

# JPMorgan Brazil Investment Trust plc

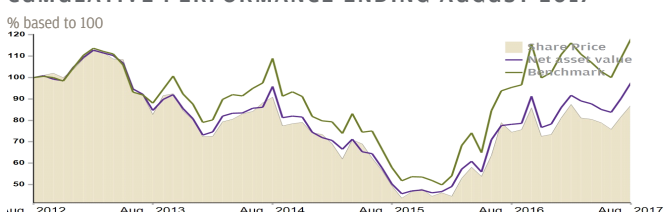
Monthly Update as at 31 August 2017

Overall Morningstar Rating™ (as at 30/09/17) <sup>A</sup> ★ ★ ★  
Morningstar Category™ Brazil Equity

## Management Commentary

The trust performed in line with the index in August. Stock selection was strong within the information technology (IT) sector and weak in the utilities space. Within IT, lack of exposure to Cielo, the largest debit and credit card processor in Brazil, added to returns as the company announced cuts to its targets for capital spending. Our holding in Iochpe-Maxion, a component and wheel producer for light and heavy vehicles, also added to performance as it benefited from increased demand. A significant detractor was our underweight in state-owned electric utilities company Eletrobras, whose stock rose sharply following news that some assets would be privatised. Finally, our overweight in Raia Drogasil, Brazil's largest drugstore chain and a core holding in the portfolio, also detracted as the company faces a challenging environment.

### CUMULATIVE PERFORMANCE ENDING AUGUST 2017



### QUARTERLY ROLLING 12M ENDING JUNE 2017

%	2016/17	2015/16	2014/15	2013/14	2012/13
Share Price	19.4	1.7	-25.8	-9.8	-2.3
Net asset value <sup>B</sup>	18.1	10.0	-24.8	-9.4	-2.9
Benchmark	18.4	12.5	-21.0	1.8	-6.3

### CUMULATIVE PERFORMANCE AS AT 31 AUGUST 2017

%	1 Y	3 Y	5 Y
Share price	17.0	-4.1	-12.9
Net asset value <sup>B</sup>	24.9	1.8	-2.4
Benchmark	23.7	8.3	18.1

**Past performance is not a guide to the future.** J.P.Morgan/Morningstar. Net asset value performance data has been calculated on a NAV to NAV (using the cum income NAV with debt at fair) basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment.

### TOP 10 HOLDINGS AS AT 30 SEPTEMBER 2017

Holding	Sector	Weight
Itau Unibanco Multiplo ADR Preference	Financials	9.9%
Banco Bradesco ADR	Financials	6.7%
Ambev ADR	Consumer Staples	6.0%
Lojas Renner	Consumer Discretionary	5.5%
B3 SA - Brasil Bolsa Balcao	Financials	5.4%
Kroton Educacional	Consumer Discretionary	5.2%
Raia Drogasil	Consumer Staples	4.2%
Vale	Materials	4.1%
ITAU SA	Financials	4.0%
Fleury	Health Care	3.8%

## INVESTMENT OBJECTIVE AND POLICY

Aims to generate total returns, primarily in the form of capital, from a portfolio primarily invested in Brazilian focused companies. The Company may also invest up to 10% in companies in other Latin American countries. Equity holdings may be reduced to a minimum of 60% of gross assets if it is considered beneficial to performance.

## KEY FACTS

Portfolio Manager(s)/Start date	Luis Carrillo (2010) Sophie Bosch de Hood (2014)
Dividends Paid	September
Benchmark	MSCI Brazil 10/40 Index (£)
Company Broker(s)	Numis Securities
Gross assets (as at 31/08/17)	GBP 27.5m
Share price (as at 30/09/17)	70.4p
Net asset value (NAV) (as at 30/09/17) <sup>B</sup>	81.6p
Discount(-)/Premium	-13.8%
Total dividend for last financial year (per share)	0.80p
Financial year-end date	30 April
Prospective Dividend Yield <sup>C</sup>	1.1%
Potential gearing range	Maximum 20%
Actual gearing <sup>D</sup>	-0.3%

## COMPANY FEES & EXPENSES

Ongoing charges (comprises): <sup>E</sup>	2.00%
-Annual management fee	1% on Gross assets
-Operating & administrative expenses	1.00%
Performance fee	No

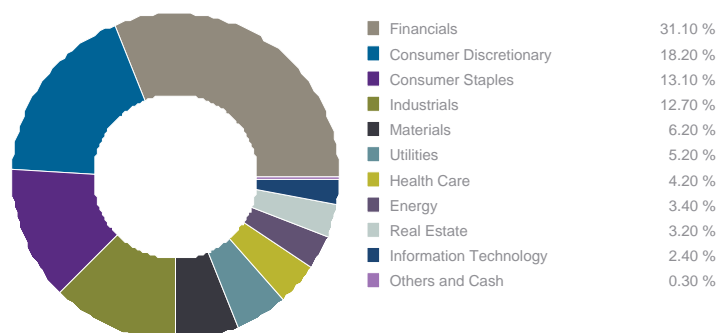
## KEY RISKS

The value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. Please read the Risk Information, Explanatory Notes, Glossary of Terms and Important Information on the next page.

Any reference to companies/securities mentioned in this document is for information use only and should not be interpreted as investment advice or recommendation on those companies/securities. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document.

# JPMorgan Brazil Investment Trust plc

## SECTOR BREAKDOWN AS AT 30 SEPTEMBER 2017 <sup>F</sup>



The Trust is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

### RISK INFORMATION

- Exchange rate changes may cause the value of underlying overseas investments to go down as well as up.
- Investments in emerging markets may involve a higher element of risk due to political and economic instability and underdeveloped markets and systems. Shares may also be traded less frequently than those on established markets. This means that there may be difficulty in both buying and selling shares and individual share prices may be subject to short-term price fluctuations.
- External factors may cause an entire asset class to decline in value. Prices and values of all shares or all bonds could decline at the same time, or fluctuate in response to the performance of individual companies and general market conditions.
- This trust may utilise gearing (borrowing) which will exaggerate market movements both up and down.
- This trust may also invest in smaller companies which may increase its risk profile.
- The share price may trade at a discount to the Net Asset Value of the company.
- The single market in which the Trust primarily invests, in this case Brazil, may be subject to particular political and economic risks and, as a result, the trust may be more volatile than more broadly diversified trusts.
- Investors should be aware that there is a Brazilian Presidential Decree in force, as amended from time to time, detailing the current IOF tax rate (Tax on Financial Operations), that applies to foreign exchange inflows and outflows. The application of the IOF tax may reduce the Net Asset Value per share.

### EXPLANATORY NOTES

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<sup>B</sup>Cum income only NAV with debt at par, diluted for treasury and/or subscription shares if applicable

<sup>C</sup>Source: Morningstar. Prospective dividend yield is indicative and based on mid market prices, and include the declared and net prospective dividends for the current financial year.

<sup>D</sup>Gearing represents the excess amount above shareholders' funds of total investments (excluding liquidity fund holdings) expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is known as a "net cash" position.

<sup>E</sup>Ongoing charges are the management fee and all other operating expenses, excluding interest charges on any borrowing and any performance fee payable expressed as a percentage of the average daily net assets during the year. All figures are for the previous financial year.

<sup>F</sup>Non-Benchmark holdings (where held) are classified in the appropriate sector/region. Cash is net current assets and holdings used as cash substitutes if applicable.

### IMPORTANT INFORMATION

This factsheet is to provide you summary information about the Company and should not be taken as an advice or recommendation to buy or sell its shares. If you are not sure of suitability of our products for your investment needs, please contact a financial adviser. Please ensure reading important product documentation including Key Features and Terms and Conditions, Investor Disclosure Document and Annual Reports and Accounts.

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### COMPANY CODES

ISIN	GB00B602HS43
Sedol	B602HS4
Bloomberg	JPB LN
Reuters	JPB.L

### GLOSSARY OF TERMS

**BENCHMARK COMPARISON** - Comparison of the Company's performance is made with the benchmark. 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 therefore there may be a degree of divergence between its performance and that of the Company.

**CASH** - Net current assets including investment in liquidity funds & treasury stocks (if held) and drawn revolving credit facilities (if any) with an original maturity of less than 1 year.

**DISCOUNT / PREMIUM** - If the share price of an investment company is lower than the net asset value (NAV) per share, the company is said to be trading at a discount. If the share price of an investment company is higher than the net asset value (NAV) per share, the company is said to be trading at a premium. The discount/premium is shown as a percentage of the NAV.

**GEARING** - Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative this is known as a 'net cash' position.

**SECTOR / GEOGRAPHICAL BREAKDOWNS** - These are expressed as a percentage of total portfolio and cash. Investments in liquidity funds will be shown as cash.

**TOP 10 HOLDINGS** - These are expressed as a percentage of total portfolio and cash. Investments in liquidity funds / treasury stocks will not be shown in the top 10 holdings.