

BlackRock®

BlackRock Latin American Investment Trust plc

Half Yearly Financial Report 30 June 2022



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Financial highlights

459.10c

NAV per ordinary share with dividends reinvested

-5.1%^{1,2}

431.13c³

Ordinary share price with dividends reinvested

-4.0%^{1,2}

13.50c

Total dividends per ordinary share

-8.7%⁴

6.1%^{1,5}

Dividend yield

18.11c

Revenue profit per ordinary share

+108.2%

Percentage comparisons are at 30 June 2022 against 31 December 2021 for share price, net assets and NAV per ordinary share. Comparisons for revenue return and dividends are against figures for the six month period to 30 June 2021.

¹ Alternative Performance Measures, see Glossary on pages 30 to 33.

² All calculations in US Dollars with dividends reinvested.

³ Mid-market price.

⁴ Dividends declared in respect of the six month period ended 30 June 2022 of 13.50 cents per share compared to dividends declared in respect of the six month period ended 30 June 2021 of 14.79 cents per share.

⁵ Yield calculated based on four quarterly dividends for the twelve months to 30 June 2022 of 26.27 cents per share and the share price as at 30 June 2022 of 431.13 cents.



Social advancement and diversity have been important themes in Latin America. BlackRock supports advances in diversity as the BLK Foundation is helping to train young women in Latin America for careers in tech through a \$1m investment supporting the nonprofit Laboratoria. The programme reaches more than 3,500 women across the region and helps to close the gender employment gap. 80% of graduates end up with jobs that, on average, triple their salaries. PHOTO COURTESY OF LABORATORIA

Why BlackRock Latin American Investment Trust plc?

Investment objective

The Company's objective is to secure long term capital growth and an attractive total return primarily through investing in quoted securities in Latin America.

Investment approach

- ✓ The Board strongly believes that our closed-end structure is the most appropriate for active equity investment in Latin America and its well-known advantages are the major factors differentiating us from our many open-ended competitors. As a closed-end company we are able to adopt a longer term investment horizon, and therefore may, when appropriate, have a higher proportion of less liquid mid and smaller capitalisation companies than comparable open-ended funds.
- ✓ BlackRock Fund Managers Limited (the Manager) is encouraged to consider appropriate investments in Latin American companies outside the index.
- ✓ As an actively managed fund our primary aims over the medium term are significant outperformance of our benchmark index (the MSCI Emerging Markets Latin America Index (Net Return)) and most of our competitors on a risk adjusted basis. Our portfolio and performance will diverge from the returns obtained simply by investing in the index.
- ✓ The portfolio will be chosen from a spread of companies which are listed in, or whose main activities are in, Latin America.
- ✓ The Board actively seeks to maintain control over the level and volatility of the discount between share price and the net asset value (NAV).
- ✓ We will selectively employ gearing with the aim of enhancing returns. The Board believes that 105% of NAV is the neutral level of gearing over the longer term and that gearing should be used actively in an approximate range of plus or minus 10% around this as measured at the time that gearing is instigated.
- ✓ The Company pays a regular quarterly dividend equivalent to 1.25% of the Company's US Dollar NAV at the end of each calendar quarter.
- ✓ The Board believes that good Environmental, Social and Governance (ESG) behaviour by the companies we invest in is important to the long-term financial success of our Company. Whilst the Company does not exclude investment in stocks on ESG criteria, ESG analytics are fully integrated into the investment process when weighing up the risk and reward benefits of investment decisions. The Board believes that communication and engagement with portfolio companies can lead to better outcomes for stakeholders and the environment than merely excluding investment in certain areas.

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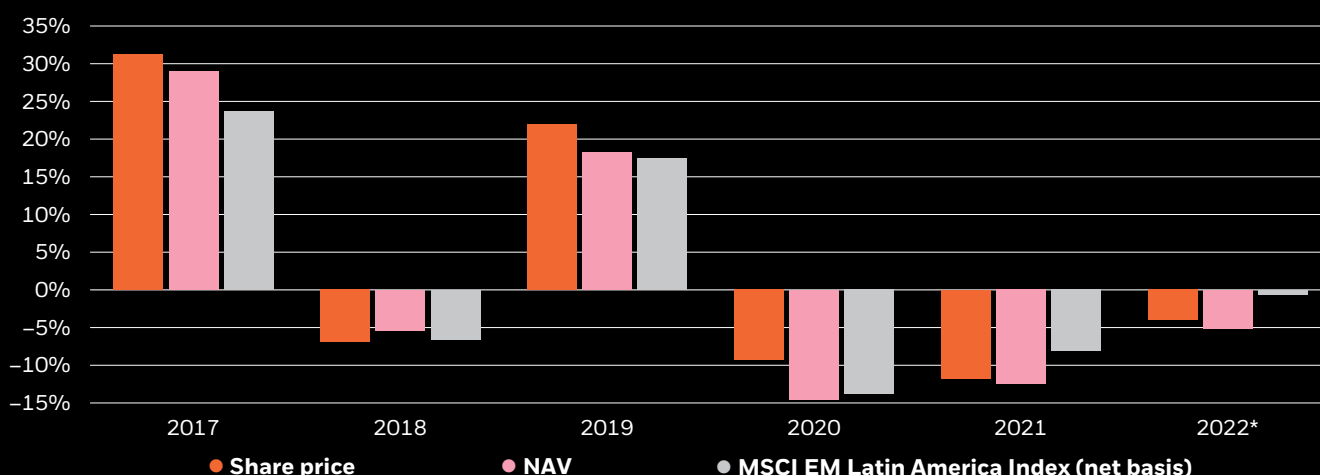
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Performance record

	As at 30 June 2022	As at 31 December 2021
Net assets (US\$'000) ¹	135,199	194,838
Net asset value per ordinary share (US\$ cents)	459.10	496.28
Ordinary share price (mid-market) (US\$ cents) ²	431.13	461.19
Ordinary share price (mid-market) (pence)	355.00	340.50
Discount ³	6.1%	7.1%
Performance (with dividends reinvested)		
Net asset value per share (US\$ cents) ³	-5.1%	-12.5%
Ordinary share price (US\$ cents) ^{2,3}	-4.0%	-11.8%
Ordinary share price (pence) ³	7.2%	-11.0%
MSCI EM Latin America Index (net return, on a US Dollar basis) ⁴	-0.6%	-8.1%

	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change %
Revenue			
Net profit on ordinary activities after taxation (US\$'000)	6,767	3,414	+98.2
Revenue earnings per ordinary share (US\$ cents)	18.11	8.70	+108.2
Dividends per ordinary share (US\$ cents)			
Quarter to 31 March	7.76	6.97	+11.3
Quarter to 30 June	5.74	7.82	-26.6
Total dividends paid and payable	13.50	14.79	-8.7

Performance from 31 December 2016 to 30 June 2022



Sources: BlackRock Investment Management (UK) Limited and Datastream.
Performance figures are calculated in US Dollar terms with dividends reinvested.
* Six month performance to 30 June 2022.

¹ The change in net assets reflects the market movements during the period, the tender offer in the period and dividends paid.

² Based on an exchange rate of US\$1.21445 to £1 at 30 June 2022 and US\$1.35445 to £1 at 31 December 2021, representing a change of 10.3% in the value of the US Dollar against British Pound Sterling.

³ Alternative Performance Measures, see Glossary on pages 30 to 33.

⁴ The Company's performance benchmark (the MSCI EM Latin America Index) may be calculated on either a gross or a net return basis. Net return (NR) indices calculate the reinvestment of dividends net of withholding taxes using the tax rates applicable to non-resident institutional investors, and hence give a lower total return than indices where calculations are on a gross basis (which assumes that no withholding tax is suffered). As the Company is subject to withholding tax rates for the majority of countries in which it invests, the NR basis is felt to be the more accurate, appropriate, consistent and fair comparison for the Company.

Chairman's Statement

Dear Shareholder



Carolan Dobson
Chairman

I am pleased to present the Half Yearly Financial Report to shareholders for the six months ended 30 June 2022.

Overview and performance

The global macro-economic and geopolitical backdrop through the first half of 2022 has been challenging, with concerns over global inflation, lagging growth in China and the war between Russia and Ukraine all posing significant headwinds for markets. Despite these concerns, Latin American markets have outperformed both developed market and MSCI Emerging Markets indices over the period under review with the MSCI EM Latin America Index up by 10.9% in Sterling terms and down by just 0.6% in US Dollar terms, compared to a fall in the MSCI Emerging Markets Index of 8.1% in Sterling terms and 17.6% in US Dollar terms and a decline in the MSCI World Index of 11.3% in Sterling terms and 20.5% in US Dollar terms respectively. Elevated commodity prices have been a

significant contributor to this regional outperformance, driving improvements in terms of trade and economic growth and enabling commodity-rich countries in the region to reduce fiscal deficits. From a country perspective, markets in Chile and Brazil performed best over the period under review, up by 8.9% and 2.8% respectively; Mexico and Peru were among the weakest equity markets in the region down by 7.9% and 5.9% respectively.

Against this backdrop, the Company's net asset value per share fell by 5.1% over the period in US Dollar terms (lagging the benchmark by 4.5%). In Sterling terms the NAV rose by 5.9% over the same period and the benchmark rose by 10.9%. The share price fell by 4.0% in US Dollar terms (but increased by 7.2% in Sterling terms). The underperformance was largely driven by stock selection in Brazil, as tighter global liquidity and a reduced risk appetite drove valuations down for

a number of what your portfolio managers believe to be quality, domestic growth stocks. Another factor impacting the stock performance of these quality, domestic growth equities include the steep hiking of local interest rates in Brazil. As a result, the domestic Brazilian equity market saw a great deal of redemptions from local investment funds forcing prices down in a somewhat indiscriminate manner. We believe this has created a degree of disconnect between underlying bottom-up fundamentals of Brazilian equities and stock market valuations. Additional information on the main contributors to and detractors from performance for the period under review is given in the Investment Manager's Report on pages 8 to 11.

Revenue return and dividends

Revenue return for the six months ended 30 June 2022 was 18.11 cents per share (2021: 8.70 cents per share).

Dividends declared in respect of the year to 30 June 2022

	Dividend (cents per share)	Announcement date	Pay date
Quarter to 30 September 2021	6.56	1 October 2021	8 November 2021
Quarter to 31 December 2021	6.21	4 January 2022	8 February 2022
Quarter to 31 March 2022	7.76	1 April 2022	16 May 2022
Quarter to 30 June 2022	5.74	1 July 2022	12 August 2022
Total	26.27		

The Company has declared dividends totalling 26.27 cents per share in respect of the twelve months to 30 June 2022 representing a yield of 6.1% (calculated based on a share price of 431.13 cents per share, equivalent to the Sterling price of 355.00 pence per share translated into cents at a rate of US\$1.21 prevailing on 30 June 2022).

Under the Company's dividend policy, dividends are calculated and paid quarterly, based on 1.25% of the US Dollar NAV at close of business on the last working day of March, June, September and December respectively; additional information in respect of the payment timetable is set out in the Annual Report and Financial Statements. Dividends will be financed through a combination of available net income in each financial year and revenue and capital reserves. The dividends paid and declared by the Company in the last twelve months have been funded from current year revenue and brought forward revenue reserves.

As at 30 June 2022, a balance of US\$5.1 million remained in revenue reserves. Dividends will be funded out of capital reserves to the extent that current year revenue and revenue reserves are fully utilised. The Board believes that this removes pressure from the investment managers to seek a higher income yield from the underlying portfolio itself which could detract from total returns. The Board also believes the Company's dividend policy will enhance demand for the Company's shares and help to narrow the Company's discount, whilst maintaining the portfolio's ability to generate attractive total returns. It is promising to note that since the dividend policy was introduced in July 2018, the Company's discount has narrowed from 14.9% as at 1 July 2018 to 6.1% as at 30 June 2022.

Performance triggered tender offer

Your Company's Directors have always recognised that our role is to act in the best interests of our shareholders. We have regularly consulted with our major shareholders to understand their objectives and used their input to guide our strategy and policies. We note their desire for the Company to continue with its existing investment policy and the overwhelming shareholder support for the vote on the continuation of the

Company at the AGM in May 2022. We also recognise that it is in the long-term interests of shareholders that shares do not trade at a significant discount to their prevailing NAV and to this end, the Board put in place a discount control mechanism covering the four years to 31 December 2021 to offer a tender for up to 24.99% of shares in issue to the extent that certain performance and average discount targets over the four year period to 31 December 2021 were not met (more detail on the performance and discount targets and the tender mechanism can be found in the Company's Annual Report for the year to 31 December 2021 on pages 37 and 43). This resulted in a tender offer for 24.99% of the Company's shares being put to shareholders for approval at a General Meeting held on 19 May 2022 and subsequently implemented as summarised below.

A total of 22,844,851 shares were validly tendered under the tender offer, representing approximately 58.2% of the Company's issued share capital, excluding shares held in treasury. As the offer was oversubscribed, it was scaled back and eligible shareholders who validly tendered shares in excess of their basic entitlement of 24.99% had their basic entitlement satisfied in full plus approximately 19.70895% of the excess amount they tendered, in accordance with the process described in the tender circular published on 5 April 2022. In total, 9,810,979 shares (representing 24.99% of the eligible share capital) were repurchased by the Company and subsequently cancelled.

The price at which tendered shares were repurchased was equal to 98% of the Net Asset Value per share as at a calculation date of 20 May 2022, as adjusted for the estimated related portfolio realisation costs per tendered share, and amounted to 417.0889 pence per share. Tender proceeds were paid to shareholders on 26 May 2022.

Discount management and new discount control mechanism

The Board remains committed to taking appropriate action to ensure that the Company's shares do not trade at a significant discount to their prevailing NAV and have sought to reduce discount volatility by offering shareholders a new

discount control mechanism covering the four years to 31 December 2025. This mechanism will offer shareholders a tender for 24.99% of the shares in issue excluding treasury shares (at a tender price reflecting the latest cum-income NAV less 2% and related portfolio realisation costs) in the event that the continuation vote to be put to the Company's AGM in 2026 is approved, where either of the following conditions have been met:

- (i) the annualised total NAV return of the Company does not exceed the annualised benchmark index (being the MSCI EM Latin America Index) US Dollar (net return) by more than 50 basis points over the four year period from 1 January 2022 to 31 December 2025 (the Calculation Period); or
- (ii) the average daily discount to the cum-income NAV exceeds 12% as calculated with reference to the trading of the shares over the Calculation Period.

In respect of the above conditions, the Company's total NAV return on a US Dollar basis for the six month period from 1 January 2022 to 30 June 2022 was -5.1%, underperforming the benchmark return of -0.6% for the same period by 4.5%. The cum-income discount of the Company's ordinary shares has averaged 6.1% for this period and ranged from a premium of 0.6% to a discount of 11.0%, ending the period on a discount of 6.1% at 30 June 2022.

Other than the shares repurchased under the tender offer implemented in May 2022, the Company has not bought back any shares during the six months ended 30 June 2022 and up to the date of publication of this report (no shares were bought back in the year to 31 December 2021).

Change of portfolio manager

As announced on 9 September 2022, Sam Vecht, who has co-managed the portfolio alongside Ed Kuczma since December 2018, became the lead portfolio manager of the Company with Mr Kuczma stepping down from his role. Christoph Brinkmann has been appointed as deputy portfolio manager. Mr Vecht is a Managing Director in BlackRock's Global Emerging Markets Equities team and has extensive

experience in the investment trust sector, having managed a number of UK investment trusts since 2004. He has also been portfolio manager for the BlackRock Emerging Markets Equity Strategies Fund since September 2015, and the BlackRock Frontiers Investment Trust plc since 2010, both of which have invested in the Latin American region since launch.

Mr Brinkmann, a Vice President in the Global Emerging Markets Equities Team, has covered multiple sectors and countries across the Latin American region. He joined BlackRock in 2015 after graduating from the University of Cologne with a Masters in Finance and a CEMS Masters in International Management.

Mr Vecht and Mr Brinkmann are supported by the extensive resources and significant expertise of BlackRock's Global Emerging Market team which has a proven track record in emerging market equities. The team is made up of c.40 investment professionals researching over 1,000 companies across the global emerging markets universe inclusive of Latin America.

Your Board notes that Mr Vecht's new role as lead portfolio manager provides continuity for the Company and welcomes the addition of Mr Brinkmann to the team as deputy portfolio manager. The Board are grateful to Mr Kuczma for his commitment and contribution to the Company and wish him well in his future endeavours.

Outlook

After a challenging year in 2021, markets in the Latin American region saw a very strong start to 2022. Higher commodity prices and historically cheap currencies have helped to cushion Latin America from the global economic headwinds over the first half of the year. Moving into the second half of 2022, the region faces the challenges of sharply rising core inflation and political uncertainty. In particular, uncertainty over the outcome of the upcoming presidential election in Brazil (by far the largest component of the benchmark at circa 70%) has depressed markets and valuations are at unprecedented lows. Despite this, our portfolio managers believe that companies in Latin America are well-versed in dealing with inflationary pressures and should benefit from rising geopolitical tensions which have sharply increased the focus on Latin America as an investment destination in an emerging market context. The region provides significant opportunities for direct investment as governments and businesses globally re-think supply chain configurations and seek to diversify risk.

Whilst the global economic outlook appears to be increasingly sombre, the Board remains hopeful for the relative outlook for Latin American equities.

Carolán Dobson

Chairman

14 September 2022

Investment Manager's Report



Sam Vecht

Market overview

As highlighted in the Investment Manager's report contained within the Annual Report for the year to 31 December 2021, the team was optimistic that the Latin American region could be a bright spot for investors in 2022. In line with these expectations, Latin America did indeed outperform both developed markets (as represented by the MSCI World Index) and the MSCI Emerging Markets index, for the six months ended 30 June 2022. Through the year to date so far, the major events that have influenced markets relate to global inflation, mainland Chinese growth and the war between Russia and Ukraine. Despite these challenges, Latin American equities have delivered a strong start to the year in relative terms and

opportunities remain for further outperformance in the region going forward.

Latin America has proven to be resilient despite myriad challenges in 2022, helped in large part by elevated commodity prices leading to broad improvements in terms of trade, economic growth and a reduction in fiscal deficits. Taking stock of the first half of 2022, the rise in commodity prices has come at a beneficial time as most countries in the region had already enacted grand fiscal stimulus programmes over the past few years to bridge the gap in economic activity due to the COVID-19 pandemic. The higher raw material prices have allowed commodity rich nations to expedite the process of reducing fiscal deficits and levels of indebtedness as increased royalties have

MSCI Country Indices	% Price change	% Return (with dividends reinvested) ¹	Local currency (% vs. USD)	Local indices ² (% change)
Argentina	-16.5	-14.6	-18.0	-4.8 (MERVAL)
Brazil	-2.1	2.8	6.0	-6.0 (Ibovespa)
Chile	7.0	8.9	-7.2	11.2 (IGPA)
Colombia	-7.3	-3.7	-2.1	-3.0 (COLCAP)
Mexico	-9.2	-7.9	2.0	-7.5 (IPC)
Peru	-8.6	-5.9	4.5	-9.0 (S&P/BVL)

Indices	% Price change	% Return (with dividends reinvested) ¹	Commodity/Index	Commodity prices (% change)
MSCI EM Latin America	-4.2	-0.6	CRB Index ³	3.2
MSCI Emerging Asia	-18.1	-17.2	Oil (WTI) ⁴	40.6
MSCI Emerging Markets	-18.8	-17.6	Gold	-1.2
MSCI World	-21.2	-20.5	Copper	-16.8
S&P 500	-20.6	-20.2	Corn	25.4
MSCI Europe	-22.2	-20.8	Soybeans	26.1

¹ MSCI total return indices are net of withholding taxes.

² Indices listed are the local market indexes in that country.

³ Commodity Research Bureau Index.

⁴ West Texas Intermediate.

Sources: Bloomberg and MSCI for the six months to 30 June 2022.

The MSCI returns shown above are on a USD basis. However, the local indices are on a local currency basis.

led to better-than-expected tax revenues for governments in the region. However, markets remain uncertain over growth prospects for the second half of 2022 given significant inflation concerns and interest rate expectations, both this year and in 2023. These potential growth concerns come despite very positive terms of trade, which historically have led to increased investment in the region. Lingering uncertainties over macroeconomic policy frameworks is a key part of the headwind, especially as failure to control inflation remains a prominent risk in the United States and European Union.

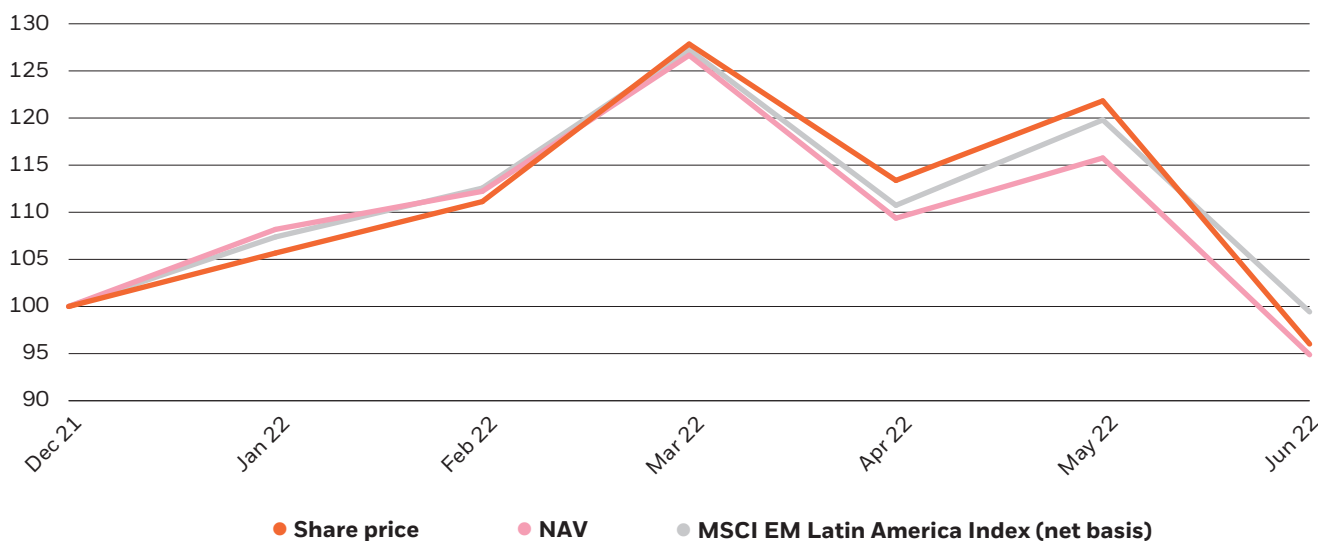
From a country perspective, Chile and Brazil performed the most strongly, posting region-leading returns in the first half of 2022. Brazilian markets returned +2.8%, with domestic economic activity recovering and an upward bias to earnings estimates, all while inflation continues to climb higher, leading to an aggressive interest rate hiking cycle. Broadly speaking, we find valuations remain very low and earnings expectations are reasonable. The market has remained volatile ahead of the Presidential election in the fourth quarter of 2022, and we see the prospects of a possible relief rally once the election

results are known and the uncertainty clears. In Chile, markets returned +8.9% over the period due in part to robust economic activity as the country was quick to reopen following rapid vaccination distribution and a new programme of allowed pension withdrawals providing liquidity to consumers. Additionally, Chilean banks have been supported by a low level of default on debt and a high level of provisioning. Conversely, Mexico and Peru were the weakest equity markets in Latin America in the first half of 2022, returning -7.9% and -5.9% respectively. In Mexico, the post-pandemic recovery in economic growth has been lacklustre given high inflation, rising interest rates and persistent frictions between the government and the private sector. In Peru, continued political uncertainty has similarly weighed on private investment and consumer confidence as President Castillo has spent much of his first year in office focused on defending impeachment attempts from the Congress.

Having delivered steep and persistent policy rate hikes for several quarters, Latin American monetary tightening cycles are well advanced. We believe that a peak in inflation may be reached in the

second half of 2022 as higher prices have a strong behavioural impact on consumption through demand destruction while supply should increase in response to high prices. Brazil specifically has enacted a number of fiscal measures to reduce taxes in essential goods as a measure to ease inflation. A strong coordinated response by global central banks to raise interest rates should also help to ease further price escalations but will remain a headwind to growth as a consequence. The strong policy action will have consequences for growth in the US and Europe at the same time that China is facing mobility restrictions related to their zero COVID-19 policy. Tighter liquidity measures will be detrimental for growth in emerging economies; however we feel that Latin American central banks have a long history of experience dealing with inflationary environments. The pre-emptive front loading of interest rate hikes in the region will allow Latin American countries to be amongst the first globally to be in a position to start cutting interest rates to support domestic economic development. We believe this will prove to be a catalyst for Latin American equities going forward.

Performance from 1 January 2022 to 30 June 2022



Sources: BlackRock Investment Management (UK) Limited and Datastream.

Performance figures are calculated in US Dollar terms, with dividends reinvested, rebased to 100 as at 1 January 2022.

Top portfolio contributors/detractors to the Company's NAV

Top contributors:	Total effect (bps):	Top detractors:	Total effect (bps):
BB Seguridade Participações	67.9	Globant	-112.6
Magazine Luiza	47.5	Hapvida Participações	-99.8
B3	44.8	CEMEX	-86.7
Lojas Americanas	37.0	Sociedad Quimica y Minera de Chile	-82.1
Natura & Co	32.8	Marfrig Global Foods	-57.0

Source: BlackRock.

Portfolio positioning

The Company underperformed its benchmark during the first half of 2022. Over the period, the Company's NAV returned +5.9%¹ with the share price returning +7.2%¹. The Company's benchmark, the MSCI EM Latin America Index, returned +10.9% on a net basis.

Security selection in Peru and a lack of exposure to Colombia contributed most to relative performance, while allocation to Argentina and security selection in Chile detracted the most from relative performance.

At a security level, an overweight in Brazilian insurance company BB Seguridade Participações, and Brazilian stock exchange B3, were top relative contributors over the six-month period. BB Seguridade Participações outperformed as the stock benefitted from higher investment income given the rapid rise in Brazilian interest rates. For B3, the stock rallied early in the year on resilient trading volumes and increased demand from foreign investors in the local equity market. The Company's lack of exposure to one of Brazil's largest electronics and appliance retail chains, Magazine Luiza, also contributed positively to relative performance as the stock underperformed following concerns around competition and personal consumption in Brazil.

On the other hand, an off-benchmark holding of Globant, an Argentinian information technology (IT) and software development company, detracted most from relative performance (although in our opinion, Globant's investment themes remain strong). The company has about ~30% of its work force in Argentina, while the majority of its revenues come from serving multinational, blue-chip companies such as Disney and Electronic Arts operating mainly in the developed markets. The company is well skilled in

regard to transforming business models to adapt to an increasingly digitalised world by offering services such as augmented coding, artificial intelligence and virtual reality applications. We believe the company is in a strong position as an exporter of low-cost computer programming talent to developed markets. An overweight in Brazilian healthcare company, Hapvida Participações, also detracted from relative performance as the stock has been challenged this year following a COVID-19 related spike in healthcare costs which have eroded the company's profitability. We continue to have strong conviction in the stock as Hapvida Participações recently merged with Intermedica, another large healthcare peer which will give the combined entity greater scale and translate into better procurement terms going forward. Aside from that, our position in Mexican cement player CEMEX also detracted from performance as higher energy prices impacted the company's profitability.

Current portfolio positioning

The Company ended the period with its largest country overweight in Brazil and Mexico. While Argentina also shows as a regional overweight, the Company holds a single holding in Argentina through the IT consulting company, Globant. Additional position increases have been allocated to Brazilian staples and Mexican financials.

The Company was overweight in Brazil during the six-month period. There is considerable uncertainty ahead of the November 2022 election and some strains are appearing in the public finances. Despite this, we are finding plenty of opportunity at the individual stock level as we believe valuations are low and positioning is light. We are taking positions in traditional banks and insurance companies that should be

beneficiaries of rising interest rates. We also see opportunities in healthcare, as countries aim to rectify the weaknesses in their health infrastructure exposed by COVID-19. Over the period we added to Rede D'Or São Luiz, a Brazilian healthcare company, as earnings momentum remains strong as the company accelerates its leadership position through both organic expansion and acquisitions in a market with attractive long term growth opportunities. We have also been adding to Brazilian healthcare company, Hapvida Participações. We continue to have strong conviction in the stock as we see the name trading at attractive fundamentals following recent underperformance.

The Company continues to have no exposure to Colombia (as was the case throughout 2021). The country has a rising fiscal deficit and need for tax and social reform. We believe the recent presidential election poses a serious risk of macro policy regime change, which could materially impact corporate earnings growth and profitability.

At the sector level, we are overweight financials as we see potential for profitability to improve in a high interest rate environment. We are also overweight real estate as we are attracted to inflation protected rents and realignment of supply-chains benefitting industrial warehousing in Mexico. Conversely, we are underweight energy as we find the current spike in oil prices is unsustainable given demand destruction, supply and substitution responses.

Outlook

Over the past two-plus years, global equities have transitioned from one unimaginable health crisis to a period of escalating inflation driven by supply constraints from geopolitical conflict caused by the war in Ukraine. Latin

¹ All performance returns in Sterling terms with dividends reinvested.

America has also gone through a heavy political cycle over this time with most countries in Latin America facing changes in leadership creating additional uncertainties. We look forward to some of the external noise potentially going back to “normal” levels as the dramatic whipsaws seen in monetary, fiscal, political, inflationary and productivity variables return to pre-COVID-19 trends. Despite the many factors generating volatility for equity markets, in our opinion Latin American markets have the potential to prove resilient in many ways to global stresses. Rising commodity prices have been supportive for external current accounts and fiscal accounts. High gaps in interest rate differentials between Latin American central banks and developed market peers have emerged and this combined with strong terms of trade have started to push currencies towards appreciation from depressed levels in the recent past. Core inflation has moved sharply higher, and the expectations are for an easing in terms of this spike but the run-rate for inflation should (in our view) remain elevated with a struggle to return to target ranges any time soon. We would argue that the concern regarding global inflation is more an issue for developed markets where consumers and central banks have become accustomed to low levels of inflation. Latin America has a strong history of dealing with inflation and we believe the strong proactive measures taken by the region’s central banks allow for greater comfort on a relative basis.

We remain overweight in Brazilian equities. While the Company’s asset allocation in Brazil looks to gain strategic exposure to the current commodity cycle, there are some positive signs emerging on the domestic side (growth, fiscal and labour market). Inflation has the potential to come down faster than expected due to reduction in taxation for consumers and interest rate cuts in 2021, which we expect should support Brazilian stocks. Uncertainty regarding the upcoming presidential election is priced-in, in our

view, as valuations are at an unprecedented low.

We have grown more cautious on Chilean equities as the strong performance year-to-date has been mostly concentrated in commodity related stocks. This leaves the vast majority of the index constituents trading at a significant discount to historical levels. We are cautious on earnings momentum as the economy faces a tough backdrop and subdued business confidence related to changes to the regulatory environment and higher taxation.

We enter the second half of 2022 overweight in Mexican equities but have reduced our exposure relative to the start of the year given less compelling valuations compared to the rest of Latin American markets and lack of catalysts. Inflationary pressure is a concern in the near term which implies additional monetary tightening by the central banks in the coming months. Also, higher commodity prices have a net negative impact on the external current accounts and fiscal accounts.

We remain underweight in Colombia as policy risk continues to weigh on equities, on top of weak fundamentals stemming from Colombia’s twin deficits. We expect the policy uncertainty, tightening monetary policy and inflationary pressure to weigh down the benefits of higher oil prices, increased consumer spending, and attractive valuations.

Finally, we are neutral on Peru as further downside risks related to Castillo’s administration currently look limited: the proposal for a Constitutional Assembly was defeated in Congress, and there is no support with which the unpopular President can enact structural reforms to the economic model. The country has also maintained fiscal discipline and an independent monetary policy (possibly the only two positive highlights from this administration). Peru continues to have one of the lowest debt/gross domestic product (GDP) ratios in the region, at

36%, relatively small fiscal and current deficits, and, despite the political volatility, its real GDP is expected to grow by above the region’s average in 2022.

In summary, we remain optimistic on the prospects for Latin American equities despite the impact of external risks (possible US recession, weak growth in China) as well as domestic risks (presidential elections in Brazil, persistent high inflation/high interest rates).

Given the level of valuations, we believe risks are more than reflected in current prices.

Furthermore, earnings expectations have consistently risen for 2022 on higher commodity prices and better than expected economic activity. For 2023, we anticipate that earnings growth expectations excluding Materials and Energy should remain robust. We have argued that companies in Latin America are well-versed in dealing with inflationary pressures and the pre-emptive hiking measures in the region should provide a buffer to start stimulating for growth from a point of high interest rates. Geopolitical and governance tensions in Russia and China have amplified the interest in Latin America as an investment destination in an emerging market context. The region’s productive, skilled and low-cost labour base with close proximity to the United States provides ample opportunities for direct investment as current supply chain configurations are being reconsidered with nearshoring in mind. Given the balance of risks, light positioning and appealing valuations, we continue to believe investors can benefit from improving fundamentals in the region.

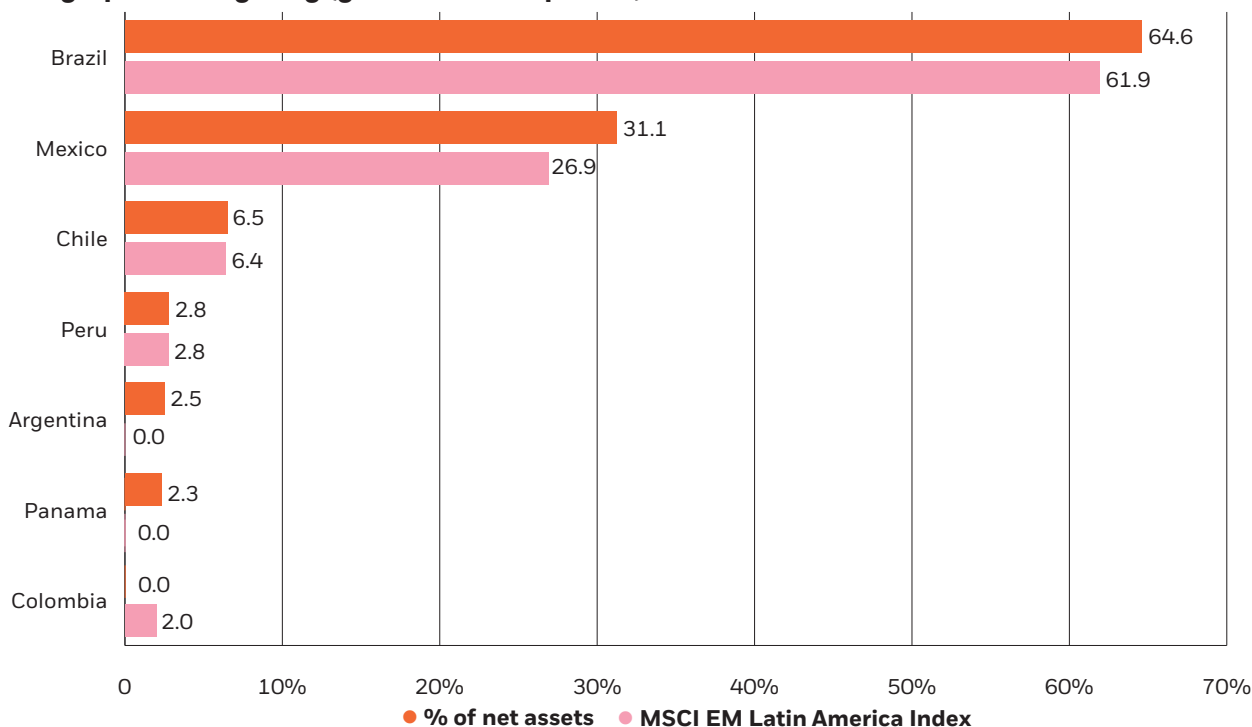
Sam Vecht

BlackRock Investment Management (UK) Limited
14 September 2022

Portfolio analysis

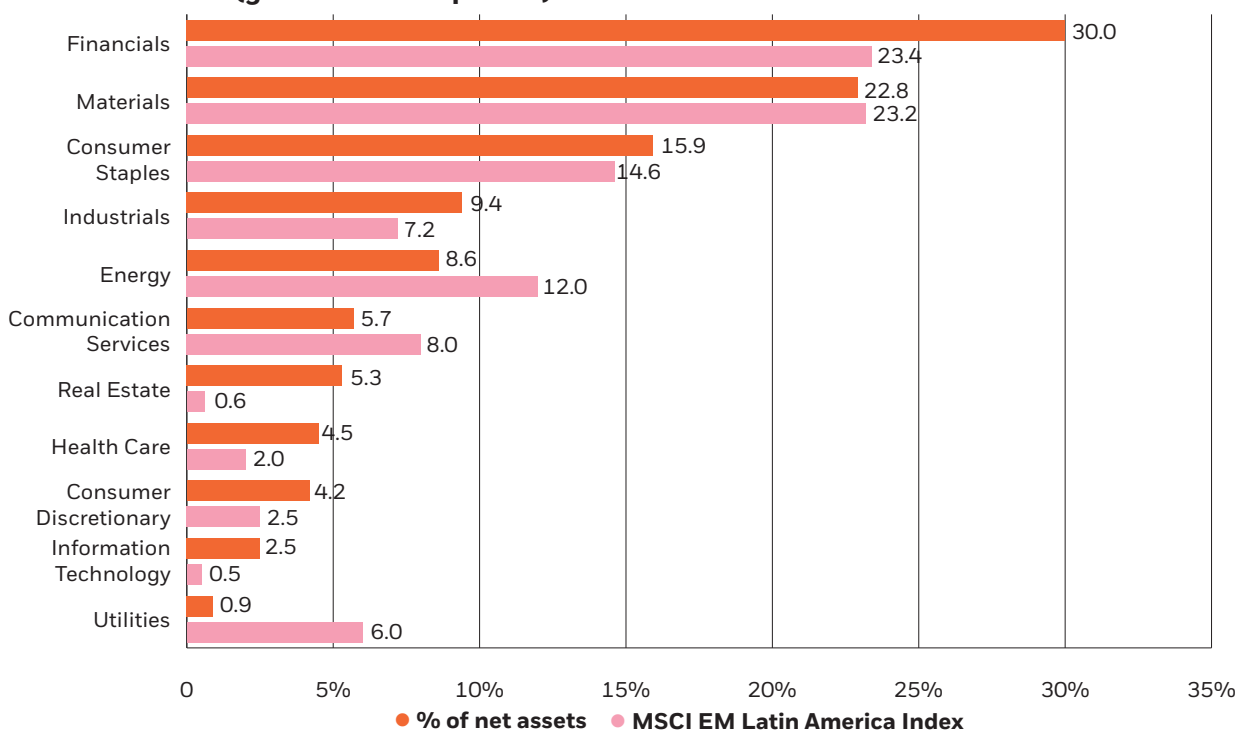
as at 30 June 2022

Geographical weighting (gross market exposure) vs MSCI EM Latin America Index



Sources: BlackRock and MSCI.

Sector allocation (gross market exposure) vs MSCI EM Latin America Index



Sources: BlackRock and MSCI.

Ten largest investments

1 ► **Vale** (2021: 1st)

Materials

Market value – American depositary share (ADS): US\$13,004,000

Share of investments: 8.8% (2021: 7.6%)

is one of the world's largest mining groups, with other business in logistics, energy and steelmaking. Vale is the world's largest producer of iron ore and nickel but also operates in the coal, copper, manganese and ferro-alloys sectors.

2 ► **Petrobrás** (2021: 2nd)

Energy

Market value – American depositary receipt (ADR): US\$6,575,000

Market value – Preference shares ADR: US\$5,016,000

Share of investments: 7.8% (2021: 7.5%)

is a Brazilian integrated oil and gas group, operating in the exploration and production, refining, marketing, transportation, petrochemicals, oil product distribution, natural gas, electricity, chemical-gas and biofuel segments of the industry. The group controls significant assets across Africa, North and South America, Europe and Asia, with a majority of production based in Brazil.

3 ▲ **Banco Bradesco** (2021: 4th)

Financials

Market value – ADR: US\$9,097,000

Share of investments: 6.1% (2021: 5.3%)

is one of Brazil's largest private sector banks. The bank divides its operations in two main areas – banking services and insurance services, management of complementary private pension plans and savings bonds.

4 ▲ **Itaú Unibanco** (2021: 21st)

Financials

Market value – ADR: US\$8,439,000

Share of investments: 5.7% (2021: 1.9%)

is a Brazilian financial services group that services individual and corporate clients in Brazil and abroad. Itaú Unibanco was formed through the merger of Banco Itaú and Unibanco in 2008. It operates in the retail banking and wholesale banking segments.

5 ▲ **Walmart de México y Centroamérica** (2021: 6th)

Consumer Staples

Market value – Ordinary shares: US\$6,872,000

Share of investments: 4.6% (2021: 4.5%)

is the Mexican and Central American division of Walmart Stores Inc, with operations in Mexico, Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica. The group operates eight brands in the region, covering the discount, winery, supermarket and supercenter segments.

6 ▲ **Grupo Financiero Banorte** (2021: 7th)

Financials

Market value – Ordinary shares: US\$6,624,000

Share of investments: 4.5% (2021: 4.5%)

is a Mexican banking and financial services holding company and is one of the largest financial groups in the country. It operates as a universal bank and provides a wide array of products and services through its broker dealer, annuities and insurance companies, retirements savings funds (Afore), mutual funds, leasing and factoring company and warehousing.

7 ▲ **FEMSA** (2021: 15th)

Consumer Staples

Market value – ADR: US\$6,354,000

Share of investments: 4.3% (2021: 2.5%)

is a Mexican beverages group which engages in the production, distribution, and marketing of beverages. The firm also produces, markets, sells, and distributes Coca-Cola trademark beverages, including sparkling beverages.

8 ▼ **B3** (2021: 5th)

Financials

Market value – Ordinary shares: US\$5,889,000

Share of investments: 4.0% (2021: 4.6%)

is a stock exchange located in Brazil, providing trading services in an exchange and OTC environment. B3's scope of activities include the creation and management of trading systems, clearing, settlement, deposit and registration for the main classes of securities, from equities and corporate fixed income securities to currency derivatives, structured transactions and interest rates, and agricultural commodities. B3 also acts as a central counterparty for most of the trades carried out in its markets and offers central depository and registration services.

9 ▲ **AmBev** (2021: 26th)

Consumer Staples

Market value – ADR: US\$5,734,000

Share of investments: 3.9% (2021: 1.6%)

is a Brazilian brewing group which engages in the production, distribution, and sale of beverages. Its products include beer, carbonated soft drinks, and other non-alcoholic and non-carbonated products with operations in Brazil, Central America, the Caribbean (CAC) and Canada.

10 ▲ **Suzano Papel e Celulose** (2021: 12th)

Materials

Market value – Ordinary shares: US\$4,670,000

Share of investments: 3.1% (2021: 3.0%)

is a Brazilian pulp and paper group. The pulp segment produces and sells hardwood eucalyptus pulp and fluff mainly to supply the export market, with any surplus destined to the domestic market. The paper segment consists of production and sale of paper to meet the demands of both domestic and export markets.

All percentages reflect the value of the holding as a percentage of total investments. For this purpose, where more than one class of securities is held, these have been aggregated. The percentages in brackets represent the value of the holding as at 31 December 2021.

Together, the ten largest investments represent 52.8% of the total investments (ten largest investments as at 31 December 2021: 51.3%).

Portfolio of investments

as at 30 June 2022

	Market value US\$'000	% of investments
Brazil		
Vale – ADS	13,004	8.8
Petrobrás – ADR	6,575	7.8
Petrobrás – preference shares – ADR	5,016	
Banco Bradesco – ADR	9,097	6.1
Itaú Unibanco – ADR	8,439	5.7
B3	5,889	4.0
AmBev – ADR	5,734	3.9
Suzano Papel e Celulose	4,670	3.1
Hapvida Participações	3,898	2.6
BB Seguridade Participações	3,295	2.2
TIM	3,211	2.2
Sendas Distribuidora	2,537	1.7
Gerdau – preference shares	2,313	1.6
Movida Participações	2,209	1.5
Santos Brasil Participações	2,127	1.4
Rede D'Or São Luiz	2,102	1.4
Afya	1,947	1.3
CIA Locação das Américas	1,736	1.2
Neoenergia	1,254	0.8
Arezzo Indústria e Comércio	1,080	0.7
XP Inc	760	0.5
Smartfit Escola	439	0.3
	87,332	58.8
Mexico		
Walmart de México y Centroamérica	6,872	4.6
Grupo Financiero Banorte	6,624	4.5
FEMSA – ADR	6,354	4.3
CEMEX – ADR	4,283	2.9
América Móvil – ADR	4,088	2.7
Corporación Inmobiliaria Vesta	3,638	2.4
Grupo Aeroportuario del Pacífico – ADS	3,580	2.4
Fibra Uno Administración – REIT	3,526	2.4
Grupo México	3,241	2.2
	42,206	28.4

	Market value US\$'000	% of investments
Chile		
Empresas CMPC	3,462	2.3
Banco Santander-Chile – ADR	2,734	1.9
Falabella	2,561	1.7
	8,757	5.9
Peru		
Credicorp	3,760	2.5
	3,760	2.5
Argentina		
Globant	3,354	2.3
	3,354	2.3
Panama		
Copa Holdings	3,048	2.1
	3,048	2.1
Total Investments	148,457	100.0

All investments are in equity shares unless otherwise stated.

The total number of investments held at 30 June 2022 was 36 (31 December 2021: 40). At 30 June 2022, the Company did not hold any equity interests comprising more than 3% of any company's share capital (31 December 2021: nil).

Interim Management Report and Responsibility Statement

The Chairman's Statement on pages 5 to 7 and the Investment Manager's Report on pages 8 to 11 give details of the events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Counterparty;
- Investment performance;
- Income/dividend;
- Legal and regulatory compliance;
- Operational;
- Market;
- Financial; and
- Marketing.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 December 2021. A detailed explanation can be found on pages 44 to 47 and in note 16 on pages 95 to 102 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at www.blackrock.com/uk/brla.

The ongoing COVID-19 pandemic has had a profound impact on all aspects of society in recent years. The impact of this significant event on the Company's financial risk exposure is disclosed in note 16 of the Annual Report and Financial Statements.

The Directors have assessed the impact of market conditions arising from the COVID-19 outbreak on the Company's ability to meet its investment objective. Based on the latest available information, the Company continues to be managed in line with its investment objective, with no disruption to its operations.

Certain financial markets have fallen towards the end of the financial period due primarily to geopolitical tensions arising from Russia's invasion of Ukraine and the impact of the subsequent range of sanctions, regulations and other measures which impaired normal trading in Russian securities.

In the view of the Board, other than those matters noted above, there have not been any material changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties, as summarised, are as applicable to the remaining six months of the financial year as they were to the six months under review.

Going concern

The Board remains mindful of the ongoing uncertainty surrounding the potential duration of the COVID-19 pandemic

and its longer term effects on the global economy and the current heightened geopolitical risk. Nevertheless, the Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound.

Related party disclosure and transactions with the Investment Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's AIFM (Alternative Investment Fund Manager) with effect from 2 July 2014. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the fees payable are set out in note 11 to the financial statements.

The related party transactions with the Directors are set out in note 12 to the financial statements.

Directors' Responsibility Statement

The Disclosure Guidance and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge and belief that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with the applicable UK Accounting Standard FRS 104 Interim Financial Reporting; and
- the Interim Management Report, together with the Chairman's Statement and the Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's (FCA) Disclosure Guidance and Transparency Rules.

The Half Yearly Financial Report has not been audited or reviewed by the Company's Auditor.

The Half Yearly Financial Report was approved by the Board on 14 September 2022 and the above Responsibility Statement was signed on its behalf by the Chairman.

Carolán Dobson

For and on behalf of the Board
14 September 2022

Income Statement

for the six months ended 30 June 2022

	Notes	Six months ended 30 June 2022 (unaudited)			Six months ended 30 June 2021 (unaudited)			Year ended 31 December 2021 (audited)		
		Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
(Losses)/gains on investments held at fair value through profit or loss		–	(8,655)	(8,655)	–	14,049	14,049	–	(36,963)	(36,963)
(Losses)/gains on foreign exchange		–	(231)	(231)	–	283	283	–	173	173
Income from investments held at fair value through profit or loss	2	7,599	–	7,599	4,367	–	4,367	12,199	–	12,199
Other income	2	18	–	18	–	–	–	–	–	–
Total income/(loss)		7,617	(8,886)	(1,269)	4,367	14,332	18,699	12,199	(36,790)	(24,591)
Expenses										
Investment management fee	3	(186)	(558)	(744)	(229)	(689)	(918)	(431)	(1,295)	(1,726)
Other operating expenses	4	(308)	(6)	(314)	(404)	4	(400)	(783)	(10)	(793)
Total operating expenses		(494)	(564)	(1,058)	(633)	(685)	(1,318)	(1,214)	(1,305)	(2,519)
Net profit/(loss) on ordinary activities before finance costs and taxation		7,123	(9,450)	(2,327)	3,734	13,647	17,381	10,985	(38,095)	(27,110)
Finance costs		(30)	(90)	(120)	(24)	(71)	(95)	(53)	(158)	(211)
Net profit/(loss) on ordinary activities before taxation		7,093	(9,540)	(2,447)	3,710	13,576	17,286	10,932	(38,253)	(27,321)
Taxation (charge)/credit		(326)	11	(315)	(296)	–	(296)	(685)	–	(685)
Net profit/(loss) on ordinary activities after taxation		6,767	(9,529)	(2,762)	3,414	13,576	16,990	10,247	(38,253)	(28,006)
Earnings/(loss) per ordinary share (US\$ cents)	7	18.11	(25.50)	(7.39)	8.70	34.58	43.28	26.10	(97.44)	(71.34)

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Company.

The net profit/(loss) on ordinary activities for the period disclosed above represents the Company's total comprehensive income/(loss).

The notes on pages 21 to 27 form part of these financial statements.

Statement of Changes in Equity

for the six months ended 30 June 2022

	Note	Called up share capital US\$'000	Share premium account US\$'000	Capital redemption reserve US\$'000	Non- distributable reserve US\$'000	Capital reserves US\$'000	Revenue reserve US\$'000	Total US\$'000
For the six months ended 30 June 2022 (unaudited)								
At 31 December 2021		4,144	11,719	4,843	4,356	165,947	3,829	194,838
Total comprehensive (loss)/income:								
Net (loss)/profit for the period		–	–	–	–	(9,529)	6,767	(2,762)
Transaction with owners, recorded directly to equity:								
Tender offer		(981)	–	981	–	(51,017)	–	(51,017)
Tender offer costs		–	–	–	–	(376)	–	(376)
Dividends paid ¹	5	–	–	–	–	–	(5,484)	(5,484)
At 30 June 2022		3,163	11,719	5,824	4,356	105,025	5,112	135,199
For the six months ended 30 June 2021 (unaudited)								
At 31 December 2020		4,144	11,719	4,843	4,356	206,047	3,042	234,151
Total comprehensive income:								
Net profit for the period		–	–	–	–	13,576	3,414	16,990
Transaction with owners, recorded directly to equity:								
Dividends paid ²	5	–	–	–	–	–	(5,661)	(5,661)
At 30 June 2021		4,144	11,719	4,843	4,356	219,623	795	245,480
For the year ended 31 December 2021 (audited)								
At 31 December 2020		4,144	11,719	4,843	4,356	206,047	3,042	234,151
Total comprehensive (loss)/income:								
Net (loss)/profit for the year		–	–	–	–	(38,253)	10,247	(28,006)
Transactions with owners, recorded directly to equity:								
Dividends paid ³	5	–	–	–	–	(1,847)	(9,460)	(11,307)
At 31 December 2021		4,144	11,719	4,843	4,356	165,947	3,829	194,838

¹ Quarterly dividend of 6.21 cents per share for the year ended 31 December 2021, declared on 4 January 2022 and paid on 8 February 2022; quarterly dividend of 7.76 cents per share for the year ending 31 December 2022, declared on 1 April 2022 and paid on 16 May 2022.

² Quarterly dividend of 7.45 cents per share for the year ended 31 December 2020, declared on 4 January 2021 and paid on 8 February 2021; quarterly dividend of 6.97 cents per share for the year ended 31 December 2021, declared on 1 April 2021 and paid on 10 May 2021.

³ Quarterly dividend of 7.45 cents per share for the year ended 31 December 2020, declared on 4 January 2021 and paid on 8 February 2021; quarterly dividend of 6.97 cents per share for the year ended 31 December 2021, declared on 1 April 2021 and paid on 10 May 2021; quarterly dividend of 7.82 cents per share for the year ended 31 December 2021, declared on 1 July 2021 and paid on 6 August 2021; quarterly dividend of 6.56 cents per share for the year ended 31 December 2021, declared on 1 October 2021 and paid on 8 November 2021.

For information on the Company's distributable reserves, please refer to note 9 on page 25.

The notes on pages 21 to 27 form part of these financial statements.

Balance Sheet

as at 30 June 2022

	Notes	30 June 2022 (unaudited) US\$'000	30 June 2021 (unaudited) US\$'000	31 December 2021 (audited) US\$'000
Fixed assets				
Investments held at fair value through profit or loss		148,457	273,440	212,182
Current assets				
Debtors		1,217	2,340	466
Cash and cash equivalents		58	297	463
Total current assets		1,275	2,637	929
Creditors – amounts falling due within one year				
Bank overdraft		(12,993)	(27,599)	(16,980)
Other creditors		(1,516)	(2,963)	(1,258)
Total current liabilities		(14,509)	(30,562)	(18,238)
Net current liabilities		(13,234)	(27,925)	(17,309)
		135,223	245,515	194,873
Creditors – amounts falling due after more than one year				
Non-current tax liability	6	–	(11)	(11)
Non-equity redeemable shares	6	(24)	(24)	(24)
		(24)	(35)	(35)
Net assets		135,199	245,480	194,838
Capital and reserves				
Called up share capital	8	3,163	4,144	4,144
Share premium account		11,719	11,719	11,719
Capital redemption reserve		5,824	4,843	4,843
Non-distributable reserve		4,356	4,356	4,356
Capital reserves		105,025	219,623	165,947
Revenue reserve		5,112	795	3,829
Total shareholders' funds	7	135,199	245,480	194,838
Net asset value per ordinary share (US\$ cents)	7	459.10	625.27	496.28

The financial statements on pages 17 to 27 were approved and authorised for issue by the Board of Directors on 14 September 2022 and signed on its behalf by Carolan Dobson, Chairman.

BlackRock Latin American Trust plc
Registered in England, No. 02479975

The notes on pages 21 to 27 form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2022

	Six months ended 30 June 2022 (unaudited) US\$'000	Six months ended 30 June 2021 (unaudited) US\$'000	Year ended 31 December 2021 (audited) US\$'000
Operating activities			
Net (loss)/profit on ordinary activities before taxation	(2,447)	17,286	(27,321)
Add back finance costs	120	95	211
Losses/(gains) on investments held at fair value through profit or loss	8,655	(14,049)	36,963
Losses/(gains) on foreign exchange	231	(283)	(173)
Sales of investments held at fair value through profit or loss	92,179	71,615	144,427
Purchases of investments held at fair value through profit or loss	(37,120)	(80,184)	(142,206)
Increase in other debtors	(751)	(421)	(21)
Increase in other creditors	209	1,093	318
Taxation on investment income	(326)	(296)	(685)
Net cash generated from/(used in) operating activities	60,750	(5,144)	11,513
Financing activities			
Interest paid	(120)	(95)	(211)
Tender offer	(51,017)	–	–
Tender costs paid	(316)	–	–
Dividends paid	(5,484)	(5,661)	(11,307)
Net cash used in financing activities	(56,937)	(5,756)	(11,518)
Increase/(decrease) in cash and cash equivalents	3,813	(10,900)	(5)
Cash and cash equivalents at the beginning of the period/year	(16,517)	(16,685)	(16,685)
Effect of foreign exchange rate changes	(231)	283	173
Cash and cash equivalents at the end of the period/year	(12,935)	(27,302)	(16,517)
Comprised of:			
Cash at bank	58	297	463
Bank overdraft	(12,993)	(27,599)	(16,980)
	(12,935)	(27,302)	(16,517)

The notes on pages 21 to 27 form part of these financial statements.

Notes to the financial statements

for the six months ended 30 June 2022

1. Principal activity and basis of preparation

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010.

The financial statements of the Company are prepared on a going concern basis in accordance with Financial Reporting Standard 104 Interim Financial Reporting (FRS 104) applicable in the United Kingdom and Republic of Ireland and the revised Statement of Recommended Practice – Financial Statements of Investment Trusts Companies and Venture Capital Trusts (SORP) issued by the Association of Investment Companies (AIC) in October 2019, and updated in July 2022, and the provisions of the Companies Act 2006.

The accounting policies and estimation techniques applied for the condensed set of financial statements are as set out in the Company's Annual Report and Financial Statements for the year ended 31 December 2021.

2. Income

	Six months ended 30 June 2022 (unaudited) US\$'000	Six months ended 30 June 2021 (unaudited) US\$'000	Year ended 31 December 2021 (audited) US\$'000
Investment income:			
Overseas dividends	7,066	4,059	11,655
Overseas REIT distributions	254	164	307
Overseas special dividends	258	133	223
Fixed interest income	21	11	14
	7,599	4,367	12,199
Other income:			
Deposit interest	18	–	–
Total income	7,617	4,367	12,199

Dividends and interest received in cash during the period amounted to US\$6,382,000 and US\$42,000 (six months ended 30 June 2021: US\$3,575,000 and US\$12,000; year ended 31 December 2021: US\$12,285,000 and US\$12,000).

There were no special dividends recognised in capital in the period (six months ended 30 June 2021: US\$nil; year ended 31 December 2021: US\$nil).

3. Investment management fee

	Six months ended 30 June 2022 (unaudited)			Six months ended 30 June 2021 (unaudited)			Year ended 31 December 2021 (audited)		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
Investment management fee	186	558	744	229	689	918	431	1,295	1,726
Total	186	558	744	229	689	918	431	1,295	1,726

Under the terms of the investment management agreement, BFM is entitled to a fee of 0.80% per annum based on the Company's daily Net Asset Value (NAV). The fee is levied quarterly.

The investment management fee is allocated 25% to the revenue account and 75% to the capital account of the Income Statement. There is no additional fee for company secretarial and administration services.

Notes to the financial statements

continued

4. Other operating expenses

	Six months ended 30 June 2022 (unaudited) US\$'000	Six months ended 30 June 2021 (unaudited) US\$'000	Year ended 31 December 2021 (audited) US\$'000
Allocated to revenue:			
Custody fee	23	31	61
Depository fees ¹	7	12	22
Auditors' remuneration ²	24	31	60
Registrar's fees	15	20	40
Directors' emoluments	104	126	254
Employer NI contributions	10	17	27
Marketing fees	54	65	101
Postage and printing fees	14	50	73
AIC fees	6	4	22
Broker fees	19	31	56
FCA fees	5	7	12
Write back of prior year expenses ^{3,4}	(10)	(36)	(42)
Other administration costs	37	46	97
	308	404	783
Allocated to capital:			
Custody transaction charges ^{4,5}	6	(4)	10
	314	400	793

¹ All expenses other than depository fees are paid in Sterling and are therefore subject to exchange rate fluctuations.

² No non-audit services are provided by the Company's auditors.

³ Relates to prior year accrual for printing fees, postage fees and miscellaneous fees written back during the six month period ended 30 June 2022.

⁴ Relates to prior year accrual for AIC fees, Director search fees and custody transaction charges written back during the year ended 31 December 2021.

⁵ For the six month period ended 30 June 2022, expenses of US\$6,000 (six months ended 30 June 2021: income of US\$4,000; year ended 31 December 2021: expenses of US\$10,000) were charged to the capital account of the Income Statement. These relate to transaction costs charged by the custodian on sale and purchase trades.

The direct transaction costs incurred on the acquisition of investments amounted to US\$60,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: US\$72,000; year ended 31 December 2021: US\$136,000). Costs relating to the disposal of investments amounted to US\$86,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: US\$105,000; year ended 31 December 2021: US\$178,000). All transaction costs have been included within the capital reserves.

5. Dividends

The Company's cum-income US Dollar NAV at 31 March 2022 was 620.97 cents per share, and the Directors declared a first quarterly interim dividend of 7.76 cents per share. The dividend was paid on 16 May 2022 to holders of ordinary shares on the register at the close of business on 19 April 2022.

In accordance with FRS 102 Section 32 Events After the End of the Reporting Period, the final dividend payable on ordinary shares is recognised as a liability when approved by shareholders. Interim dividends are recognised only when paid.

Dividends on equity shares paid during the period were:

	Six months ended 30 June 2022 (unaudited) US\$'000	Six months ended 30 June 2021 (unaudited) US\$'000	Year ended 31 December 2021 (audited) US\$'000
Quarter to 31 December 2020 – dividend of 7.45 cents	–	2,925	2,925
Quarter to 31 March 2021 – dividend of 6.97 cents	–	2,736	2,736
Quarter to 30 June 2021 – dividend of 7.82 cents	–	–	3,070
Quarter to 30 September 2021 – dividend of 6.56 cents	–	–	2,576
Quarter to 31 December 2021 – dividend of 6.21 cents	2,438	–	–
Quarter to 31 March 2022 – dividend of 7.76 cents	3,046	–	–
	5,484	5,661	11,307

6. Creditors – amounts falling due after more than one year

	As at 30 June 2022 (unaudited) US\$'000	As at 30 June 2021 (unaudited) US\$'000	As at 31 December 2021 (audited) US\$'000
Non-current tax liability	–	11	11
Non-equity redeemable shares	24	24	24
	24	35	35

At 30 June 2022 the Company had net surplus management expenses of US\$1,030,000 (30 June 2021: US\$992,000; 31 December 2021: US\$844,000) and a non-trade loan relationship deficit of US\$1,308,000 (30 June 2021: US\$1,095,000; 31 December 2021: US\$1,308,000). A deferred tax asset was not recognised in the period ended 30 June 2022 or in the year ended 31 December 2021 as it was unlikely that there would be sufficient future taxable profits to utilise these expenses.

Non-equity redeemable shares

The redeemable shares of £1 each carry the right to receive a fixed dividend at the rate of 0.10% per annum on the nominal amount thereof. They are capable of being redeemed by the Company at any time and confer no rights to receive notice of, attend or vote at general meetings except where the rights of holders are to be varied or abrogated. On a winding up, the capital paid up on such shares ranks *pari passu* with, and in proportion to, any amounts of capital paid to the holders of ordinary shares, but does not confer any further right to participate in the surplus assets of the Company.

Notes to the financial statements

continued

7. Earnings and net asset value per ordinary share

Revenue, capital earnings/(loss) and net asset value per ordinary share are shown below and have been calculated using the following:

	Six months ended 30 June 2022 (unaudited)	Six months ended 30 June 2021 (unaudited)	Year ended 31 December 2021 (audited)
Net revenue profit attributable to ordinary shareholders (US\$'000)	6,767	3,414	10,247
Net capital (loss)/profit attributable to ordinary shareholders (US\$'000)	(9,529)	13,576	(38,253)
Total (loss)/profit attributable to ordinary shareholders (US\$'000)	(2,762)	16,990	(28,006)
Total shareholders' funds (US\$'000)	135,199	245,480	194,838
The weighted average number of ordinary shares in issue during the period on which the earnings per ordinary share was calculated was:	37,362,470	39,259,620	39,259,620
The actual number of ordinary shares in issue at the end of each period on which the net asset value per ordinary share was calculated was:	29,448,641	39,259,620	39,259,620
The number of ordinary shares in issue, including treasury shares at the period/year end was:	31,630,303	41,441,282	41,441,282
Earnings per share			
Calculated on weighted average number of ordinary shares:			
Revenue earnings per share (US\$ cents) – basic and diluted	18.11	8.70	26.10
Capital (loss)/earnings per share (US\$ cents) – basic and diluted	(25.50)	34.58	(97.44)
Total (loss)/earnings per share (US\$ cents) – basic and diluted	(7.39)	43.28	(71.34)
	As at 30 June 2022 (unaudited)	As at 30 June 2021 (unaudited)	As at 31 December 2021 (audited)
Net asset value per ordinary share (US\$ cents)	459.10	625.27	496.28
Ordinary share price (mid-market) (US\$ cents) ¹	431.13	565.01	461.19

¹ Based on an exchange rate of US\$1.21445 to £1 (30 June 2021: US\$1.3814; 31 December 2021: US\$1.35445).

There were no dilutive securities at 30 June 2022 (30 June 2021: nil; 31 December 2021: nil).

8. Called up share capital

	Ordinary shares number	Treasury shares number	Total shares number	Nominal value US\$'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 10 cents each:				
At 31 December 2021	39,259,620	2,181,662	41,441,282	4,144
Tender offer	(9,810,979)	–	(9,810,979)	(981)
At 30 June 2022	29,448,641	2,181,662	31,630,303	3,163

During the period to 30 June 2022, 9,810,979 ordinary shares were purchased for cancellation as a result of a tender offer for a total cost of US\$51,393,000 (six months ended 30 June 2021: nil; year ended 31 December 2021: nil).

The ordinary shares give shareholders voting rights, the entitlement to all of the capital growth in the Company's assets, and to all income from the Company that is resolved to be distributed.

9. Reserves

The share premium and capital redemption reserve are not distributable profits under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserves may be used as distributable profits for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments as dividends. In accordance with the Company's Articles of Association, the special reserve, capital reserves and the revenue reserve may be distributed by way of dividend. The loss on capital reserve arising on the revaluation of investments of US\$11,041,000 (30 June 2021: gain of US\$52,558,000; 31 December 2021: gain of US\$7,247,000) is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The investments are subject to financial risks; as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

10. Valuation of financial instruments

Market risk arising from price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, climate change or other events could have a significant impact on the Company and its investments.

Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash and cash equivalents and overdrafts). Section 34 of FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note on page 88 of the Annual Report and Financial Statements for the year ended 31 December 2021.

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.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. These include exchange traded derivatives. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data. Valuation techniques used for non-standardised financial instruments such as over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager.

Notes to the financial statements

continued

Fair values of financial assets and financial liabilities

The table below is an analysis of the Company's financial instruments measured at fair value at the balance sheet date.

Financial assets at fair value through profit or loss

at 30 June 2022 (unaudited)	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Equity investments	148,457	–	–	148,457
Total	148,457	–	–	148,457

Financial assets at fair value through profit or loss

at 30 June 2021 (unaudited)	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Equity investments	273,406	–	–	273,406
Fixed interest investments	–	34	–	34
Total	273,406	34	–	273,440

Financial assets at fair value through profit or loss

at 31 December 2021 (audited)	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Equity investments	212,151	–	–	212,151
Fixed interest investments	–	31	–	31
Total	212,151	31	–	212,182

The Company held no Level 3 securities as at 30 June 2022 (30 June 2021: nil; 31 December 2021: nil).

For exchange listed equity investments the quoted price is the bid price. Substantially all investments are valued based on unadjusted quoted market prices. Where such quoted prices are readily available in an active market, such prices are not required to be assessed or adjusted for any price related risks, including climate risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

11. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed on pages 49 and 50 of the Directors' Report in the Company's Annual Report and Financial Statements for the year ended 31 December 2021.

The investment management fee is levied quarterly, based on 0.80% per annum of the net asset value. The investment management fee due for the six months ended 30 June 2022 amounted to US\$744,000 (six months ended 30 June 2021: US\$918,000; year ended 31 December 2021: US\$1,726,000). At the period end, an amount of US\$751,000 was outstanding in respect of these fees (30 June 2021: US\$1,399,000; 31 December 2021: US\$815,000).

In addition to the above services BIM (UK) has provided the Company with marketing services. The total fees paid or payable for these services for the period ended 30 June 2022 amounted to US\$54,000 excluding VAT (six months ended 30 June 2021: US\$65,000; year ended 31 December 2021: US\$101,000). Marketing fees of US\$162,000 were outstanding at 30 June 2022 (30 June 2021: US\$191,000; 31 December 2021: US\$108,000).

During the period, the Manager pays the amounts due to the Directors. These fees are then reimbursed by the Company for the amounts paid on its behalf. As at 30 June 2022, an amount of US\$109,000 (30 June 2021: US\$250,000; 31 December 2021: US\$124,000) was payable to the Manager in respect of Directors' fees.

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA.

12. Related party disclosure

The Board consists of five non-executive Directors, all of whom are considered to be independent of the Manager by the Board. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £47,800, the Chairman of the Audit Committee receives an annual fee of £36,700, the Senior Independent Director and Chairman of the Remuneration Committee receives an annual fee of £34,600 and each of the other Directors receives an annual fee of £32,600.

At the period end and as at the date of this report members of the Board held ordinary shares in the Company as set out below:

	As at 13 September 2022 Ordinary shares	As at 30 June 2022 Ordinary shares
Carolyn Dobson (Chairman)	4,792	4,792
Craig Cleland	10,000	10,000
Mahrukh Doctor	686	686
Laurie Meister	2,915	2,915
Nigel Webber	5,000	5,000

13. Contingent liabilities

There were no contingent liabilities at 30 June 2022 (30 June 2021: nil; 31 December 2021: nil).

14. Publication of non-statutory accounts

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 30 June 2022 and 30 June 2021 has not been audited or reviewed by the Company's auditors.

The information for the year ended 31 December 2021 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditor in those financial statements contained no qualification or statement under Sections 498(2) or (3) of the Companies Act 2006.

15. Annual results

The Board expects to announce the annual results for the year ending 31 December 2022 in March 2023. Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or by email at cosec@blackrock.com. The Annual Report and Financial Statements should be available by mid-March 2023, with the Annual General Meeting being held in May 2023.

Directors, management and other service providers

Directors

Carolán Dobson (Chairman)
Craig Cleland (Chairman of the Audit Committee)
Mahrukh Doctor (Senior Independent Director)
Laurie Meister
Nigel Webber

Registered Office

(Registered in England, No. 2479975)
12 Throgmorton Avenue
London EC2N 2DL

Alternative Investment Fund Manager

BlackRock Fund Managers Limited¹
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Investment Manager and Secretary

BlackRock Investment Management (UK) Limited^{1,2}
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Independent Auditor

Ernst & Young LLP
Chartered Accountants and Statutory Auditors
25 Churchill Place
London E14 5EY

Depository, Custodian and Banker

The Bank of New York Mellon (International) Limited^{1,3}
One Canada Square
London E14 5AL

Stockbrokers

Cenkos Securities plc¹
6-8 Tokenhouse Yard
London EC2R 7AS

Solicitors

Norton Rose Fulbright LLP
3 More London Riverside
London SE1 2AQ

Registrar

Computershare Investor Services PLC¹
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1112

¹ Authorised and regulated by the Financial Conduct Authority.

² BIM (UK) Limited has delegated certain of its responsibilities and functions, including its discretionary management of the Company's portfolio, to the US based equity income investments' team who are employed by BlackRock Investment Management LLC (BIM LLC), a limited liability company incorporated in Delaware which is regulated by the US Securities and Exchange Commission. The registered address of BIM LLC is 100 Bellevue Parkway, Wilmington, Delaware 19809, USA.

³ With effect from 30 September 2022, this address will change to 160 Queen Victoria Street, London, EC4V 4LA

Shareholder information

Contact information

General enquiries about the Company should be directed to:

The Company Secretary
BlackRock Latin American Investment Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Website

www.blackrock.com/uk/brla

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information will be required to gain access to your account, including your shareholder reference number available from your most recent dividend voucher or other communication received from the registrar. Computershare's website address is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 1112.

Changes of name or address must be notified in writing either through Computershare's website or to the registrar at:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio is £2,000. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a financial advisor.

Results

Full year announced in March/April.

Half year announced in September.

Annual general meeting

May

Glossary

Alternative Performance Measure (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements. The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Half Yearly Financial Report.

American Depositary Receipt (ADR) and American Depositary Share (ADS)

ADRs and ADSs are certificates that represent shares in the relevant stock and are issued by a US bank. They are denominated and pay dividends in US Dollars.

Benchmark

The Company's benchmark index, used for performance comparative purposes is the MSCI EM Latin America Index (Net Return) with dividends reinvested.

Benchmark outperformance/underperformance is measured by comparing the Company's net asset value (NAV) return with dividends reinvested, with the performance of the benchmark index on a net return basis with dividends reinvested.

As at 30 June 2022, the Company's NAV return with dividends reinvested was -5.1% and the net return of the benchmark index with dividends reinvested was -0.6%, therefore the Company's underperformance of the benchmark index for the period was 4.5% in US Dollar terms.

In Sterling terms, the Company's NAV return with dividends reinvested was 5.9% and the net return of the benchmark index with dividends reinvested was 10.9%, therefore the Company's underperformance of the benchmark index for the period was 5.0%.

Closed-end company

An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed-end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open-ended funds and can therefore invest in less liquid investments.

Definition of Adjusted Capital and Reserves

As noted on page 36 of the Annual Report and Financial Statements, the Company's Articles limit borrowing to 100% of Adjusted Capital and Reserves. Adjusted Capital and Reserves is defined for these purposes as follows:

A sum equal to the aggregate from time to time of:

- (i) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and
- (ii) the amount standing to the credit of the capital and revenue reserves of the Company (including without limitation any share premium account or capital redemption reserve) after adding thereto or deducting therefrom any balance outstanding to the credit or debit of the profit and loss account of the Company;

based on a consolidation of the then latest audited balance sheet of the Company (or until there shall have been a first audited balance sheet of the Company, such pro-forma balance sheet of the Company as shall have been included in a prospectus delivered to the Registrar of Companies in accordance with the Companies Act) after excluding reserves and any balances on profit and loss account of companies other than members of the Company and after:

- making such adjustments as may be appropriate in respect of any variation in the amount of the paid up share capital or any such capital reserves subsequent to the relevant balance sheet date; and so that for the purpose of making such adjustments, if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including the premium) of the subscription moneys payable in respect thereof (not being monies payable later than six months after the date of allotment) shall to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, the date on which it became unconditional);
- making such adjustments as may be appropriate in respect of any dividends or other distributions declared, recommended, paid or made by the Company (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or its subsidiaries (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries (where relevant) since the date of the latest audited balance sheet of the Company;
- if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, making such adjustments as would be appropriate if such transaction had been carried into effect;
- excluding minority interests in subsidiaries;

- excluding any amount for goodwill or other intangible asset (not being an amount representing part of the cost of an acquisition of shares or other property) incorporated as an asset in the audited balance sheet; and
- making such other adjustments (if any) as the Auditor considers appropriate.

Discount and premium*

Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV.

As at 30 June 2022, the share price was 431.13c (30 June 2021: 561.01c; 31 December 2021: 461.19c) and the NAV per share was 459.10c (30 June 2021: 625.27c; 31 December 2021: 496.28c), giving a discount of 6.1% (30 June 2021: 9.6%; 31 December 2021: 7.1%) (please see note 7 of the financial statements on page 24 for the inputs to the calculation at 30 June 2022, 30 June 2021 and 31 December 2021).

A premium occurs when the share price is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 100c and the NAV 90c, the premium would be 11.1%.

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

Gearing and borrowings*

Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a long-term view on a sector, to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.

Gearing works by magnifying a company's performance. If a company 'gears up' and then markets rise and returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

The Company may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital and borrowings.

Gearing is calculated in line with AIC guidelines and represents net gearing. This is defined as total assets of the Company less current liabilities (excluding bank overdrafts), less any cash or cash equivalents held minus total shareholders' funds, divided by total shareholders' funds. Cash and cash equivalents are defined by the AIC as net current assets or net current liabilities (as relevant). To the extent that the Company has net current liabilities, the net current liabilities total is added back to the total assets of the Company to calculate the numerator in this equation. The calculation and the various inputs are set out in the following table.

		30 June 2022 US\$'000 (unaudited)	30 June 2021 US\$'000 (unaudited)	31 December 2021 US\$'000 (audited)	
Net gearing calculation	Page				
Net assets	19	135,199	245,480	194,838	(a)
Borrowings	19	12,993	27,599	16,980	(b)
Total assets (a + b)		148,192	273,079	211,818	(c)
Current assets ¹	19	1,275	2,637	929	(d)
Current liabilities (excluding borrowings)	19	(1,516)	(2,963)	(1,258)	(e)
Cash and cash equivalents (d + e)		(241)	(326)	(329)	(f)
Net gearing figure (g = (c - f)/a)		109.8%	111.4%	108.9%	(g)

¹ Includes cash at bank.

The inputs for this calculation can be found in the Balance Sheet on page 19.

The Company's average gearing for the period, based on month end gearing figures calculated in accordance with AIC guidelines, was 109.3%.

Leverage

Leverage is defined in the AIFM Directive as "any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means".

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

$$\text{Leverage ratio} = \frac{\text{Total assets}}{\text{Net assets}}$$

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an 'exposure' under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that "the value of any cash and cash equivalents which are highly liquid

* Alternative Performance Measures

investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no

greater than the rate of a three-month high quality government bond” should be excluded from exposure calculations.

NAV and share price return (return with dividends reinvested)*

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/share price (please see note 7 of the financial statements for the inputs to the calculations).

NAV performance (US Dollar)	Page	Six months to 30 June 2022 (unaudited)	Six months to 30 June 2021 (unaudited)	Year ended 31 December 2021 (audited)
Closing NAV per share (cents)	24	459.10	625.27	496.28
Add back quarterly dividends (cents)	23	13.97	14.42	28.80
Effect of dividend reinvestment (cents)		(2.19)	0.83	(3.28)
Adjusted closing NAV (cents)		470.88	640.52	521.80 (a)
Opening NAV per share (cents)	24	496.28	596.42	596.42 (b)
NAV total return (c = ((a - b)/b)) (%)		(5.1)	7.4	(12.5) (c)

Share price performance (US Dollar)	Page	Six months to 30 June 2022 (unaudited)	Six months to 30 June 2021 (unaudited)	Year ended 31 December 2021 (audited)
Closing share price (cents) ¹	24	431.13	565.01	461.19
Add back quarterly dividends (cents)	23	13.97	14.42	28.80
Effect of dividend reinvestment (cents)		(2.27)	0.85	(2.45)
Adjusted closing share price (cents)		442.83	580.28	487.54 (a)
Opening share price (cents) ¹	24	461.19	552.93	552.93 (b)
Share price total return (c = ((a - b)/b)) (%)		(4.0)	4.9	(11.8) (c)

¹ Based on an exchange rate of US\$1.21445 to £1 at 30 June 2022 (30 June 2021: US\$1.3814; 31 December 2021: US\$1.35445).

Share price performance (Sterling)	Page	Six months to 30 June 2022 (unaudited)	Six months to 30 June 2021 (unaudited)	Year ended 31 December 2021 (audited)
Closing share price (pence)	24	355.00	409.00	340.50
Add back quarterly dividends (pence)	23	10.72	10.46	20.90
Effect of dividend reinvestment (pence)		(0.86)	0.55	(1.52)
Adjusted closing share price (pence)		364.86	420.01	359.88 (a)
Opening share price (pence)	24	340.50	404.50	404.50 (b)
Share price total return (c = ((a - b)/b)) (%)		7.2	3.8	(11.0) (c)

Net asset value per share (Cum income NAV)

This is the value of the Company's assets attributable to one ordinary share. Cum income NAV includes all current year income, less the value of any dividends paid in respect of the period together with the value of any dividends which have been declared and marked ex dividend but not yet paid.

It is calculated by dividing “total shareholders’ funds” by the total number of ordinary shares in issue (excluding treasury shares). As at 30 June 2022 equity shareholders’ funds were worth US\$135,199,000 (30 June 2021: US\$245,480,000;

31 December 2021: US\$194,838,000); there were 29,448,641 (30 June 2021: 39,259,620; 31 December 2021: 39,259,620) ordinary shares in issue, the NAV was therefore 459.10 cents per share (30 June 2021: 625.27c; 31 December 2021: 496.28c) (please see note 7 of the notes to the financial statements for the inputs to the calculation).

Equity shareholders’ funds are calculated by deducting from the Company's total assets, its current and long-term liabilities and any provision for liabilities and charges.

* Alternative Performance Measure

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund.

As recommended by the AIC in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table:

Ongoing charges calculation	Page	31 December 2021	31 December 2020	
		US\$'000 (audited)	US\$'000 (audited)	
Management fee	21	1,726	1,452	
Other operating expenses	22	783	804	
Total management fee and other operating expenses		2,509	2,256	(a)
Average daily net assets in the year		219,747	197,093	(b)
Ongoing charges (c = a/b)		1.14%	1.14%	(c)

Yield*

The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it includes only the income physically produced by the portfolio and differs from the total return calculation, which includes capital growth.

	Page	30 June 2022	30 June 2021	31 December 2021	
Quarterly dividends paid/payable (cents) ¹	18	26.27	27.69	27.56	(a)
Ordinary share price (cents)	24	431.13	565.01	461.90	(b)
Yield (c = a/b) (%)		6.1	4.9	6.0	(c)

¹ Comprising quarterly dividends declared/paid during the twelve months to 30 June and 31 December.

* Alternative Performance Measures

Quoted and unquoted securities

Quoted securities are securities that trade on an exchange for which there is a publicly quoted price.

Unquoted securities are financial securities that do not trade on an exchange and for which there is not a publicly quoted price.

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. The revenue reserve is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate, after expenses. They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Share fraud warning

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. 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!

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