

Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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   
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.:  
-----

Edgar Filing: BRAZIL FUND INC - Form DEFA14A

-----  
(3) Filing Party:  
-----

(4) Date Filed:  
-----

2

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

Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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.

-----  
[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

- 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:

Edgar Filing: BRAZIL FUND INC - Form DEFA14A

- 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 6 out of 7 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  
-----

[LOGO] The Brazil Fund, Inc.

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

## Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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.

### Top Ten Holdings as of April 30, 2004

Company	Brazil Fund % of Equity	Company	iShares % of Equity
-----		-----	

Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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

-----  
[LOGO] Appendix A  
-----

Additional Information Regarding  
the Brazilian Market

[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
------	-------------	---------------

Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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
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

Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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
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



Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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
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

Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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

[LOGO] The Brazil Fund, Inc.

# Edgar Filing: BRAZIL FUND INC - Form DEFA14A

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. 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 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

## Edgar Filing: BRAZIL FUND INC - Form DEFA14A

vulnerability to developments in that region and potentially subjecting the fund's shares to greater price volatility

- 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) 4/30 31830