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BRAZIL FUND INC
Form DEFA14A
June 14, 2004

SCHEDULE 14A
INFORMATION REQUIRED IN PROXY STATEMENT

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934

(AMENDMENT NO. ____)

FILED BY THE REGISTRANT [X]
FILED BY A PARTY OTHER THAN THE REGISTRANT []

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

THE BRAZIL FUND, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[] Fee paid previously with preliminary materials:

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

(4) Date Filed:

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Other Soliciting Material Pursuant to Rule 14a-6(b)

The following is the text of slides that may be shown to shareholders of the Brazil Fund, Inc.:

[LOGO] The Brazil Fund, Inc.

[LOGO] Overview

June 2004

[LOGO] The Fund

Ticker: BZF

| | |
|------------------------|------------------------------|
| Inception date | April 8, 1988 |
| Starting Net Assets: | \$138.5MM, \$11.54 per share |
| Second Tranche: | \$61.7MM, November 1995 |
| Distributions: | \$274.7MM, \$19.23 per share |
| Net Assets at 04/30/04 | \$388.1MM, \$24.38 per share |
| Price at 04/30/04 | \$20.45 |

Average Annualized Total Return Since Inception

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| | |
|-------------------------|--------|
| NAV (04/30/04) | 13.38% |
| Market Price (04/30/04) | 11.59% |

Past results are not necessarily indicative of future performance of the fund. Investment return and principal value will fluctuate, therefore current performance may be lower or higher than the figures shown.

Foreign security markets generally exhibit greater price volatility and are less liquid than the US market. Additionally, this fund focuses its investments in certain geographical regions, thereby increasing its vulnerability to developments in that region and potentially subjecting the fund's shares to greater price volatility.

[LOGO] Commitment to Good Corporate Governance

[LOGO] Board Considers the
Interests of All Stockholders

- o The Board seeks to treat all stockholders fairly and equally
- o Carrousel group is asking shareholders to withhold votes from board's nominees
- o Carrousel group may have different interests from those seeking long-term capital appreciation through investment in Brazilian securities

[LOGO] The Carrousel group

- o The Carrousel group includes:
 - o The Carrousel Fund Ltd. and The Carrousel Fund II Limited, both Cayman Island funds that engage in closed-end funds arbitrage
 - o Carrousel Capital Ltd., the manager of the funds
- o Bruno Sangle - Ferriere, who is said to control the Carrousel funds' investment manager, was "head of non standard arbitrage," "mainly taking positions in....closed-end funds" at Societe Generale before he formed Carrousel Capital in 2000
- o Carrousel last year filed a 13D saying it might make stockholder proposals, but after the fund's stock price rose, sold about half its holdings and made no proposals

[LOGO] Corporate Governance -
New Initiatives

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- o On May 10, the Board appointed the Chairman of the Committee on Independent Directors to be Chairman of the Board.
- o The Fund's Board believes its appointment of a financially literate independent director as Chairman reaffirms the Board's long-standing commitment to:
 - o Strong, independent oversight of the Fund's operations
 - o Progressive governance practices that seek to protect and serve the interests of the Fund and its stockholders
- o Committee on Independent Directors has engaged an independent consultant to advise it

[LOGO] Corporate Governance -
Independence of Board

- o The Fund has always had a majority of independent directors
- o Only one director is affiliated with the investment manager
- o Wholly independent audit and nominating committees
- o Independent directors meet in executive session at every Board Meeting

[LOGO] Experienced Directors

Each of the Fund's candidates has the experience needed to represent the best interests of All of the Fund's shareholders.

- o Ronaldo A. De Frota Nogueira. Brazilian. Director and CEO of IMF Editora Ltd., the Brazilian financial publisher. Chairman of the Certification Committee and Director of APIMEC Nacional, the Brazilian Association of Investment Professionals and Analysts, and is a member of the Board of Association of Certified International Investment Analysts. Independent director. Over 40 years experience in the Brazilian financial community.
- o Susan Kaufman Purcell. Vice President of the Council of the Americas and the Americas Society. Formerly Senior Fellow at the Council on Foreign Relations, a member of the U. S. Department of State Policy Planning Staff and a professor at UCLA and at Columbia. Dr. Purcell's books include "Brazil Under Cardoso," "Europe and Latin America in the World Economy," and "Latin America: US Policy After the Cold War." Independent director.
- o Vincent J. Esposito. Managing Director of Deutsche Asset Management. Only Fund director affiliated with Fund's manager. Over 20 years of professional experience developing and building investment products and establishing global joint ventures and new business opportunities in asset management.

[LOGO] Portfolio Performance and Current Strategy

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[LOGO] The Brazil Fund, Inc.

The Fund has regularly outperformed the Brazilian stock market index and other benchmarks

Performance Comparison as of April 30, 2004

| | YTD (4/30/04) | 12 Month - Cumul. Return (%) | 3 Yr Avg. Annual (%) | 5 Yr Avg. Annual (%) | 10 Yr. Avg. Annual (%) | Since Inception |
|-------------------------|------------------|------------------------------------|----------------------------|----------------------------|---------------------------------|--------------------|
| The Brazil Fund: NAV | -11.35% | 48.50% | 9.82% | 11.00% | 9.72% | 13.38% |
| Brazil Fund Stock Price | -14.61% | 45.48% | 12.07% | 9.57% | 7.54% | 11.59% |
| Bovespa Index (\$) | -12.97% | 53.45% | -0.71% | -0.49% | 6.33% | N/A |
| IFCI - Brazil | -13.96% | 45.70% | 5.26% | 8.07% | N/A | N/A |

Past results are not necessarily indicative of future performance of the fund. Investment return and principal value will fluctuate, therefore current performance may be lower or higher than the figures shown.

Total investment returns reflect changes in net asset value per share during each period and assume that dividends and capital gain distributions, if any, were reinvested. These percentages are not an indication of the performance of a shareholder's investment in the Fund based on market price.

[LOGO] The Brazil Fund, Inc.

Market Structure by Industry

| Industry | IFCI Brazil (as of 5/19/04) % of Equity | Brazil Fund (as of 4/30/04) % of Equity | iShares (as of 4/30/04) % of Equity |
|------------------|---|---|---|
| Banking | 14.90% | 9.67% | 10.89% |
| Consumer Staples | 10.07% | 17.07% | 10.61% |
| Materials | 27.08% | 24.58% | 26.30% |
| Manufacturing | 4.19% | 15.44% | 4.14% |
| Oil & Gas | 23.65% | 11.89% | 25.85% |
| Communications | 13.97% | 8.50% | 12.88% |
| Utilities | 5.13% | 6.81% | 7.39% |
| Other | | 0.56% | |

* Sectors are subject to change

[LOGO] The Brazil Fund, Inc.

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Top Ten Holdings as of April 30, 2004

| Brazil Fund | | iShares | |
|----------------|-------------|------------------|-------------|
| Company | % of Equity | Company | % of Equity |
| ----- | | ----- | |
| Petrobras | 11.89% | Petrobras | 25.85% |
| Banco Itau | 9.67% | Vale Rio Doce | 12.03% |
| WEG - PN | 8.52% | AMBev | 6.44% |
| Vale Rio Doce | 7.22% | Banco Itau SA | 4.33% |
| Ambev | 7.16% | Banco Bradesco | 3.89% |
| Gerdau | 5.26% | Tele Norte Leste | 3.49% |
| Sider Nacional | 5.12% | Embraer | 3.07% |
| Votorantim | 4.74% | Unibanco | 2.67% |
| Aracruz | 4.22% | Aracruz | 2.62% |
| Souza Cruz | 3.97% | CEMIG | 2.60% |

* Holdings are subject to change

[LOGO] Fund's manager believes economic signs for investing in Brazil are promising

- o Increasing quarterly seasonally adjusted sales
- o Increasing quarterly seasonally adjusted industrial output
- o Declining real interest rate
- o Decrease in inflation
- o Reduction in current account deficit
- o Strong rise in exports relative to imports
- o Recent increase in foreign direct investment
- o Leveling debt to GDP ratio
- o Less debt is dollar-denominated

The opinions and forecasts expressed are those of Paul Rogers as of June 14, 2004, and may not actually come to pass. This information is subject to change at any time, based on market and other conditions.

[LOGO] Appendix A

Additional Information Regarding
the Brazilian Market

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[LOGO] The Brazil Fund, Inc.

BZF vs BOVESPA INDEX 10 YR TOTAL RETURN

THE ORIGINAL DOCUMENT CONTAINS A LINE CHART HERE.

CHART DATA:

| Date | Brazil Fund | Bovespa Index |
|------------|-------------|---------------|
| 4/29/1994 | 0.000 | 0.000 |
| 5/31/1994 | 0.540 | 0.280 |
| 6/30/1994 | 3.780 | 0.420 |
| 7/29/1994 | 24.320 | 24.150 |
| 8/31/1994 | 45.410 | 66.350 |
| 9/30/1994 | 51.890 | 78.410 |
| 10/31/1994 | 49.190 | 57.470 |
| 11/30/1994 | 54.590 | 52.730 |
| 12/30/1994 | 51.870 | 42.390 |
| 1/31/1995 | 40.360 | 28.040 |
| 2/28/1995 | 20.810 | 6.660 |
| 3/31/1995 | 15.560 | -7.740 |
| 4/28/1995 | 21.950 | 15.910 |
| 5/31/1995 | 22.530 | 13.830 |
| 6/30/1995 | 16.720 | 8.440 |
| 7/31/1995 | 24.850 | 14.790 |
| 8/31/1995 | 18.460 | 25.770 |
| 9/29/1995 | 24.270 | 35.830 |
| 10/31/1995 | 13.100 | 19.090 |
| 11/30/1995 | 11.090 | 25.730 |
| 12/29/1995 | 9.880 | 22.780 |
| 1/31/1996 | 31.330 | 45.970 |
| 2/29/1996 | 17.680 | 39.860 |
| 3/29/1996 | 12.480 | 39.120 |
| 4/30/1996 | 12.480 | 44.280 |
| 5/31/1996 | 21.580 | 59.260 |

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| | | |
|------------|---------|---------|
| 6/28/1996 | 24.180 | 66.860 |
| 7/31/1996 | 11.830 | 67.980 |
| 8/30/1996 | 11.830 | 70.730 |
| 9/30/1996 | 13.780 | 75.120 |
| 10/31/1996 | 9.230 | 76.220 |
| 11/29/1996 | 9.230 | 78.880 |
| 12/31/1996 | 20.250 | 87.810 |
| 1/31/1997 | 26.330 | 111.130 |
| 2/28/1997 | 36.470 | 132.840 |
| 3/31/1997 | 35.740 | 136.880 |
| 4/30/1997 | 40.560 | 160.180 |
| 5/30/1997 | 50.210 | 192.790 |
| 6/30/1997 | 69.500 | 223.570 |
| 7/31/1997 | 66.060 | 229.460 |
| 8/29/1997 | 43.660 | 169.470 |
| 9/30/1997 | 54.340 | 198.330 |
| 10/31/1997 | 18.860 | 125.820 |
| 11/28/1997 | 18.170 | 134.790 |
| 12/31/1997 | 31.030 | 153.240 |
| 1/30/1998 | 26.740 | 139.900 |
| 2/27/1998 | 32.590 | 159.300 |
| 3/31/1998 | 43.770 | 191.220 |
| 4/30/1998 | 42.590 | 182.850 |
| 5/29/1998 | 18.310 | 137.320 |
| 6/30/1998 | 13.610 | 131.950 |
| 7/31/1998 | 27.320 | 155.190 |
| 8/31/1998 | -22.040 | 52.420 |
| 9/30/1998 | -21.650 | 54.190 |
| 10/30/1998 | -13.820 | 63.740 |
| 11/30/1998 | -3.240 | 99.290 |
| 12/31/1998 | -13.600 | 55.680 |

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| | | |
|------------|---------|---------|
| 1/29/1999 | -23.030 | 6.840 |
| 2/26/1999 | -22.040 | 18.740 |
| 3/31/1999 | 2.490 | 72.620 |
| 4/30/1999 | 22.090 | 89.520 |
| 5/31/1999 | 10.030 | 79.020 |
| 6/30/1999 | 18.570 | 82.070 |
| 7/30/1999 | 3.500 | 61.780 |
| 8/31/1999 | 0.480 | 52.510 |
| 9/30/1999 | 6.510 | 60.500 |
| 10/29/1999 | 7.520 | 65.760 |
| 11/30/1999 | 24.600 | 98.660 |
| 12/31/1999 | 51.120 | 163.410 |
| 1/31/2000 | 44.490 | 154.690 |
| 2/29/2000 | 47.550 | 176.710 |
| 3/31/2000 | 41.420 | 183.550 |
| 4/28/2000 | 23.040 | 138.600 |
| 5/31/2000 | 20.490 | 127.160 |
| 6/30/2000 | 39.890 | 157.090 |
| 7/31/2000 | 43.470 | 156.950 |
| 8/31/2000 | 50.100 | 163.960 |
| 9/29/2000 | 39.890 | 139.550 |
| 10/31/2000 | 30.700 | 116.260 |
| 11/30/2000 | 17.430 | 86.290 |
| 12/29/2000 | 41.790 | 116.900 |
| 1/31/2001 | 60.960 | 148.270 |
| 2/28/2001 | 45.870 | 115.340 |
| 3/30/2001 | 31.380 | 84.510 |
| 4/30/2001 | 37.590 | 88.890 |
| 5/31/2001 | 31.810 | 72.130 |
| 6/29/2001 | 30.690 | 74.660 |
| 7/31/2001 | 26.800 | 56.430 |

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| | | |
|------------|----------|---------|
| 8/31/2001 | 19.130 | 39.630 |
| 9/28/2001 | 2.220 | 10.270 |
| 10/31/2001 | 7.650 | 16.820 |
| 11/30/2001 | 22.920 | 43.630 |
| 12/31/2001 | 35.730 | 62.600 |
| 1/31/2002 | 32.930 | 46.130 |
| 2/28/2002 | 46.850 | 64.920 |
| 3/29/2002 | 50.010 | 58.050 |
| 4/30/2002 | 53.350 | 53.710 |
| 5/31/2002 | 40.970 | 41.490 |
| 6/28/2002 | 15.220 | 10.010 |
| 7/31/2002 | -9.180 | -21.340 |
| 8/30/2002 | 3.290 | -3.950 |
| 9/30/2002 | -21.110 | -37.450 |
| 10/31/2002 | -2.400 | -22.290 |
| 11/29/2002 | 0.760 | -20.370 |
| 12/31/2002 | 2.840 | -11.740 |
| 1/31/2003 | 3.490 | -13.420 |
| 2/28/2003 | -0.860 | -20.000 |
| 3/31/2003 | 9.220 | -6.130 |
| 4/30/2003 | 33.380 | 20.490 |
| 5/30/2003 | 35.610 | 24.940 |
| 6/30/2003 | 38.380 | 25.610 |
| 7/31/2003 | 45.3200 | 26.870 |
| 8/30/2003 | 64.7600 | 42.000 |
| 9/29/2003 | 66.5200 | 51.68 |
| 10/29/2003 | 83.3700 | 73.79 |
| 11/28/2003 | 92.5300 | 89.97 |
| 12/28/2003 | 127.5200 | 112.46 |
| 1/27/2004 | 114.1300 | 106.4 |
| 2/26/2004 | 120.7800 | 107 |

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| | | |
|-----------|----------|--------|
| 3/31/2004 | 124.8600 | 111.12 |
| 4/30/2004 | 94.2700 | 84.9 |

[LOGO] The Brazil Fund, Inc.

Export Growth Remains Diversified

Exports and Imports Change in 2004

| | Exports | | | Imports | | | |
|----------------------|---------|-----|----------|-----------------------|-----|----------|---|
| | US\$ mn | % | % change | US\$ mn | % | % change | |
| Ore | 155 | 16 | 49 | Fuel & lubricants | 165 | 29 | 2 |
| Transport equipment | 116 | 12 | 19 | Fertilizers | 119 | 21 | 1 |
| Metallurgic products | 107 | 11 | 18 | Electronics | 92 | 16 | 2 |
| Mechanical equipment | 103 | 10 | 50 | Chemicals | 68 | 12 | 2 |
| Meats | 92 | 9 | 35 | Other chemicals | 56 | 10 | 9 |
| Wood | 70 | 7 | 53 | Plastics | 32 | 6 | 2 |
| Oil & derivatives | 60 | 6 | 19 | Mechanical equipment | 20 | 4 | 3 |
| Soy | 58 | 6 | 16 | Fibers | 16 | 3 | 3 |
| Paper & pulp | 53 | 5 | 23 | Precision instruments | 15 | 3 | 1 |
| Textiles | 45 | 5 | 50 | Copper | 12 | 2 | 5 |
| Electronics | 27 | 3 | 18 | Paper | 10 | 2 | 3 |
| Other | 108 | 11 | 7 | Other | -41 | -7 | - |
| Total | 995 | 100 | 21 | Total | 562 | 100 | 1 |

Source: Banco Central Do Brasil

[LOGO]

Index and Risk Information

- o Closed end funds, unlike open end funds, are not continuously offered.

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There is a one time public offering and once issued, shares of closed end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount to net asset value. The price of the fund's shares is determined by a number of factors, several of which are beyond the control of the fund. Therefore, the fund cannot predict whether its shares will trade at, below or above net asset value.

- o The Bovespa Index is a total return index weighted by traded volume and is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange.
- o IFCI - Brazil Index represents the S&P Brazil Investable Total Return series. The term Investable indicates that the stocks and the weights in the S&P index represents the amount that the foreign institutional investors might buy by the virtue of the foreign institutional restrictions plus factoring in minimum market capitalization and liquidity screens. This particular index also measures the impact of reinvestment of gross cash dividends on the price index.
- o iShares MSCI Brazil Index Fund is an exchange-traded fund in the US. The Fund's objective is to provide investment results that correspond to the performance of publicly traded securities in the Brazilian market, as measures by the MSCI Brazil (Free) Index. The Fund invests in a representative sample of index stocks using a "portfolio sampling" technique.
- o Indices are not available for direct investment and include reinvestment of distributions.

For more information please call: 800-349-4281

OR

Visit us on the web @ [http:// cef.scudder.com](http://cef.scudder.com)

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