	(27,842)
Revenue reserve	15	924	746
Shareholders' funds		**25,329**	**23,780**
Net asset value per share	16	**74.2p**	**51.9p**

The financial statements on pages 33 to 52 were approved by the Directors and authorised for issue on 18th July 2017 and are signed on their behalf by:

Victor Bulmer-Thomas
Director

The notes on pages 37 to 52 form an integral part of these financial statements.

Company registration number: 7141630.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH APRIL 2017

	Notes	2017 £'000	2016 £'000
Net cash outflow from operations before dividends and interest	17	(537)	(471)
Dividends received		915	662
Interest received		1	–
Interest paid		(2)	(1)
Net cash inflow from operating activities		**377**	**190**
Purchases of investments		(13,259)	(6,269)
Sales of investments		20,283	7,195
Settlement of foreign currency contracts		27	(2)
Net cash inflow from investing activities		**7,051**	**924**
Dividend paid		(202)	(187)
Repurchase of shares into Treasury		(7,218)	(873)
Net cash outflow from financing activities		**(7,420)**	**(1,060)**
Increase in cash and cash equivalents		**8**	**54**
Cash and cash equivalents at start of year		697	652
Exchange movements		–	(9)
Cash and cash equivalents at end of year		705	697
Increase in cash and cash equivalents		**8**	**54**
Cash and cash equivalents consist of:			
Cash and short term deposits		596	697
Cash held in JPMorgan US Dollar Liquidity Fund		109	–
Total		**705**	**697**

The notes on pages 37 to 52 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2017

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in November 2014, and updated in January 2017.

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

The financial statements have been prepared on a going concern basis. The disclosures on going concern on page 20 of the Directors' Report form part of these financial statements.

The policies applied in these financial statements are consistent with those applied in the preceding year.

(b) Valuation of investments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

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. The 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, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

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

(c) Accounting for reserves

Gains and losses on sales of investments including the related foreign exchange gains and losses, realised gains and losses on foreign currency cash balances and loans, realised gains and losses on foreign currency contracts, and any other capital charges, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Gains and losses on sales of investments'.

Increases and decreases in the valuation of investments held at the year end including the related foreign exchange gains and losses, plus unrealised gains and losses on foreign currency contracts or foreign currency loans are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Investment holding gains and losses'.

(d) Income

Dividends receivable 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.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Deposit and liquidity fund interest receivable is taken to revenue on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

1. Accounting policies *continued*

(e) Expenses

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

Expenses incidental to the purchase of an investment are charged to capital and those incidental to the sale are deducted from the sale proceeds and then recognised in capital alongside the realised gain or loss on the investment. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 11 on page 43.

Finance costs are accounted for on an accruals basis using the effective interest rate method.

(f) Financial instruments

Cash and cash equivalents may comprise cash including demand deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Other debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at nominal value, with debtors reduced by appropriate allowances for estimated irrecoverable amounts.

(g) Taxation

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

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax 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.

Tax relief is allocated to expenses charged to capital on the 'marginal basis'. On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to the capital column.

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 that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

(h) Value Added Tax ('VAT')

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

(i) Foreign currency

The Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company 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 that sterling is the functional currency. Sterling is also the currency in which the financial statements 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 from a change in exchange rates subsequent to the date of the transaction is included in the Statement of Comprehensive Income as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature.

(j) Dividends payable

Dividends are included in the financial statements in the year in which they are approved by shareholders.

(k) Share issue costs

The costs of issuing shares are charged against any premium received on those shares.

(l) 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 the 'Other reserve' and dealt with in the Statement of Changes in Equity. 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 capital 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.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements on occasion requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

The Directors do not believe that any significant accounting judgements or estimates have been applied to this set of financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Gains/(losses) on investments held at fair value through profit or loss

	2017 £'000	2016 £'000
Gains/(losses) on investments held at fair value through profit or loss based on historic cost	1,502	(4,819)
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold during the year	2,213	1,742
Realised gains/(losses) on sales of investments based on carrying value at the previous balance sheet date	3,715	(3,077)
Net movement in investment holding gains/(losses)	4,892	(1,539)
Other capital charges	(20)	(12)
Total capital gains/(losses) on investments held at fair value through profit or loss	**8,587**	**(4,628)**

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

4. Income

	2017 £'000	2016 £'000
Income from investments		
Overseas dividends	981	683
	981	683
Interest receivable and similar income		
Interest from liquidity fund	2	–
	2	–
Total income	983	–

5. Management fee

	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Management fee	226	–	226	123	–	123

Details of the management fee are given in the Directors' Report on page 16.

As discussed in the Business review on pages 12 and 13, the management fee charged has been reduced to the extent necessary to ensure the Company's Ongoing Charges ratio does not exceed 2%. The management fee was reduced by £34,000 (2016: £94,000).

The management fee charged has increased from 2016 as a result of an increase in the average daily net assets.

6. Other administrative expenses

	2017 £'000	2016 £'000
Administration expenses	156	137
Directors' fees[1]	81	81
Auditors' remuneration for audit services[2]	26	26
Savings scheme costs[3]	21	26
Depositary fees	10	10
Expenses incurred for the Board's visit to Brazil	–	20
	294	300

[1] Full disclosure is given in the Directors' Remuneration Report on pages 24 and 25.

[2] Fees payable to the Company's auditor for the audit of the Company's annual accounts. No non-audit services were provided during the year (2016: nil).

[3] These amounts were payable to the Manager for the marketing of savings scheme products,

7. Finance Costs

	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Interest payable on overdrafts	2	–	2	1	–	1

8. Taxation

(a) Analysis of tax charge in the year

	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Overseas withholding tax	81	–	81	47	–	47
Current tax charge for the year	**81**	**–**	**81**	**47**	**–**	**47**

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

(b) Factors affecting total tax charge for the year

The tax charge for the year is lower (2016: higher) than the Company's applicable rate of corporation tax of 19.92% (2016: 20.00%) The factors affecting the total tax charge for the year are as follows:

	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Net return/(loss) on ordinary activities before taxation	**461**	**8,589**	**9,050**	**259**	**(4,639)**	**(4,380)**
Net return/(loss) on ordinary activities before taxation multiplied by the applicable rate of corporation tax of 19.92% (2016: 20.00%)	92	1,711	1,803	52	(928)	(876)
Effects of:						
Non taxable capital gains	–	(1,711)	(1,711)	–	928	928
Non taxable overseas dividends	(95)	–	(95)	(53)	–	(53)
Unutilised expenses carried forward to future periods	3	–	3	1	–	1
Overseas withholding tax	81	–	81	47	–	47
Total tax charge for the year	**81**	**–**	**81**	**47**	**–**	**47**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £426,000 (2016: £441,000) which comprises unutilised expenses of £2,534,000 (2016: £2,451,000) based on a prospective corporation tax rate of 17% (2016: 18%). The UK Government announced in July 2015 that the corporation tax rate is set to be cut to 19% in 2017 and 18% in 2020. In March 2016 a further cut to 17% in 2020 was announced. These reductions in the standard rate of corporation tax were substantively enacted on 15th September 2016 and became effective from 1st January 2017. 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 this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

Given the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval, the Company has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

9. Dividends

(a) Dividends paid and proposed

	2017 £'000	2016 £'000
2016 dividend paid of 0.50p (2015: 0.40p) per share	202	187
Dividend proposed of 0.80p (2016: 0.50p) per share	273	229

All dividends paid and declared in the period have been funded from the Revenue Reserve.

The final dividend proposed in respect of the year ended 30th April 2016 amounted to £229,000. However the actual payment amounted to £202,000 due to shares repurchased and held in Treasury, between the date at which financial statements were issued and the date on which the dividend was paid.

The final dividend proposed in respect of the year ended 30th April 2017 is subject to shareholder approval at the forthcoming Annual General Meeting.

This dividend will be reflected in the financial statements for the year ending 30th April 2018.

(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, shown below. The revenue available for distribution by way of dividend for the year is £380,000 (2016: £212,000). The revenue reserve after payment of the final dividend will amount to £651,000 (2016: £517,000).

	2017 £'000	2016 £'000
Final dividend of 0.80p (2016: 0.50p) per share	273	229
Minimum dividend required for s1158 purposes	233	110

10. Return/(loss) per share

	2017 £'000	2016 £'000
Revenue return	380	212
Capital return/(loss)	8,589	(4,639)
Total return/(loss)	**8,969**	**(4,427)**
Weighted average number of shares in issue during the period	**39,423,033**	**46,660,058**
Revenue return per share	0.96p	0.46p
Capital return/(loss) per share	21.79p	(9.94)p
Total return/(loss) per share	**22.75p**	**(9.48)p**

11. Investments

	2017 £'000	2016 £'000
Investments listed on a recognised stock exchange	24,550	23,004
Opening book cost	26,229	32,020
Opening investment holding losses	(3,225)	(3,428)
Opening valuation	23,004	28,592
Movements in the year:		
Purchases at cost	13,259	6,269
Sales – proceeds	(20,320)	(7,241)
Realised gains/(losses) on sales of investments based on the carrying value at the previous balance sheet date	3,715	(3,077)
Net movement in investment holding gains/(losses)	4,892	(1,539)
Closing valuation	24,550	23,004
Closing book cost	20,670	26,229
Closing investment holding gains/(losses)	3,880	(3,225)
Total investments held at fair value	**24,550**	**23,004**

During the year, prior year investment holding gains amounting to £2,213,000 have been transferred to gains/(losses) on sales of investments as disclosed in note 3 and 15.

Transaction costs on purchases during the year amounted to £39,000 (2016: £24,000) and on sales during the year amounted to £30,000 (2016: £14,000). These costs comprise mainly brokerage commission.

12. Current assets

	2017 £'000	2016 £'000
Debtors		
Securities sold awaiting settlement	50	33
Dividends and interest receivable	58	72
Taxation recoverable	9	18
Other debtors	46	46
	163	169

The Directors consider that the carrying amount of debtors approximates to their fair value. No balances are considered to be past due or impaired as at 30th April 2017 (2016: none).

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term deposits and liquidity funds.

The carrying amount of these represents their fair value. Cash balances in excess of a predetermined amount are placed on short term deposit at market rates of interest.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

13. Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Other creditors	89	90

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

14. Called up share capital

	2017 £'000	2016 £'000
Ordinary shares – allotted and fully paid		
Opening balance of 45,774,854 (2016: 47,792,362) shares excluding shares held in Treasury	458	478
Repurchase of 11,650,000 (2016: 2,017,508) shares into Treasury	(117)	(20)
Subtotal of 34,124,854 (2016: 45,774,854) shares of 1p each excluding shares held in Treasury	341	458
27,604,044 (2016: 15,954,044) shares held in Treasury	276	159
Closing balance of 61,728,898 (2016: 61,728,898) shares of 1p each including shares held in Treasury	**617**	**617**

Further details of transactions in the Company's shares are given in the Business Review on page 13.

Share capital transactions

During the year, the Company repurchased 11,650,000 (2016: 2,017,508) shares into Treasury for a total consideration of £7,218,000 (2016: £873,000). 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.

15. Capital and reserves

					Capital reserves			
	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve[1] £'000	Gains/(losses) on sales of investments £'000	Investment holding gains/(losses) £'000	Revenue reserve[2] £'000	Total £'000
Opening balance	617	13	16,149	34,097	(24,617)	(3,225)	746	23,780
Net foreign currency gains	–	–	–	–	2	–	–	2
Realised gains on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	3,715	–	–	3,715
Net movement in investment holding gains	–	–	–	–	–	4,892	–	4,892
Transfer on disposal of investments	–	–	–	–	(2,213)	2,213	–	–
Repurchase of shares into Treasury	–	–	–	(7,218)	–	–	–	(7,218)
Other capital charges	–	–	–	–	(20)	–	–	(20)
Revenue return for the year	–	–	–	–	–	–	380	380
Dividend paid in the year	–	–	–	–	–	–	(202)	(202)
Closing balance	617	13	16,149	26,879	(23,133)	3,880	924	25,329

[1] The share premium account was cancelled in July 2010 and the 'Other reserve' created for the purposes of financing share buybacks.

[2] This reserve forms the distributable reserve of the Company and may be used to fund distribution of profits to investors via dividend payments.

16. Net asset value per share

	2017	2016
Net assets (£'000)	25,329	23,780
Number of shares in issue	34,124,854	45,774,854
Net asset value per share	74.2p	51.9p

17. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash outflow from operations before dividends and interest

	2017 £'000	2016 £'000
Net return/(loss) on ordinary activities before finance costs and taxation	9,052	(4,379)
(Less capital return)/add capital loss on ordinary activities before finance costs and taxation	(8,589)	4,639
Decrease/(increase) in accrued income and other debtors	23	(11)
Decrease in accrued expenses	(1)	(11)
Overseas withholding tax	(81)	(47)
Dividends received	(915)	(662)
Interest received	(1)	–
Realised loss on foreign currency transactions	(12)	–
Realised loss on time deposits	(13)	–
Net cash outflow from operations before dividends and interest	**(537)**	**(471)**

18. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2016: nil).

19. Related party transactions

Details of the management contract are set out in the Directors' Report on page 16. The management fee payable to the Manager for the year was £226,000 (2016: £123,000) of which £nil (2016: £nil) was outstanding at the year end.

During the year £21,000 (2016: £31,000) was payable to the Manager for the marketing and administration of savings scheme products, of which £nil (2016: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 40 are safe custody fees amounting to £15,000 (2016: £12,000) payable to JPMorgan Chase of which £3,000 (2016: £2,000) was outstanding at the year end.

The Company also holds cash in JPMorgan US Dollar Liquidity Fund, managed by JPMorgan. At the year end this was valued at £0.1 million (2016: £nil). Interest amounting to £1,000 (2016: £nil) was receivable during the year of which £nil (2016: £nil) was outstanding at the year end.

Handling charges on dealing transactions amounting to £20,000 (2016: £12,000) were payable to JPMorgan Chase during the year of which £4,000 (2016: £4,000) was outstanding at the year end.

At the year end, total bank balance of £596,000 (2016: £697,000) was held with JPMorgan Chase. A net amount of interest of £nil (2016: £nil) was receivable by the Company during the year from JPMorgan Chase of which £nil (2016: £nil) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 25 and in note 6 on page 40.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

20. Disclosures regarding financial instruments measured at fair value

The fair value hierarchy disclosures required by FRS 102 are given below.

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio and derivative financial instruments.

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

(1) The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

(2) Inputs other than quoted prices included within Level 1 that are observable (i.e.: developed using market data) for the asset or liability, either directly or indirectly

When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

(3) Inputs are unobservable (i.e.: for which market data is unavailable) for the asset or liability

If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

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 37.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 30th April.

	2017		2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	24,550	–	23,004	–
Total	**24,550**	**–**	**23,004**	**–**

There were no transfers between Levels 1, 2 or 3 during the year (2016: nil).

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

As an investment trust, the Company invests in equities 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 financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial 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 cooperation with the Board and the Manager, coordinates the Company's risk management policy.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's classes of financial instruments are as follows:

- investments in equity shares and ADRs of Brazilian focused companies which are held in accordance with the Company's investment objective; and
- short term debtors, creditors and cash arising directly from its operations;

(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 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 and these policies have remained unchanged from those applying in the comparative year. 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

Most of the Company's assets, liabilities and income are denominated in currencies other than sterling which is 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 is 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 value of the Company's monetary items that have foreign currency exposure at 30th April 2017 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.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

21. Financial instruments' exposure to risk and risk management policies *continued*

(a) Market risk *continued*

(i) Currency risk *continued*

Foreign currency exposure *continued*

	US Dollar £'000	Brazilian Real £'000	2017 Mexican Peso £'000	Chilean Peso £'000	Total £'000
Current assets	699	53	8	–	760
Foreign currency exposure on net monetary items	699	53	8	–	760
Investments held at fair value through profit or loss	4,823	19,304	423	–	24,550
Total net foreign currency exposure	**5,522**	**19,357**	**431**	**–**	**25,310**

	US Dollar £'000	Brazilian Real £'000	2016 Mexican Peso £'000	Chilean Peso £'000	Total £'000
Current assets	617	45	–	–	662
Foreign currency exposure on net monetary items	617	45	–	–	662
Investments held at fair value through profit or loss	7,439	14,844	337	384	23,004
Total net foreign currency exposure	**8,056**	**14,889**	**337**	**384**	**23,666**

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

Foreign currency sensitivity

The following table illustrates the sensitivity of 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 each balance sheet date and the income receivable in foreign currency and assumes a 10% (2016: 10%) appreciation or depreciation in sterling against the US dollar, Brazilian Real, Mexican Peso and Chilean Peso to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

	2017		2016	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income - return after taxation				
Revenue return	(98)	98	(68)	68
Capital return	(76)	76	(66)	66
Total return after taxation for the year	(174)	174	(134)	134
Net assets	**(174)**	**174**	**(134)**	**134**

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

(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 during the year and at year end.

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 (2016: none).

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 reset, is shown below.

	2017 £'000	2016 £'000
Exposed to floating interest rates:		
Cash and short term deposits	596	697
JPMorgan US Dollar Liquidity Fund	109	–
Total exposure	**705**	**697**

Interest receivable on cash balances is at a margin below LIBOR respectively (2016: same).

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2016: 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.

	2017		2016	
	1% increase in rate £'000	1% decrease in rate £'000	1% increase in rate £'000	1% decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	7	(7)	7	(7)
Total return after taxation for the year	7	(7)	7	(7)
Net assets	7	(7)	7	(7)

In the opinion of the Directors, this 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.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

21. Financial instruments' exposure to risk and risk management policies *continued*

(a) Market risk *continued*

(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 or related securities.

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 comprises its holdings in equity investments as follows:

	2017 £'000	2016 £'000
Equity investments held at fair value through profit or loss	24,550	23,004

In the opinion of the Directors, the above data is broadly representative of the exposure to other price risk during the current and comparative year.

Concentration of exposure to other price risk

An analysis of the Company's investments is given on page 10. 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 entirely 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% (2016: 10%) in the market value of equity investments. 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, adjusting for changes in the management fee but with all other variables held constant.

	2017		2016	
	10% increase in fair value £'000	10% decrease in fair value £'000	10% increase in fair value £'000	10% decrease in fair value £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(25)	25	(23)	23
Capital return	2,455	(2,455)	2,300	(2,300)
Total return after taxation for the year	2,430	(2,430)	2,277	(2,277)
Net assets	**2,430**	**(2,430)**	**2,277**	**(2,277)**

(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 during the year and at the year end.

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

All financial liabilities stated in note 13 are repayable on demand to the value they are stated.

(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 DVP (Delivery Versus Payment) 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 and cash equivalents

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group and the Board. The Board regularly reviews the counterparties used by the Manager.

Exposure to JPMorgan Chase

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading. The Depositary, BNY Mellon Trust and Depositary (UK) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. However, no absolute guarantee can be given on the protection of all the assets of the Company.

Credit risk exposure

The amounts shown in the Statement of Financial Position under debtors and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

(d) Fair values of financial assets and financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

22. Capital management policies and procedures

The Company's capital structure comprises the following:

	2017 £'000	2016 £'000
Equity		
Called up share capital	617	617
Reserves	24,712	23,163
Total capital	**25,329**	**23,780**

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

The Board's policy is to utilise gearing when the Manager believes it appropriate to do so, up to a maximum of 20% geared at the time of drawdown.

	2017 £'000	2016 £'000
Investments held at fair value through profit or loss	24,550	23,004
Net assets	**25,329**	**23,780**
Gearing/(net cash)	**(3.1)%**	**(3.3)%**

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;
- the opportunity for issues of new shares, including issues from Treasury; and
- the level of dividend distributions in excess of that which is required to be distributed.

23. Subsequent events

The Directors have evaluated the period since the year end and have not identified any subsequent events.

Regulatory Disclosures

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD') DISCLOSURES (UNAUDITED)

Leverage

For the purposes of the Alternative Investment Fund Managers Directive (the 'AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and is calculated on a gross and a commitment method, in accordance with the AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by the AIFMD, as at 30th April 2017, which gives the following figures:

	Gross Method	Commitment Method
Leverage Exposure		
Maximum limit	200%	200%
Actual	100%	100%

JPMF Remuneration

JPMF is the authorised manager of the Company and is part of the J.P. Morgan Chase & Co. group of companies. In this disclosure, the terms 'J.P. Morgan' or 'Firm' refer to that group, and each of the entities in that group globally, unless otherwise specified.

This disclosure has been prepared in accordance with the AIFMD, the European Commission Delegated Regulation supplementing the AIFMD, the 'Guidelines on Sound Remuneration Policies' under the AIFMD issued by the European Securities and Markets Authority and the Financial Conduct Authority Handbook (SYSC 19B: The AIFM Remuneration Code and FUND 3.3).

JPMF Remuneration Policy

The current remuneration policy for the EMEA Global Investment business of J.P. Morgan can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/adv/legal/emea-remuneration-policy. This policy includes details of the alignment with risk management, the financial and non-financial criteria used to evaluate performance and the measures adopted to avoid or manage conflicts of interest.

JPMF Quantitative Disclosures

Disclosures in accordance with FUND 3.3.5, Article 22(2)e and 22(2)f of the AIFMD and Article 107 of the Delegated Regulation are disclosed on the Company's website at www.jpmbrazil.co.uk.

SECURITIES FINANCING TRANSACTIONS REGULATION ('SFTR') DISCLOSURES (UNAUDITED)

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-selling back transactions or sell-buy back transactions and margin lending transactions) or Total Return Swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 30th April 2017.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the sixth Annual General Meeting of JPMorgan Brazil Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 14th September 2017 at 2.00 p.m. for the following purposes:

1. To receive the Directors' Report & Accounts and the Auditor's Report for the year ended 30th April 2017.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 30th April 2017.
4. To approve a final dividend of 0.80p per Ordinary share.
5. To reappoint Victor Bulmer-Thomas as a Director of the Company.
6. To reappoint Ernst & Young LLP as auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

7. 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 (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £33,749, representing approximately 10% of the Company's issued Ordinary share capital (excluding treasury shares) as at the date of this notice and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018, 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

8. THAT subject to the passing of Resolution 7 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 7 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 £33,749, representing approximately 10% of the Ordinary issued share capital (excluding treasury shares) as at the date of this notice at a price of not less than the Net Asset Value per share and shall expire at the Company's Annual General Meeting in 2018, 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

9. 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, 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 hereby authorised to be purchased shall be 5,059,103, or if less, that number of Ordinary shares which is equal to 14.99% of the issued share capital as at the date of the passing of this Resolution;

   (ii) the minimum price which may be paid for any Ordinary 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, 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 13th March 2019 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 Funds Limited,
Secretary

18th July 2017

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.

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 6.30 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 6.30 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 17th July 2017 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 33,749,854 Ordinary shares (excluding treasury shares) carrying one vote each. Therefore the total voting rights in the Company are 33,749,854.

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.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

Return to shareholders

Total return to the investor, on a last traded price to last traded basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend (see page 2).

Return on net assets

Total return on 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.

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV per share when calculating the return on net assets (see page 2).

Benchmark total return

Total return on the benchmark, on a closing-market value to closing-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 (see page 2).

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 will be some 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. (see page 8) 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. 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 or 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 or discount (see page 12 for further details).

Gearing/(net cash)

Gearing represents the excess amount above shareholders' funds of total investments expressed as a percentage of the shareholders' funds and is calculated in accordance with guidance issued by the Association of Investment Companies (see page 8). Previously gearing represented the excess amount above shareholders' funds of total assets expressed as a percentage of shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position.

Ongoing Charges

Management fees and all other operating expenses, expressed as a percentage of the average daily net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies (see page 8).

Performance Attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark (see page 6).

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**
  Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. If the amount so calculated is negative, this is shown as a 'net cash' position.
- **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.
- **Share Repurchases**
  Measures the positive effect on relative performance of repurchasing the Company's shares for cancellation, or repurchases into Treasury, at a discount to their net asset value ('NAV') per share.

WHERE TO BUY J.P. MORGAN INVESTMENT TRUSTS

You can invest in a J.P. Morgan investment trust through the following;

1. Directly from J.P. Morgan

Investment Account
The Company's shares are available in the J.P. Morgan Investment Account, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Investment Account should call J.P. Morgan Asset Management free on 0800 20 40 20 or visit its website at am.jpmorgan.co.uk/investor

Stocks & Shares Individual Savings Accounts (ISA)
The Company's shares are eligible investments within a J.P. Morgan ISA. For the 2017/18 tax year, from 6th April 2017 and ending 5th April 2018, the total ISA allowance is £20,000. The shares are also available in a J.P. Morgan Junior ISA. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at am.jpmorgan.co.uk/investor

2. Via a third party provider

Third party providers include;

AJ Bell
Alliance Trust Savings
Barclays Stockbrokers
Bestinvest
Charles Stanley Direct
FundsNetwork
Hargreaves Lansdown
Interactive Investor
James Brearley
James Hay
Selftrade
TD Direct
The Share Centre

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

3. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at unbiased.co.uk

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit fca.org.uk

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls
If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 Check the FCA Warning List
The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 Get impartial advice
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers/report-scam-unauthorised-firm.** You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at www.fca.org.uk/scamsmart

Remember: if it sounds too good to be true, it probably is!

FCA
FINANCIAL CONDUCT AUTHORITY

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.

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 Junior ISA. These products are all available on the online service at jpmorgan.co.uk/online

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

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

For company secretarial and administrative matters, please contact Jonathan Latter at the above address.

Depositary

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

The Depositary has appointed 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: 0371 384 2814

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1090. 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
25 Churchill Place
Canary Wharf
London E14 5EY

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 and J.P. Morgan ISA, see contact details on the back cover of this report.

aic
The Association of Investment Companies

A member of the AIC

www.jpmbrazil.co.uk

J.P. MORGAN HELPLINE

Freephone 0800 20 40 20 or +44 (0) 1268 444470.
Telephone lines are open Monday to Friday,
9am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes.

J.P.Morgan
Asset Management