

**BlackRock®**

# **BlackRock Latin American Investment Trust plc**

Annual Report and Financial Statements 31 December 2023





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Further information about the Company can be found at [www.blackrock.com/uk/bria](http://www.blackrock.com/uk/bria).

General enquiries about the Company should be directed to the Company Secretary at: [cossec@blackrock.com](mailto:cossec@blackrock.com).



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## Register here to watch this year's Annual General Meeting

For the benefit of shareholders who are unable to attend this year's AGM in person, we have arranged for the Manager's presentation to be available on a webinar. You can register to watch this by scanning the QR Code opposite or by visiting our website at [www.blackrock.com/uk/berl](http://www.blackrock.com/uk/berl) and clicking the registration banner.



Please note that it is not possible to speak or vote at the AGM via this medium and joining the webinar does not constitute attendance at the AGM. Shareholders wishing to exercise their right to attend, speak and vote at the AGM should either attend in person or exercise their right to appoint a proxy to do so on their behalf. For further details please see page 130 of the Annual Report.







# Financial highlights

as at 31 December 2023

**644.24c**

Net asset value (NAV) per ordinary share with dividends reinvested

**+37.8%<sup>1,2</sup>**

**569.84c**

Ordinary share price with dividends reinvested

**+35.3%<sup>1,2</sup>**

**639.22**

Benchmark index<sup>3</sup> with dividends reinvested

**+32.7%<sup>1,2</sup>**

**30.45c**

Revenue profit per ordinary share

**28.82c**

Total dividends per ordinary share

**-25.9%<sup>4</sup>**

**5.1%<sup>1,5</sup>**

Dividend yield

The above financial highlights are at 31 December 2023 and percentage comparisons are against 31 December 2022.

<sup>1</sup> Alternative Performance Measures, see Glossary on pages 120 to 125.

<sup>2</sup> NAV, mid-market share price and benchmark index are calculated in US Dollar terms with dividends reinvested.

<sup>3</sup> MSCI EM Latin America Index (net return, on a US Dollar basis).

<sup>4</sup> Dividends declared in respect of the financial year to 31 December 2023 of 28.82 cents per share compared to dividends declared in respect of the financial year to 31 December 2022 of 38.87 cents per share.

<sup>5</sup> Based on dividends paid and declared for the year ended 31 December 2023 and share price as at 31 December 2023.



Whilst all markets within our universe generated positive returns in 2023, Argentina was the standout performer, returning 65.7%, making it the best performing market globally.

# 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.
- ✓ 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, on a US Dollar basis)) 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 quarterly dividend equivalent to 1.25% of the Company's US Dollar NAV at the end of each calendar quarter.

Further details about the Company, including the latest annual and half yearly financial reports, factsheets and stock exchange announcements, are available on the website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

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Cover: Sao Paulo, Brazil

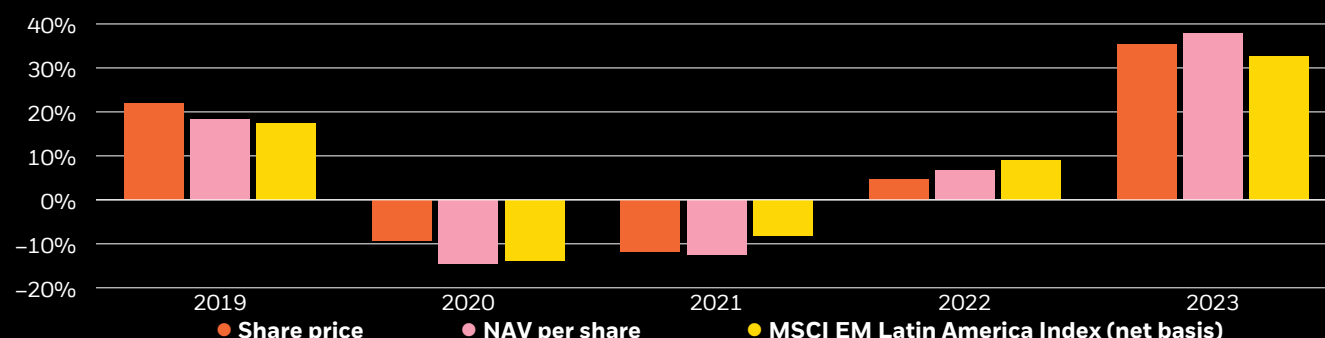
# Performance record

	As at 31 December 2023	As at 31 December 2022
Net assets (US\$'000) <sup>1</sup>	189,719	148,111
Net asset value per ordinary share (US\$ cents)	644.24	502.95
Ordinary share price (mid-market) (US\$ cents) <sup>2</sup>	569.84	457.10
Ordinary share price (mid-market) (pence)	447.00	380.00
Discount <sup>3</sup>	11.5%	9.1%

	For the year ended 31 December 2023	For the year ended 31 December 2022
<b>Performance (with dividends reinvested)</b>		
Net asset value per share (US\$ cents) <sup>3</sup>	37.8%	6.6%
Ordinary share price (mid-market) (US\$ cents) <sup>2,3</sup>	35.3%	4.7%
Ordinary share price (mid-market) (pence) <sup>3</sup>	27.6%	18.0%
MSCI EM Latin America Index (net return, on a US Dollar basis) <sup>4</sup>	32.7%	8.9%

	For the year ended 31 December 2023	For the year ended 31 December 2022	Change %
<b>Revenue</b>			
Net profit on ordinary activities after taxation (US\$'000)	8,967	13,842	-35.2
Revenue earnings per ordinary share (US\$ cents)	30.45	41.48	-26.6
<b>Dividends per ordinary share (US\$ cents)</b>			
Quarter to 31 March	6.21	7.76	-20.0
Quarter to 30 June	7.54	5.74	+31.4
Quarter to 30 September	7.02	6.08	+15.5
Quarter to 31 December	8.05	6.29	+28.0
Special dividend <sup>5</sup>	-	13.00	n/a
<b>Total dividends payable/paid</b>	<b>28.82</b>	<b>38.87</b>	<b>-25.9</b>

## Annual performance for the five years to 31 December 2023



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

Performance figures are calculated in US Dollar terms with dividends reinvested.

<sup>1</sup> The change in net assets reflects the portfolio movements during the year and dividends paid.

<sup>2</sup> Based on an exchange rate of US\$1.27 to £1 at 31 December 2023 and US\$1.20 to £1 at 31 December 2022.

<sup>3</sup> Alternative Performance Measures, see Glossary on pages 120 to 125.

<sup>4</sup> The Company's performance benchmark index (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.

<sup>5</sup> During the year ended 31 December 2022, revenue earned by the Company was enhanced by a number of stock and special dividends, coupled with the effect of the tender offer reducing the number of ordinary shares in issue post May 2022. In order to maintain investment trust status, which requires the distribution of 85% of the Company's revenue, the Board announced the payment of an additional dividend of 13.00 cents per ordinary share for the financial year to 31 December 2022.

# Chairman's Statement

# Dear Shareholder



**Carolan Dobson**  
Chairman

Dear Shareholder,

I am pleased to present the Annual Report to shareholders for the year ended 31 December 2023, which has delivered strong absolute returns and as I shall discuss below, provided grounds for optimism in the outlook for Latin American equities.

## Market Overview

Latin American markets have significantly outperformed both developed market and the MSCI Emerging Markets indices over the year under review, with the MSCI EM Latin America Index net return of 32.7% in US Dollar terms, compared to a rise in the MSCI Emerging Markets EMEA Index net return of 8.6% in US Dollar terms and an increase in the MSCI World Index net return of 24.4% in US Dollar terms.

## Performance

Over the year ended 31 December 2023 the Company's net asset value per share, with dividends reinvested rose by 37.8% in US Dollar terms, which compares to the benchmark returns with dividends reinvested of 32.7%. The share price rose by 35.3% in US Dollar terms (but increased by 27.6% in Sterling terms). The outperformance was driven by good stock selection across a range of markets, most notably driven by stock selection in Mexico, as the country has been and continues to be a key beneficiary from the shifting of global supply chains and coupled with a prudential fiscal policy and a strong export sector, Mexico has replaced China as America's largest trade partner. The stock selection in Brazil was also a contributing factor to performance, the portfolio was overweight in domestic Brazil, this positioning reflected the Investment Manager's view that interest rates were excessively high, with their expectation for interest rates to be cut during the year which has seen this increasingly being priced by the market in Brazil which has been a strong contributor to the portfolio's returns.

## Gearing

The Board's view is 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 Board is pleased to note that over the year the portfolio managers have used gearing actively with a low of 100.3% in May 2023 and a high of 108.9% of NAV in January 2023. Average gearing for the year to 31 December 2023 was 103.1% of NAV.

## Revenue return and dividends

Total revenue return for the year was 30.45 cents per share (2022: 41.48 cents per share). The decrease of 26.6% was largely due to the reduction in dividends paid by portfolio companies. 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.

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 Company has declared interim dividends totalling 28.82 cents per share in respect of the year ended 31 December 2023 (2022: 38.87 cents per share) as detailed in the table below; this represented a yield of 5.1% based on the Company's share price at 31 December 2023.

### Dividends declared in respect of the year ended 31 December 2023

	Dividend	Pay date
Quarter to 31 March 2023	6.21 cents	16 May 2023
Quarter to 30 June 2023	7.54 cents	11 August 2023
Quarter to 30 September 2023	7.02 cents	9 November 2023
Quarter to 31 December 2023	8.05 cents	9 February 2024
<b>Total</b>	<b>28.82 cents</b>	

The dividends paid and declared by the Company in 2023 have been funded from current year revenue and brought forward revenue reserves. As at 31 December 2023, a balance of US\$5,876,000 remained in revenue reserves, which is sufficient to cover approximately two and a half quarterly dividend payments at the most recently declared dividend rate of 8.05 cents per share.

Dividends may be funded out of capital reserves to the extent that current year revenue and revenue reserves are insufficient. The current and previous years dividends have been funded from the high levels of income generated by the portfolio companies and revenue reserves. Next year it is anticipated that capital reserves may be utilised to supplement the dividend if there is lower income received from the underlying portfolio companies. The Board believes that this removes pressure from the portfolio 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 2018, the Company's discount has narrowed from an average of 13.5% for the two-year period preceding the introduction of the new policy on 13 March 2018 to 11.5% as at 31 December 2023.

## ESG and Socially Responsible Investment

As a Board we believe 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 and believe we should be active in encouraging the companies we invest in to adopt good standards of governance. Accordingly the board travelled to Sao Paulo last year to meet a number of the companies we invest in to discuss their governance policies. We also travelled to Brasilia and met a number of government officials and politicians to learn more about the current approaches to the rainforest and Brazil's role as a large producer of vital food, timber, minerals and oil.

The Board receives regular reporting from the portfolio managers on ESG matters and extensive analysis of our portfolio's ESG footprint and actively engages with the portfolio managers to discuss when significant engagement may be required with the management teams of our Company's portfolio holdings. The portfolio managers are supported by the extensive ESG resources within BlackRock and devote a considerable amount of time to understanding the ESG risks and opportunities facing companies and industries in the portfolio. The Company does not seek to become an Article 8 or 9 company under the EU's Sustainable Finance Disclosure Regulation legislation and does not intend to seek to have one of the 4 sustainability labels under the FCA's Sustainability Disclosure Requirements regime. However, consideration of ESG analytics, data and



insights is integrated into the investment process when weighing up the risk and reward benefits and there is more information in relation to BlackRock's approach to ESG integration on page 24.

## **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 annualised total NAV return on a US Dollar basis for the year ended 31 December 2023 was +21.2%, outperforming the annualised benchmark return of +20.2% over the year by 1.0% (equivalent to 100 basis points).

The cum-income discount of the Company's ordinary shares over the calculation period has averaged 10.8%.

For the current year the cum-income discount has ranged from 6.8% to 18.6%, ending the year on a discount of 11.5% at 31 December 2023.

The Company has not bought back any shares during the year ended 31 December 2023 and up to the date of publication of this report.

## **Board composition**

As previously advised in last year's Annual Report, Professor Doctor did not seek re-election at the 2023 AGM. The Board wishes to thank Professor Doctor for her many years of excellent service, we wish her the best for the future.

## **Annual General Meeting**

The Company's Annual General Meeting will be held in person at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Wednesday, 22 May 2024 at 12.00 noon. Details of the business of the meeting are set out in the Notice of Annual General Meeting on pages 128 to 131.

The Board very much looks forward to meeting shareholders and answering any question you may have on the day. We hope you can attend this year's AGM; a buffet lunch will be made available to shareholders who have attended the AGM.

## **Outlook**

Following the Board's visit to Brazil in November 2023, it was encouraging to see the positive market sentiment for a range of the portfolio companies operating in Brazil. The Brazilian Government had embarked on some significant tax reforms which should allow businesses to operate more efficiently. The government's continued prudent fiscal policy should enable the country's central bank to decrease interest rates further which in turn should help stimulate the domestic economy.

The geopolitical environment is currently changing with three blocks emerging, US aligned, China aligned and the non-aligned, who are benefiting from trading with both of the other blocks. The markets in the Latin American region have managed to remain somewhat removed from the global geopolitical conflicts and so far, have been able to benefit from

significant opportunities for direct investment as governments and businesses globally re-think supply chain configuration and seek to diversify risk away from countries more prone to geopolitical fallout. The region is rich in natural resources of crude oil and natural gas and is also a major source of copper and lithium which are critical materials for the green energy transition. Not only is Latin America rich in natural resources, it is also an agricultural powerhouse. The region accounts for close to 25%<sup>1</sup> of global exports in agricultural and fisheries products, and its significance in the global food supply chain is anticipated to increase in the future. The Board is optimistic for the outlook for Latin American equities.

**Carolyn Dobson**

Chairman

26 March 2024

<sup>1</sup> Source: <https://www.weforum.org/agenda/2024/01/latin-america-solution-food-insecurity/>





# SALIDAS - DEPARTURES

H. CTN	CIA	VUELO	DESTINO	STA	OBSERVACION	H. CTN
16:43	VOI	606	CANCUN			16:16
16:45	40	2215	MEXICO		CERRADO	16:24
17:05	AMX	229	MEXICO	B11	RETRASADO	16:40
17:05	40	233	MONTERREY	D06		16:50
17:19	VOI	606	TORREON	E43	RETRASADO	16:55
17:20	VIV	3110	TIJUANA	E42	ABORDANDO	16:58
17:27	VOI	628	CANCUN	D06	ABORDANDO	16:58
17:27	VOI	624	MEXICALI	D07	ABORDANDO	16:58
17:40	VIV	3040	CULIACAN		CERRADO	16:58
17:53	VOI	240	CD JUAREZ	B12		16:58
17:55	40	980	L ANGELES	D03		16:58
18:04	VOI	745	MEXICO	A		16:58
18:05	AMX	109	MEXICO	B13		16:58
				D04		16:58



# Investment Manager's Report



Sam Vecht



Christoph Brinkmann

## Market overview

The MSCI EM Latin America Index gained +32.7% during 2023, significantly outperforming other Emerging Market (EM) regions. For reference, both the Asia-Pacific (APAC) and Europe, Middle East and Africa (EMEA) regions posted mid-single digit returns with the MSCI AC Asia Pacific ex Japan index up 4.6% while the MSCI Emerging Markets EMEA Index climbed 8.6% in 2023. The region also outperformed the MSCI USA Index, which was up 27.1%, and Developed Market equities, as represented by the MSCI World Index, up 24.4%. All performance figures are calculated in US Dollar terms with dividends reinvested.

All markets within our universe generated positive returns in 2023. Argentina was the standout performer, returning 65.7%, making it the best performing market globally. The market surged after libertarian Javier Milei picked up a majority of the votes, and finished ahead of Sergio Massa, the incumbent Finance Minister, in the elections that concluded on 19 November 2023. Javier Milei's unexpected victory instilled cautious optimism in the market about the country's potential for economic reform and the possibility of central bank orthodoxy.

In Brazil, Luiz Inacio Lula da Silva was sworn in as president on 1 January 2023. While the Brazilian market experienced some turmoil in the first half of the year, mainly due to concerns around fiscal prudence and lower activity resulting from elevated interest rates, the market bounced back in the latter half of the year, rising

◀ We are positive on the outlook for the Mexican economy as it is a key beneficiary of the 'friend-shoring' of global supply chains. Airport operator Grupo Aeroportuario del Pacifico remains a significant Mexican holding. The company operates 12 airports throughout Mexico's Pacific region, including the major cities of Guadalajara and Tijuana, the four tourist destinations of Puerto Vallarta, Los Cabos, La Paz and Manzanillo, and six other mid-sized cities.

PHOTO COURTESY OF GRUPO AEROPORTUARIO DEL PACIFICO





Rate sensitive names in Brazil have also done well. Off-benchmark low-income homebuilder MRV Engenharia was amongst the top contributors to performance.

PHOTO COURTESY OF MRV ENGENHARIA

32.7% in 2023. A large portion of the rally can be attributed to the much-awaited rate cuts, which finally began in August, when the central bank cut its policy rate by 50 basis points in response to falling inflation. The market continued to trend upwards in the latter half of the year, as the increased likelihood for rate cuts in the United States of America (US) should provide room for the central bank to ease more aggressively in 2024.

Mexico was yet another market that performed well in 2023, rising 40.9%. The market has benefitted from a gradual fall in inflation and resulting interest rate cut expectations. Performance had been further buoyed by a stronger than expected US market. It is also worth pointing out that the country has been and continues to be, a relative beneficiary of increased geopolitical tensions, as countries such as the US are looking to diversify their supply chains away from China. In 2023, Mexico also overtook China to become the US' largest trading partner.

Political and social unrest has been the dominating picture of the Chilean and Peruvian markets throughout much of 2023, where both countries ended the year flat. In December, the Chilean population rejected the suggested changes to their constitution, for the second year in a row. This marks an end to the constitutional saga, for now, that has been ongoing since 2019. In Colombia, we note the improvement in the country's external balance.

## Performance review and positioning

The Company outperformed its benchmark over the 12-month period ending 31 December 2023, returning +37.8% on a total return basis in US Dollar terms. Over the same time horizon, the Company's benchmark, the MSCI Latin America Index, returned +32.7% on a net basis in US Dollar terms.



Over the period, the Company generated positive returns in a number of countries. The most notable outperformer was Mexico, driven by strong stock selection. Our positioning in Brazil was a reflection of the view that interest rates would come down, a view that played out in the latter half of the year as the central bank cut its policy rate for the first time in three years. It has since continued to cut in response to a normalisation in inflation, which has supported our domestic positioning in particular. Colombian exposure also contributed positively. On the flipside, Argentina exposure detracted on the margin. From a sector lens, the best performing sectors were industrials and materials while consumer staples and health care detracted from performance.

Our position in **Vale**, a Brazilian iron ore miner, was the largest contributor to relative returns over the year. Our underweight position in the company throughout the first half of 2023 was supportive to Company performance as iron ore prices declined on the back of disappointing commodity demand in China. As we became incrementally more positive on the name, and due to its relative weakness, we added to the position in the latter half of the year which proved timely. Rate sensitive names in Brazil have also done well with investment management platform **XP** and off-benchmark exposure to low-income homebuilder **MRV Engenharia** amongst the top contributors. For **XP**, in addition to delivering strong results, the company is also benefitting from increased flows from fixed income to equities as rates come down. In the case of **MRV Engenharia**, lower rates entail more affordable housing and lower costs on interest which is beneficial as this is a highly levered name. No exposure to **WEG**, a Brazilian electric equipment company, has also contributed to relative returns. The company has been faced with sequential growth challenges, particularly due to a solar demand slowdown in Brazil which is impacting the company's outlook.

In Mexico, our overweight position in consumer company **FEMSA**, was supportive of relative returns, with a strong operating environment at its core convenience store business Oxxo. **Cemex**, the Mexican cement producer, was another contributor on a relative basis. Being underweight the stock helped the portfolio's relative returns as the stock declined on fears of rising input costs. Another significant outperformer was **Fibra Uno Administracion**, the Mexican real estate operator. This is a stock that has continued to benefit from the nearshoring theme, i.e. increased foreign investment and demand for industrial properties. The stock also rose following the announcement of a potential IPO where the company would carve out a new vehicle of their industrial real estate assets.

Elsewhere in the region, **Ecopetrol**, a petroleum producer in Colombia, outperformed. Chilean lithium producer **Sociedad Quimica Y Minera (SQM)** was another strong performer during the last month of the year as the stock rose in anticipation of the announcement of the partnership with state entity Codelco, which has extended their mining lease in the Atacama until 2060.

While Brazil exposure has benefitted the Company more broadly, some names lagged with supermarket chain **Assai** being the biggest detractor over the period. The company sold off earlier in the year after its majority shareholder, Casino, showed signs of weak liquidity. This weighed on the stock after an announcement that Casino would be selling a portion of its shares. Brazilian retailers **Arezzo** and **Grupo De Moda Soma (Soma)** also hurt relative returns over the period as the retail sector was negatively impacted by the announcement of a tax reform, which could be margin dilutive for the sector. We maintain conviction in these names and believe that continued rate cuts from the central bank should be supportive for domestic consumption. Elsewhere, overweight position in Mexican silver miner **MAG Silver Corp** also detracted amid declining silver prices.

Over the period, we have taken advantage of the strong performance in Brazil to take profits in names that have outperformed or where our investment thesis has played out. We exited our position in **Gerdau**, a steel producer, and rotated this into iron ore producer **Vale** on a relative performance basis. We also exited **XP** following strong performance. As we believe continued rate cuts in Brazil should be supportive for domestic consumption, we initiated holdings in retailers **Soma** and **Lojas Renner**. For **Soma** specifically, we believe that mistakes made in the previous cycles have been overly penalised by the market, and we believe that their brand Farm Rio is one of the strongest brands in Brazil.

We also made some changes to our Mexican book. We exited **Cemex**, the Mexican cement producer, and used some of the proceeds to top up our holding in **Walmart de Mexico y Centroamerica (Walmex)**. The latter has underperformed on cost pressures and disinflation, but we believe the negative earnings revisions are coming to an end. We also trimmed our exposure to rate sensitive bank **Grupo Financiero Banorte**. In Colombia, we initiated a position in bank **Bancolombia** on the back of cheap valuation and as the Colombian government has shown more signs of orthodoxy than initially expected. We took profits and exited Colombian oil & gas company **Ecopetrol** as our investment thesis has played out and as we are getting incrementally more negative on the outlook for oil prices. We also took some profits in **Globant**, the Argentinian IT services company, following strong performance.

We ended the year with Argentina as the largest portfolio overweight, driven by two off-benchmark holdings. Our second largest overweight position is in Panama, driven by an off-benchmark holding in the industrials sector. On the other hand, we remain underweight in Peru due to its ongoing political and economic uncertainty. We remain optimistic about the outlook for Brazil and have been selective in our positioning, with a preference for domestic businesses that will benefit more from further rate cuts.

## Outlook

We believe that global markets are starting to feel the impact of higher interest rates, noting slowing credit growth as evidence that a demand slowdown may be imminent in developed markets. When combined with a Chinese economy which is struggling to find its footing we find it difficult to see where a meaningful pick up in global growth could come from. On the other hand, we observe stronger fundamentals in EM, particularly in Latin America, as inflation has decreased and central banks have eased monetary policies across many of our markets. This is typically a good set up as domestic economies should see a cyclical improvement.

We are especially positive about the outlook for Brazil. We believe that the combination of a benign outlook for inflation and a relatively prudent fiscal policy by the government will enable the central bank to decrease interest rates faster than market participants currently expect. We expect further upside to the equity market in the next 12-18 months as local capital starts flowing back into the market.

We remain positive on the outlook for the Mexican economy as it is a key beneficiary of the 'friend-shoring' of global supply chains. Mexico remains defensive as both fiscal and the current accounts are in order. While our view remains positive, we have taken some profits after a strong relative performance, solely because we see even more upside in other Latin American markets such as Brazil. We also note that the Mexican economy will be relatively more sensitive to a potential slowdown in economic activity in the United States.

We continue to closely monitor the political and economic situation in Argentina, after libertarian Javier Milei unexpectedly won the presidential elections in November. Milei is facing a very difficult situation, with inflation at 210% year on year, foreign exchange reserves depleted and multiple economic imbalances. The country needs to go through a painful adjustment process and we worry about the hardship that this inflicts on society. We are hopeful that the country comes out stronger after the adjustment process, but we have limited exposure to the Argentinian economy for now.

We remain optimistic about the outlook for Latin America. Central banks have been proactive in increasing interest rates to help control inflation, which has fallen significantly across the region. As such we have started to see central banks beginning to lower interest rates, which should support both economic activity and asset prices. In addition, the whole region is benefitting from being relatively isolated from global geopolitical conflicts. In a world splitting into three groups: those aligned with China, those aligned with the US and the rest, the latter group which have been coined as the "Transactional 25", are uniquely positioned to benefit from their ability to trade with both blocs. We are already seeing an increase in their share of global Foreign Direct Investment (FDI) flows, with the prime example being Mexico. Although some investor attention in 2024 may focus on the political and social challenges in countries such as Ecuador, Guyana and Panama, we maintain that the region when taken as a whole, appears to be a more attractive investment destination than many in the market currently believe.

**Sam Vecht and Christoph Brinkmann**

BlackRock Investment Management (UK) Limited  
26 March 2024











# Portfolio



Our position in Vale, a Brazilian iron ore miner, was the largest contributor to relative returns over the year and the portfolio's largest holding at year end.

PHOTO COURTESY OF VALE



PHOTOS COURTESY OF VALE, B3, GRUPO AEROPORTUARIO DEL PACIFICO, ITAÚ UNIBANCO.



# Ten largest investments

as at 31 December 2023

Together, the ten largest investments represented 55.3% of total investments of the Company's portfolio as at 31 December 2023 (2022: 53.5%).

## 1 ► **Vale** (2022: 1st)

### Materials

**Market value – American depositary share (ADS): US\$18,331,000**

**Share of investments: 9.6% (2022: 9.5%)**

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** (2022: 2nd)

### Energy

**Market value – American depositary receipt (ADR): US\$6,666,000**

**Market value – preference shares ADR: US\$6,091,000**

**Market value – ordinary shares: US\$3,705,000**

**Share of investments: 8.6% (2022: 7.1%)**

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** (2022: 6th)

### Financials

**Market value – ADR: US\$8,726,000**

**Market value – preference shares: US\$3,276,000**

**Share of investments: 6.2% (2022: 5.1%)**

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

## 4 ▲ **Walmart de México y Centroamérica** (2022: 21st)

### Consumer Staples

**Market value – ordinary shares: US\$11,317,000**

**Share of investments: 5.9% (2022: 1.9%)**

is also known as Walmex, it is the Mexican and Central American Walmart division.

## 5 ► **B3** (2022: 5th)

### Financials

**Market value – ordinary shares: US\$9,814,000**

**Share of investments: 5.1% (2022: 5.2%)**

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.



# Ten largest investments

continued

## 6 ▼ **FEMSA** (2022: 3rd)

### Consumer Staples

**Market value – ADR: US\$9,126,000**

**Share of investments: 4.8% (2022: 6.0%)**

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.

## 7 ▼ **AmBev** (2022: 4th)

### Consumer Staples

**Market value – ADR: US\$6,394,000**

**Market value – ordinary shares: US\$1,542,000**

**Share of investments: 4.2% (2022: 5.3%)**

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 and Canada.

## 8 ▲ **Grupo Aeroportuario del Pacifico** (2022: 14th)

### Industrials

**Market value – ADS: US\$7,694,000**

**Share of investments: 4.0% (2022: 2.3%)**

is a Mexican airport operator headquartered in Guadalajara, Mexico. The company holds concessions to operate, maintain and develop approximately 10 international airports in the Pacific and Central regions of Mexico, and an international airport in Jamaica.

## 9 ▼ **Itaú Unibanco** (2022: 7th)

### Financials

**Market value – ADR: US\$7,208,000**

**Share of investments: 3.8% (2022: 4.9%)**

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.

## 10 ▼ **Grupo Financiero Banorte** (2022: 8th)

### Financials

**Market value – ordinary shares: US\$5,966,000**

**Share of investments: 3.1% (2022: 4.8%)**

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.

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 2022.

Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 31 December 2022.

# Portfolio of investments

as at 31 December 2023

	Market value US\$'000	% of investments
<b>Brazil</b>		
Vale – ADS	18,331	9.6
Petrobrás – ADR	6,666	8.6
Petrobrás – preference shares ADR	6,091	
Petrobrás	3,705	
Banco Bradesco – ADR	8,726	6.2
Banco Bradesco – preference shares	3,276	
B3	9,814	5.1
AmBev – ADR	6,394	4.2
AmBev	1,542	
Itaú Unibanco – ADR	7,208	3.8
Hapvida Participacoes	5,618	3.0
EZTEC Empreendimentos e Participacoes	4,263	2.2
Sendas Distribuidora	4,217	2.2
Arezzo Industria e Comercio	4,028	2.1
Alpargatas	3,874	2.0
Lojas Renner	3,823	2.0
Vamos	3,792	2.0
Rumo	3,441	1.8
Grupo De Moda Soma	2,808	1.5
Pagseguro Digital	1,992	1.1
Rede D'or Sao Luiz	1,912	1.0
IRB Brasil Resseguros	1,776	0.9
MRV Engenharia	1,417	0.8
	<b>114,714</b>	<b>60.1</b>
<b>Mexico</b>		
Walmart de México y Centroamérica	11,317	5.9
FEMSA – ADR	9,126	4.8
Grupo Aeroportuario del Pacífico – ADS	7,694	4.0
Grupo Financiero Banorte	5,966	3.1
Fibra Uno Administracion – REIT	5,222	2.7
MAG Silver Corp	4,595	2.4
Grupo México	4,360	2.3
America Movil – ADR	3,708	2.0
	<b>51,988</b>	<b>27.2</b>

# Portfolio of investments

continued

	Market value US\$'000	% of investments
<b>Chile</b>		
Sociedad Química Y Minera - ADR	5,585	2.9
Empresas CMPC	2,880	1.5
Cia Cervecerias Unidas	1,366	1.2
Cia Cervecerias Unidas – ADR	968	
	<b>10,799</b>	<b>5.6</b>
<b>Argentina</b>		
Globant	2,969	1.6
Tenaris	2,513	1.3
	<b>5,482</b>	<b>2.9</b>
<b>Colombia</b>		
Bancolombia	4,714	2.5
	<b>4,714</b>	<b>2.5</b>
<b>Panama</b>		
Copa Holdings	3,178	1.7
	<b>3,178</b>	<b>1.7</b>
<b>Total investments</b>	<b>190,875</b>	<b>100.0</b>

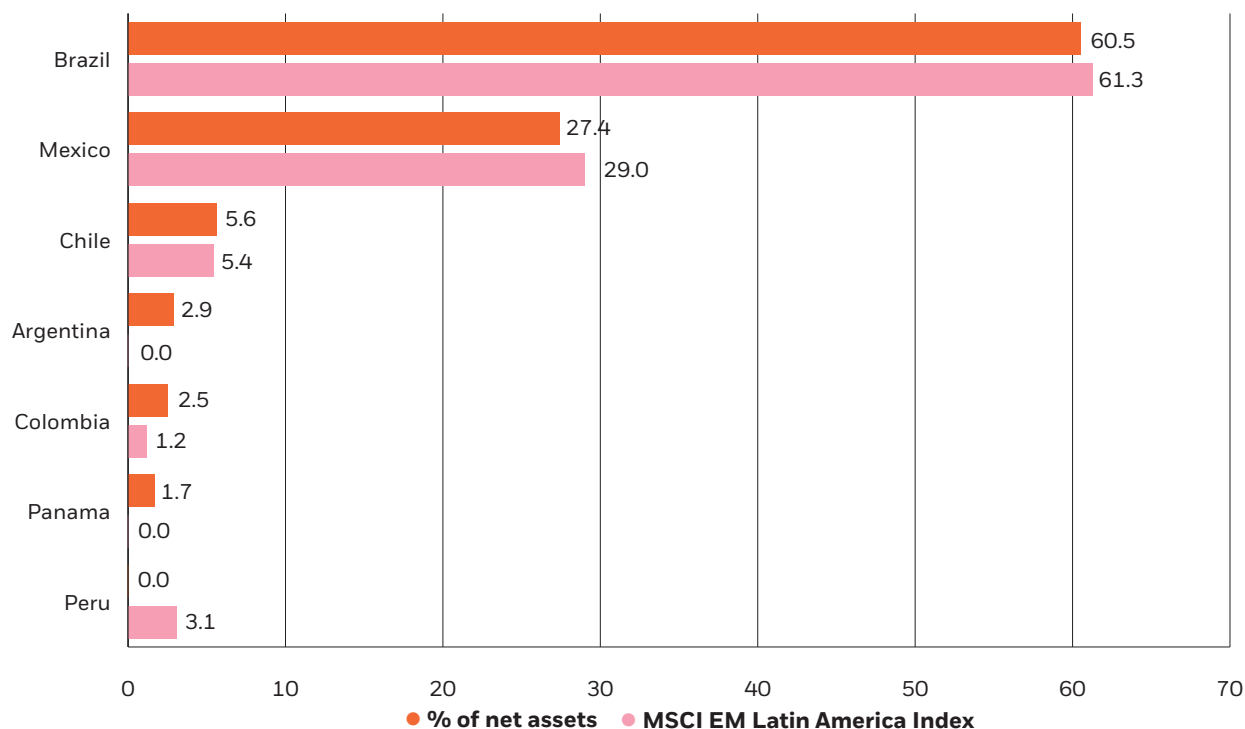
All investments are in equity shares unless otherwise stated.

The total number of investments held at 31 December 2023 was 39 (2022: 40). At 31 December 2023, the Company did not hold any equity interests comprising more than 3% of any company's share capital (2022: none).

# Portfolio analysis

as at 31 December 2023

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



Sources: BlackRock and MSCI.

## Sector and geographical allocations

	Brazil %	Mexico %	Chile %	Argentina %	Colombia %	Panama %	Peru %	Net other liabilities %	2023 Total %	2022 Total %
Communication Services	–	1.9	–	–	–	–	–	–	1.9	2.5
Consumer Discretionary	10.6	–	–	–	–	–	–	–	10.6	3.2
Consumer Staples	6.4	10.8	1.2	–	–	–	–	–	18.4	18.7
Energy	8.7	–	–	1.3	–	–	–	–	10.0	9.4
Financials	17.3	3.1	–	–	2.5	–	–	–	22.9	30.9
Health Care	4.0	–	–	–	–	–	–	–	4.0	4.4
Industrials	3.8	4.1	2.9	–	–	1.7	–	–	12.5	7.6
Information Technology	–	–	–	1.6	–	–	–	–	1.6	1.5
Materials	9.7	4.7	1.5	–	–	–	–	–	15.9	21.7
Real Estate	–	2.8	–	–	–	–	–	–	2.8	6.9
Net other liabilities	–	–	–	–	–	–	–	(0.6)	(0.6)	(6.8)
<b>2023 total investments</b>	<b>60.5</b>	<b>27.4</b>	<b>5.6</b>	<b>2.9</b>	<b>2.5</b>	<b>1.7</b>	<b>–</b>	<b>(0.6)</b>	<b>100.0</b>	<b>–</b>
2022 total investments	64.0	28.5	6.1	3.4	–	2.3	2.5	(6.8)	–	100.0

Source: BlackRock.



# Environmental, Social and Governance issues and approach

## The Board's approach

Environmental, social and governance (ESG) issues can present both opportunities and risks to long-term investment performance. The securities within the Company's investment remit are typically large producers of vital food, timber, minerals and oil supplies, and consequently face many ESG challenges and headwinds as they grapple with the impact of their operations on the environment and resources. The Board is also aware that there is significant room for improvement in terms of disclosure and adherence to global best practices for corporates throughout the Latin American region, which lags global peers when it comes to ESG best practice. These ESG issues faced by companies in the Latin American investment universe are a key focus of the Board, and it is committed to a diligent oversight of the activities of the Manager in these areas. Whilst the Company does not exclude investment in stocks on ESG criteria and has not adopted an ESG investment strategy, ESG considerations are 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 is important and can lead to better outcomes for shareholders and the environment than merely excluding investment in certain areas.

More information on BlackRock's approach to ESG integration, as well as activity specific to the BlackRock Latin American Investment Trust plc portfolio, is set out below. BlackRock has defined ESG integration as the practice of incorporating material ESG information and consideration of sustainability risks into investment decisions in order to enhance risk-adjusted returns. ESG integration does not change the Company's investment objective or constrain the Investment Manager's investable universe and does not mean that an ESG or impact focused investment strategy or any exclusionary screens have been or will be adopted by the Company. Similarly, ESG integration does not determine the extent to which the Company may be impacted by sustainability risks. More information on sustainability risks may be found in the AIFMD Fund Disclosures document of the Company available on the Company's website at

<https://www.blackrock.com/uk/individual/literature/policies/itc-disclosure-blackrock-latin-america-trust-plc.pdf>.

The Company does not meet the criteria for Article 8 or 9 products under the EU Sustainable Finance Disclosure Regulation ("SFDR") and the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## BlackRock's approach to ESG integration

BlackRock believes that sustainability risks – including climate risk are investment risks. As a fiduciary, we manage material risks and opportunities that could impact portfolios. Sustainability can be a driver of investment risks and opportunities, and we incorporate them in our firm wide processes when they are material. This in turn (in BlackRock's view) is likely to drive a significant reallocation of capital away from traditional carbon intensive industries over the next decade. BlackRock believes that carbon-intensive companies will play an integral role in unlocking the full potential of the energy transition, and to do this, they must be prepared to adapt, innovate and pivot their strategies towards a low carbon economy.

BlackRock incorporates into its firmwide processes relevant, financially material information, including financially material data and information related to ESG. BlackRock's investment view is that doing so can provide better risk-adjusted returns for its clients over the long term.

BlackRock has a framework for ESG integration that permits a diversity of approaches across different investment teams, strategies and particular client mandates. As with other investment risks and opportunities, the financial materiality of ESG considerations may vary by issuer, sector, product, mandate, and time horizon. As such BlackRock's ESG integration framework needs to allow for flexibility across investment teams. Depending on the investment approach, financially material ESG data or information may help inform the due diligence, portfolio or index construction, and/or monitoring processes of client portfolios, as well as BlackRock's approach to risk management.

BlackRock's ESG integration framework is built upon its history as a firm founded on the principle of thorough and thoughtful risk management. Aladdin, BlackRock's core risk management and investment technology platform, allows investors to leverage financially material ESG data or information as well as the combined experience of BlackRock's investment teams to effectively identify investment opportunities and investment risks. BlackRock's heritage in risk management combined with the strength of the Aladdin platform enables BlackRock's approach to ESG integration.

BlackRock structures its approach to ESG integration around three main pillars: investment processes, material insights and transparency. These pillars underpin ESG integration at BlackRock, and they are supported by equipping BlackRock employees with investment relevant ESG data, tools, and education.

More information in respect of BlackRock's approach to ESG integration can be found at

<https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf>.

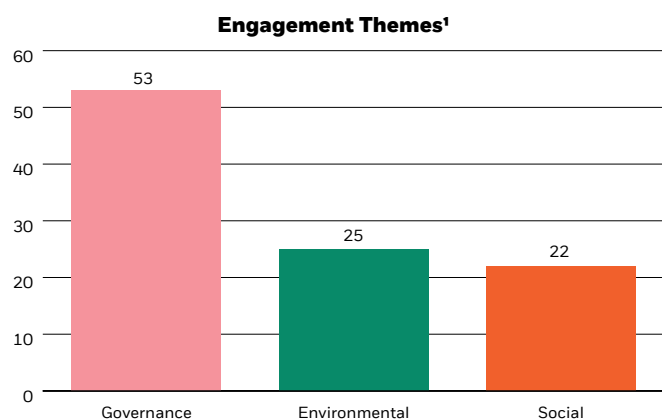
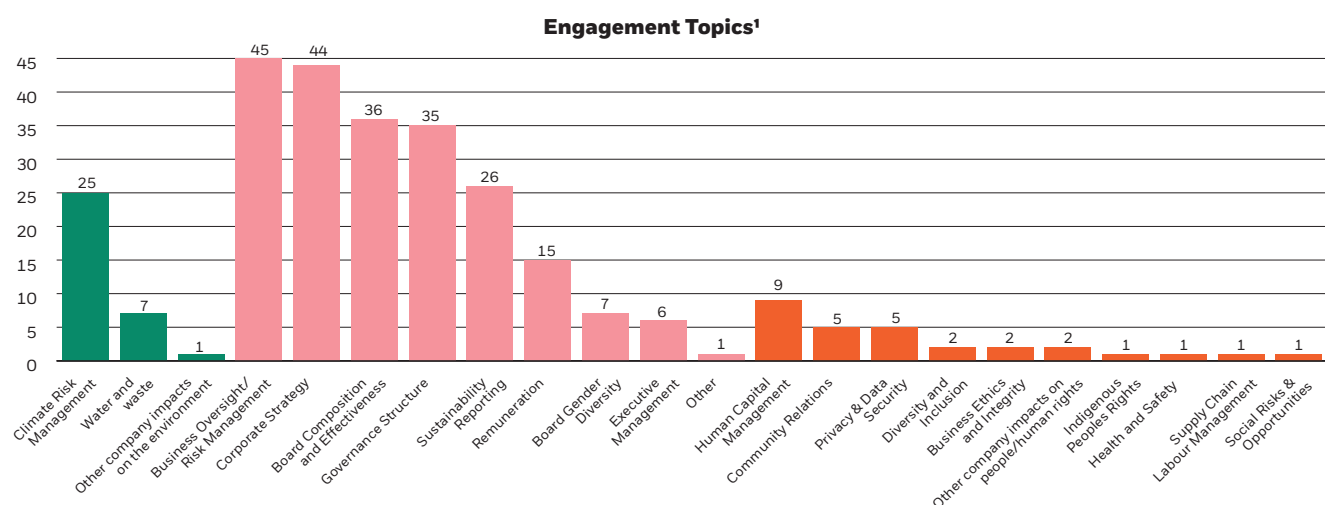
## BlackRock Latin American Investment Trust plc - Investment Stewardship Engagement with portfolio companies in the year ended 31 December 2023

Given the Board's belief in the importance of engagement and communication with portfolio companies, they receive regular updates from the Manager in respect of activity undertaken for the year under review. The Board notes that over the year to 31 December 2023, 53 total company engagements were held with the management teams of 25 portfolio companies representing 74% of the portfolio by % of holdings at 31 December 2023. To put this into context, there were 34 companies in the BlackRock Latin American Investment Trust plc portfolio at 31 December 2023. Additional information is set out in the table below and charts on the following page as well as the key engagement themes for the meetings held in respect of the Company's portfolio holdings.

### BlackRock Latin American Investment Trust plc year ended 31 December 2023

Number of engagements held	53
Number of companies met	25
% of equity investments covered*	74%
Shareholder meetings voted at	50
Number of proposals voted on	654
Number of votes against management	69
% of total votes represented by votes against management	8.78%

\* Calculated as the percentage of the portfolio holdings at 31 December 2023 represented by the portfolio companies that engagements were held with.



<sup>1</sup> Most engagement conversations cover multiple topics. More detail about BIS' engagement priorities can be found here: [www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf](http://www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf). The number of meetings held in respect of the Company's portfolio holdings; at which a particular topic is discussed.

## Investment Stewardship

Consistent with BlackRock's fiduciary duty as an asset manager, BlackRock Investment Stewardship (BIS) seeks to support investee companies in their efforts to deliver long-term financial value on behalf of their clients. These clients include public and private pension plans, governments, insurance companies, endowments, universities, charities and ultimately, individual investors, among others. BIS serves as a link between BlackRock's clients and the companies they invest in. Clients depend on BlackRock to help them meet their investment goals; the business and governance decisions that companies make may have a direct impact on BlackRock's clients' long-term investment outcomes and financial wellbeing.

## Global Principles

The [BIS Global Principles](#), [regional voting guidelines](#), and [engagement priorities](#) (collectively, the 'BIS policies') set out the core elements of corporate governance that guide BIS' efforts globally and within each regional market, including when engaging with companies and voting at shareholder meetings when authorised to do so on behalf of clients. Each year, BIS reviews its policies and updates them as necessary to reflect changes in market standards and regulations, insights gained over the year through third-party and its own research, and feedback from clients and companies. BIS' Global Principles are available on its website at <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>.

## Regional voting guidelines

BIS' voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at a shareholder meeting. BIS applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock informs voting decisions through research and engages as necessary. BIS reviews its voting guidelines annually and updates them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year. BIS' regional voting guidelines are available on its website at [www.blackrock.com/corporate/about-us/investment-stewardship#stewardship-policies](http://www.blackrock.com/corporate/about-us/investment-stewardship#stewardship-policies).

BlackRock is committed to transparency in terms of disclosure on its stewardship activities on behalf of clients. BIS publishes its stewardship policies – such as the [BIS Global Principles](#), [regional voting guidelines](#) and [engagement priorities](#) – to help BlackRock's clients understand its work to advance their interests as long-term investors in public companies. Additionally, BIS publishes both annual and quarterly reports detailing its stewardship activities, as well as [vote bulletins](#) that describe its rationale for certain votes at high profile shareholder meetings. More detail in respect of BIS reporting can be found at [www.blackrock.com/corporate/insights/investment-stewardship](http://www.blackrock.com/corporate/insights/investment-stewardship).

## BlackRock's reporting and disclosures

In terms of its own reporting, BlackRock believes that the Sustainability Accounting Standards Board provides a clear set of standards for reporting sustainability information across a wide range of issues, from labour practices to data privacy to business ethics.

For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the Task Force on Climate-related Financial Disclosures (TCFD) provides a valuable framework.

BlackRock recognises that reporting to these standards requires significant time, analysis, and effort. BlackRock's 2022 TCFD report can be found at [www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2022-blkinc.pdf](http://www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2022-blkinc.pdf).









# Governance



Brazilian stock exchange B3 remains a significant holding. The company reported that the number of investors in fixed income grew 34% and in equities 23% in 12 months, and that the total number of investors reached over 17 million.

PHOTO COURTESY OF B3

# Governance structure

Responsibility for good governance lies with the Board. The governance framework of the Company reflects that, as an investment company, the Company has no employees, the Directors are all non-executive and the investment management and administration functions are outsourced to the Manager and other service providers.

<b>The Board</b> <b>4 scheduled meetings per annum</b>	<b>Four non-executive Directors (NEDs), all independent of the Manager and the Investment Manager</b> <b>Chairman:</b> Carolan Dobson (with effect from March 2017) <b>Objectives:</b> <ul style="list-style-type: none"> <li>• To determine investment policy, strategy and parameters;</li> <li>• To provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed and the Company's assets to be safeguarded; and</li> <li>• To challenge constructively and scrutinise performance of all outsourced activities.</li> </ul>
<b>Audit Committee</b> <b>3 scheduled meetings per annum<sup>1</sup></b>	<b>Membership:</b> Craig Cleland, Laurie Meister, Nigel Webber <b>Chairman:</b> Craig Cleland (with effect from 31 March 2019) <b>Key objectives:</b> <ul style="list-style-type: none"> <li>• To oversee financial reporting;</li> <li>• To consider the adequacy of the control environment;</li> <li>• Review and form an opinion on the effectiveness of the external audit process; and</li> <li>• To review the provisions relating to whistleblowing and fraud.</li> </ul>
<b>Management Engagement Committee<sup>2</sup></b> <b>1 scheduled meeting per annum</b>	<b>Membership:</b> All NEDs <b>Chairman:</b> Carolan Dobson (with effect from 31 March 2019) <b>Key objectives:</b> <ul style="list-style-type: none"> <li>• To ensure that the provisions of the management agreement follow industry practice, remain competitive and are in the best interest of shareholders;</li> <li>• To review the performance of the Manager; and</li> <li>• To review the performance of other service providers.</li> </ul>
<b>Nomination Committee<sup>2</sup></b> <b>1 scheduled meeting per annum</b>	<b>Membership:</b> All NEDs <b>Chairman:</b> Carolan Dobson (with effect from 31 March 2019) <b>Key objectives:</b> <ul style="list-style-type: none"> <li>• To regularly review the Board's structure and composition;</li> <li>• To be responsible for the Board succession planning; and</li> <li>• To make recommendations for any new appointments.</li> </ul>
<b>Remuneration Committee<sup>2</sup></b> <b>1 scheduled meeting per annum</b>	<b>Membership:</b> All NEDs <b>Chairman:</b> Craig Cleland (with effect from 9 November 2023) <b>Key objectives:</b> <ul style="list-style-type: none"> <li>• To be responsible for Directors' remuneration; and</li> <li>• To set the Company's remuneration policy.</li> </ul>
<b>Marketing Committee<sup>3</sup></b> <b>1 scheduled meeting per annum</b>	<b>Membership:</b> Laurie Meister and Nigel Webber <b>Chairman:</b> Laurie Meister (with effect from 9 November 2023) <b>Key objectives:</b> <ul style="list-style-type: none"> <li>• To oversee marketing strategy; and</li> <li>• To make marketing budget recommendations to the Board.</li> </ul>

<sup>1</sup> Ms Dobson stepped down as a member of the Audit Committee with effect from 1 January 2019 but may attend meetings by invitation. For the year under review the Audit Committee met three times.

<sup>2</sup> Up to 5 November 2018, there was a single combined Nomination and Management Engagement Committee which also performed duties in respect of setting Directors' remuneration and remuneration policy for the Company. On 5 November 2018, the Directors established three separate committees to perform these duties instead as set out above and overleaf, being the Management Engagement Committee, the Nomination Committee and the Remuneration Committee.

<sup>3</sup> On 9 November 2023, the Directors established the Marketing Committee (the Marketing Committee did not hold a meeting in the year ended 31 December 2023).

# Directors' biographies



## **Carolan Dobson**

Chairman

Appointed on 1 January 2016 and appointed as Chairman on 2 March 2017

is former Chair of the Investment Committee at Nest and member of the Competition and Markets Authority. An experienced fund manager having previously been Head of US equities at Murray Johnstone, Head of Pan-European equities global sectors and UK equities at Abbey National Asset Managers she therefore brings a wealth of international fund management experience to the board. She was also Head of Investment Trusts at Murray Johnstone and is currently non-executive Chair of the Brunner Trust plc and Baillie Gifford UK Growth Trust plc and previously was Chair of JP Morgan European Discovery Trust and Abridged Smaller Companies Income Trust and accordingly also brings considerable knowledge of the investment trust sector.

### **Attendance record:**

Board: 4/4

Audit Committee: n/a<sup>1</sup>

Nomination Committee: 1/1

Management Engagement Committee: 1/1

Remuneration Committee: 1/1

Marketing Committee: n/a<sup>2</sup>



## **Craig Cleland**

Appointed on 1 January 2019 and appointed as Chairman of the Audit Committee on 31 March 2019 and appointed as Chairman of the Remuneration Committee on 9 November 2023

is Head of Corporate Development/Investment Trusts on a part time basis at CQS (UK) LLP, a multi-asset asset management firm in London with a focus on credit markets, where his responsibilities include advising and developing the closed-end fund business. He is also a director of CC Japan Income & Growth Trust plc and Invesco Select Trust plc. He worked previously at JPMorgan Asset Management (UK) Limited, latterly as Managing Director, and led their technical groups in the investment trust business. He also worked with the AIC Technical Committee on SORP and taxation changes in connection with this role.

### **Attendance record:**

Board: 4/4

Audit Committee: 3/3

Nomination Committee: 1/1

Management Engagement Committee: 1/1

Remuneration Committee: 1/1

Marketing Committee: 0/0<sup>2</sup>

<sup>1</sup> Ms Dobson stepped down as a member of the Audit Committee with effect from 1 January 2019 but may attend meetings by invitation.

<sup>2</sup> On 9 November 2023, the Directors established the Marketing Committee, comprising of Laurie Meister (as Chairman) and Nigel Webber (the Marketing Committee did not hold a meeting in the year ended 31 December 2023).

# Directors' biographies

continued



**Nigel Webber**

Appointed on 1 April 2017

has broad investment experience which has seen him lead the design of investment solutions for affluent and high-net-worth individuals across global markets and multiple asset classes. Most recently, he was Global Chief Investment Officer for HSBC Private Banking where he held global responsibility for all investment activity for Group Private Banking. During his time at HSBC, he was also Chairman of the Global Investment Committee for Group Private Bank and Chairman of HSBC Alternative Investments Limited. Prior to this, he held a number of blue-chip executive positions around the world for investment and asset management businesses. He is a qualified Chartered Accountant.

**Attendance record:**

Board: 4/4

Audit Committee: 3/3

Nomination Committee: 1/1

Management Engagement Committee: 1/1

Remuneration Committee: 1/1

Marketing Committee: 0/0<sup>2</sup>



**Laurie Meister**

Appointed on 1 February 2020

has 35 years of experience in the financial sector, with 28 years of her career dedicated to Latin American equities. Ms Meister was the head of Deutsche Bank's Institutional Equity Latin American Research Sales Desk (for the UK, Europe and the Middle East) from 2008 until June 2019. Prior to this she worked for Chase/JPMorgan as a director with responsibility for re-building the CEMEA equity business (incorporating sales, trading and research operations), and then becoming a director in JPMorgan's Senior Equity Research Sales Latin American Equities team for UK, Europe & Asia. Ms Meister has also worked in equity sales for Robert Fleming and Merrill Lynch Capital Markets with a focus on Latin American equities.

**Attendance record:**

Board: 4/4

Audit Committee 3/3

Nomination Committee: 1/1

Management Engagement Committee: 1/1

Remuneration Committee: 1/1

Marketing Committee: 0/0<sup>2</sup>

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.



# Strategic Report

The Directors present the Strategic Report of the Company for the year ended 31 December 2023.

## 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.

## Strategy, business model and investment policy

### Strategy

The Company invests in accordance with the objective given above. The Board is collectively responsible to shareholders for the long-term success of the Company and is its governing body. There is a clear division of responsibility between the Board and the Manager. Matters for the Board include setting the Company's strategy, including its investment objective and policy, setting limits on gearing (both bank borrowings and the effect of derivatives), capital structure, governance, and appointing and monitoring of performance of service providers, including the Manager.

### Business model

The Company's business model follows that of an externally managed investment trust; therefore the Company does not have any employees and outsources its activities to third party service providers including the Manager who is the principal service provider.

In accordance with the Alternative Investment Fund Managers' Directive (AIFMD), as implemented, retained and onshored in the UK, the Company is an Alternative Investment Fund (AIF). BlackRock Fund Managers Limited (the Manager) is the Company's Alternative Investment Fund Manager.

The management of the investment portfolio and the administration of the Company have been contractually delegated to the Manager who in turn (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager). The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The Company delegates fund accounting services to the Manager, which in turn sub-delegates these services to The Bank of New York Mellon (International) Limited. Other service providers include the Depositary, The Bank of New York Mellon (International) Limited and the Registrar, Computershare Investor Services PLC.

Details of the contractual terms with these service providers are set out in the Directors' Report on pages 51 and 52.

Our strategy is that the portfolio will be chosen from a spread of companies which are listed in, or whose main activities are in, Latin America.

As an actively managed fund, our primary aims over the medium term are significant outperformance of our benchmark index (the MSCI EM Latin America Index – net total return basis). Our portfolio and performance will diverge from the returns obtained simply by investing in the index.

### Investment policy

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.

The portfolio is subject to a number of geographical restrictions relative to the benchmark index. For Brazil, Mexico, Chile, Argentina, Peru, Colombia and Venezuela, the portfolio weighting is limited to plus or minus 20% of the index weighting for each of those countries. For all other Latin American countries the limit is plus or minus 10% of the index weighting. The Investment Manager is not constrained from investing outside the index. Additionally, the Company may invest in the securities of quoted companies whose main activities are in Latin America but which are not established or incorporated in the region or quoted on a local exchange.

The Company's policy is that up to 10% of the gross assets of the portfolio may be invested in unquoted securities. For the year ended 31 December 2023 and up to the date of this report, the Company did not hold any unquoted securities.

The Company will not hold more than 15% of the market capitalisation of any one company and no more than 15% of the Company's investments will be held in any one company as at the date any such investment is made.

# Strategic Report

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No more than 15% of the gross assets of the portfolio shall be invested in other UK listed investment companies (including other investment trusts).

The Company may deal in derivatives (including options, futures and forward currency transactions) for the purposes of efficient portfolio management (i.e. for the purpose of reducing, transferring or eliminating investment risk in the underlying investments of a collective investment undertaking, including any technique or instrument used to provide protection against exchange and credit risks). No more than 20% of the Company's portfolio by value may be under option at any given time. The Company did not deal in any derivatives in the year ended 31 December 2023, nor has it entered into any derivative contracts since the year end and up to the date of this report.

The Company may underwrite or sub-underwrite any issue or offer for the sale of investments. No such commitment will be entered into if, at that time, the aggregate of such investments would exceed 10% of the net asset value of the Company or any such individual investment would exceed 3% of the net asset value of the Company.

The Company may, from time to time, use borrowings to gear its investment portfolio or in order to fund the market purchase of its own ordinary shares. Under the Company's Articles of Association, the net borrowings of the Company may not exceed 100% of the Company's adjusted capital and reserves (as defined in the Glossary on pages 120 to 125). However, net borrowings are not expected to exceed 25% of net assets under normal circumstances. The Investment Manager may also hold cash or cash-equivalent securities when it considers it to be advantageous to do so.

The Company's financial statements are maintained in US Dollars. Although many investments are likely to be denominated and quoted in currencies other than in US Dollars, the Company does not currently employ a hedging policy against fluctuations in exchange rates.

No material change will be made to the Company's investment policy without shareholder approval.

## Investment process

An overview of the investment process is set out below.

The Investment Manager's main focus is to invest in securities that provide opportunities for strong capital appreciation relative to our benchmark. We aim to maintain a concentrated portfolio of high conviction investment ideas that typically consists of companies with a combination of mispriced growth potential and/or display attributes of sustained value creation that are underappreciated by the financial markets.

The Manager's experienced research analyst team conducts on the ground research, meeting with target companies, competitors, suppliers and others in the region in order to generate investment ideas for portfolio construction. In addition, the investment team meets regularly with government officials, central bankers, industry regulators and consultants.

Final investment decisions result from a combination of bottom-up, company specific research with top-down, macro analysis.

## Share rating and discount control

The Directors recognise that it is in the long term interests of shareholders that shares do not trade at a significant discount to their prevailing NAV. The Board monitors the level of the Company's discount to NAV on an ongoing basis.

Over the year under review, the Company's share price traded in the range of a discount of 6.8% to 18.6% and at the year end stood at a discount of 11.5%. Further details setting out how the discount or premium at which the Company's shares trade is calculated are included in the Glossary on page 122.

A special resolution was passed at the AGM of the Company held on 22 May 2023, granting the Directors' authority to make market purchases of the Company's ordinary shares to be held, sold, transferred or otherwise dealt with as treasury shares or cancelled upon completion of the purchase. The Board intends to renew this authority at the AGM to be held in May 2024.

The Board adopted a new discount control mechanism, for the four year period from 1 January 2022 to 31 December 2025. Under this new mechanism the Board undertakes to make a tender offer to shareholders for 24.99% of the issued share capital (excluding treasury shares) of the Company at a tender price reflecting the latest cum-income Net Asset Value (NAV) less 2% and related portfolio realisation costs if, over the four year period from 1 January 2022 to 31 December 2025 (the 'Calculation Period'), either of the following conditions are 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 total return by more than 50 basis points over 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 ordinary shares over the Calculation Period.

The making and implementation of this tender offer will be conditional, amongst other things, upon the Company having the required shareholder authority or such shareholder authority being obtained, the Company having sufficient distributable reserves to effect the repurchase of any successfully tendered shares and, having regard to its continuing financial requirements, sufficient cash reserves to settle the relevant transactions with shareholders, the Company's biennial continuation votes being approved at the Annual General Meetings in 2024 and 2026. The Board believes that a four year performance target enables the Manager to take a sufficiently long term approach to investing in quality companies in the region, and it believes that it is in shareholders' interests as a whole that this time period for assessing performance be adopted.

# Strategic Report

continued

## Section 172 Statement: promoting the success of BlackRock Latin American Investment Trust plc

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain more fully how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of members as a whole. This enhanced disclosure covers how the Board has engaged with and understands the views of stakeholders and how stakeholders' needs have been taken into account, the outcome of this engagement and the impact that it has had on the Board's decisions.

As the Company is an externally managed investment company and does not have any employees or customers, the Board considers the main stakeholders in the Company to be the shareholders, key service providers (being the Manager and Investment Manager, the Custodian, Depositary, Registrar and Broker) and investee companies. The reasons for this determination, and the Board's overarching approach to engagement, are set out in the table below.

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### Stakeholders

#### Shareholders

Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering good working relationships with shareholders and on understanding the views of shareholders in order to incorporate them into the Board's strategy and objectives in delivering long-term growth and income.

#### Manager and Investment Manager

The Board's main working relationship is with the Manager, who is responsible for the Company's portfolio management (including asset allocation, stock and sector selection) and risk management, as well as ancillary functions such as administration, secretarial, accounting and marketing services. The Manager has sub-delegated portfolio management to the Investment Manager. Successful management of shareholders' assets by the Investment Manager is critical for the Company to successfully deliver its investment strategy and meet its objective. The Company is also reliant on the Manager as AIFM to provide support in meeting relevant regulatory obligations under the AIFMD and other relevant legislation.

#### Other key service providers

In order for the Company to function as an investment trust with a listing on the premium segment of the official list of the FCA and trade on the London Stock Exchange's (LSE) main market for listed securities, the Board relies on a diverse range of advisors for support in meeting relevant obligations and safeguarding the Company's assets. For this reason the Board considers the Company's Custodian, Depositary, Registrar and Broker to be stakeholders. The Board maintains regular contact with its key external providers and receives regular reporting from them through the Board and Committee meetings, as well as outside of the regular meeting cycle.

#### Investee companies

Portfolio holdings are ultimately shareholders' assets, and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship activities and receives regular feedback from the Manager in respect of meetings with the management of investee companies.



A summary of the key areas of engagement undertaken by the Board with its key stakeholders in the year under review and how Directors have acted upon this to promote the long-term success of the Company are set out in the table below.

## Areas of Engagement

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### Investment mandate and objective

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#### Issue

The Board is committed to promoting the role and success of the Company in delivering on its investment mandate to shareholders over the long term. However, the Board recognises that securities within the Company's investment remit may involve significant additional risk due to the political volatility and environmental, social and governance concerns facing many of the countries in the Company's investment universe. These ESG issues should be a key focus of our Manager's research. More than ever, consideration of material ESG information and sustainability risk is an important element of the investment process and must be factored in when making investment decisions. The Board also has responsibility to shareholders to ensure that the Company's portfolio of assets is invested in line with the stated investment objective and in a way that ensures an appropriate balance between spread of risk and portfolio returns.

#### Engagement

The Board believes that responsible investment and sustainability are important to the longer-term delivery of growth in capital and income and has worked very closely with the Manager throughout the year to regularly review the Company's performance, investment strategy and underlying policies, and to understand how ESG considerations are integrated into the investment process.

While the Company has not adopted an ESG investment strategy or exclusionary screens, the Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as its engagement with investee companies to encourage the adoption of sustainable business practices which support long-term value creation, are kept under review by the Board. The Manager reports to the Board in respect of its consideration of ESG factors and how these are integrated into the investment process; a summary of BlackRock's approach to ESG integration is set out on page 24.

The Board discussed ESG concerns in respect of specific portfolio companies with the Manager, including the investment rationale for holding companies with poor ESG ratings and the engagement being entered into with management teams to address the underlying issues driving these ratings.

The Company does not seek to become an Article 8 or 9 company under the EU Sustainable Finance Disclosure Regulation (EU SFDR) legislation and will not seek to have one of the 4 sustainability labels under the FCA's Sustainability Disclosure Requirements (SDR) regime, as the Board believes engagement is likely to be more effective in Latin America than exclusion. The Investment Manager has access to a range of data sources, including principal adverse indicator (PAI) data, when making decisions on the selection of investments. However, whilst BlackRock considers ESG risks for all portfolios and these risks may coincide with environmental or social themes associated with the PAIs, unless stated otherwise in the AIFMD Disclosure Document, the Company does not commit to considering PAIs in driving the selection of its investments.

#### Impact

The portfolio activities undertaken by the Manager, can be found in the Investment Manager's Report on pages 11 to 14.

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### Dividend target

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#### Issue

A key element of the Board's overall strategy to reduce the discount at which the Company's shares trade is the Company's dividend policy whereby 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 this policy which produced a dividend yield of 5.1% (based on the share price of 569.84 cents per share at 31 December 2023, equivalent to the Sterling price of 447.00 pence per share translated into US cents at the rate prevailing at 31 December 2023 of US\$1.27 to £1), enhances demand for the Company's shares, which will help to narrow the Company's discount over time. These dividends are funded out of capital reserves to the extent that current year revenue and revenue reserves are insufficient; 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 but keep the dividend policy and its impact on total return under review.

# Strategic Report

continued

## Engagement

The Manager reports total return performance statistics to the Board on a regular basis, along with the portfolio yield and the impact of the dividend policy on brought forward distributable reserves.

The Board reviews the Company's discount on a regular basis and holds regular discussions with the Manager and the Company's broker regarding the discount level.

The Manager provides the Board with feedback and key performance statistics regarding the success of the Company's marketing initiatives which include messaging to highlight the quarterly dividends.

The Board also reviews feedback from shareholders in respect of the level of dividend, shareholders may attend the Company's Annual General Meeting where formal questions may be put to the Board.

## Impact

Since the dividend policy was introduced in July 2018, the Company's discount has narrowed from an average of 13.5% for the two year period preceding the introduction of the new policy on 13 March 2018 to an average of 11.3% for the period from 14 March 2018 to 31 December 2023. At 22 March 2024 the discount stood at 12.1%.

Of total dividends of US\$11,797,000 paid out in the year, US\$6,116,000 has been paid out of current year revenue.

The Company's portfolio managers attend professional investor/analyst meetings and webcast presentations live to professional and private investors over the year to promote the Company and raise the profile in terms of the investment strategy, including the dividend policy.

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## Discount management

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### Issue

The Board recognises that it is in the long-term interests of shareholders that shares do not trade at a significant discount to their prevailing NAV.

### Engagement

The Board has put in place a discount control mechanism covering the four years to 31 December 2025 whereby shareholders will be offered 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 for each relevant biennial period is approved (being the continuation votes at the AGMs in 2024 and 2026), 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 total return by more than 50 basis points over the four year period from 1 January 2022 to 31 December 2025; 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. Further details are set in the Strategic Report on pages 34 and 35 and page 41.

The Board monitors the tender trigger targets described on pages 34 and 35 on a regular basis in conjunction with the Manager. The Manager provides regular performance updates and detailed performance attribution.

### Impact

The Company's average discount for the period from 1 January 2022 to 31 December 2023 was 10.8%<sup>1</sup> compared to the tender discount threshold of 12.0%<sup>1</sup>.

The Company's annualised NAV performance of 21.2% for the same period outperformed the benchmark (which rose by 20.2% on an annualised basis) by 1.0% (equivalent to 100 basis points). For the tender not to be triggered, the NAV must outperform the benchmark by more than 50 basis points on an annualised basis over the four years to 31 December 2025. The Company's discount has widened over the year under review, from 9.1% at 31 December 2022 to 11.5% at 31 December 2023.

As at 22 March 2024 the discount was 12.1%.

<sup>1</sup> Alternative Performance Measures, see Glossary on pages 120 to 125.

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## Service levels of third party providers

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### Issue

The Board acknowledges the importance of ensuring that the Company's principal suppliers are providing a suitable level of service: including the Manager in respect of investment performance and delivering on the Company's investment mandate; the Custodian and Depositary in respect of their duties towards safeguarding the Company's assets; the Registrar in its maintenance of the Company's share register and dealing with investor queries and the Company's Broker in respect of the provision of advice and acting as a market maker for the Company's shares.

### Engagement

The Manager reports to the Board on the Company's performance on a regular basis. The Board carries out a robust annual evaluation of the Manager's performance, their commitment and available resources.

The Board performs an annual review of the service levels of all third party service providers and concludes on their suitability to continue in their role.

The Board receives regular updates from the AIFM, Depositary, Registrar and Broker on an ongoing basis.

The Board works closely with the Manager to gain comfort that business continuity plans continue to operate effectively for all of the Company's service providers.

### Impact

All performance evaluations were performed on a timely basis and the Board concluded that all third party service providers, including the Manager, Custodian, Depositary and Fund Accountant were operating effectively and providing a good level of service.

The Board has received updates in respect of business continuity planning from the Company's Manager, Custodian, Depositary, Fund Accountant, Broker, Registrar and Printer, and is confident that arrangements are in place to ensure that a good level of service will be maintained.

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## Board composition

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### Issue

The Board is committed to ensuring that its own composition brings an appropriate balance of knowledge, experience and skills, and that it is compliant with best corporate governance practice under the UK Code, including guidance on tenure and the composition of the Board's committees.

### Engagement

The Board regularly reviews succession planning arrangements. The Nomination Committee has agreed the selection criteria and the method of selection, recruitment and appointment. Board diversity, including gender, is taken into account when establishing recruitment criteria. When undertaking recruitment activity, the Board will use the services of an external search consultant to identify suitable candidates.

All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions in respect of the 2023 evaluation process are given on page 66). All Directors stand for re-election by shareholders annually. Shareholders may attend the AGM and raise any queries in respect of Board composition or individual Directors in person, or may contact the Company Secretary or the Chairman using the details provided on page 115 if they wish to raise any issues.

### Impact

As at the date of this report, the Board is comprised of two women and two men.

Details of each Director's contribution to the success and promotion of the Company are set out in the Directors' Report on pages 55 and 56. The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in 2023. Details for the proxy voting results in favour and against individual Directors' re-election at the 2022 AGM are given on the Company's website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

# Strategic report

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## Shareholders

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### Issue

Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy.

### Engagement

The Board is committed to maintaining open channels of communication and to engage with shareholders. The Company welcomes and encourages attendance and participation from shareholders at its Annual General Meetings. Shareholders therefore have the opportunity to meet the Directors and Investment Manager and to address questions to them directly.

The Annual Report and Half Yearly Financial Report are available on the BlackRock website and are also circulated to shareholders either in printed copy or via electronic communications. In addition, regular updates on performance, monthly factsheets, the daily NAV and other information are also published on the website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

The Board also works closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with shareholders in respect of the investment mandate and objective. Unlike trading companies, one-to-one shareholder meetings usually take the form of a meeting with the portfolio managers as opposed to members of the Board. As well as attending regular investor meetings the portfolio managers hold regular discussions with wealth management desks and offices to build on the case for, and understanding of, long-term investment opportunities in Latin America. The Manager also coordinates public relations activity, including meetings between the portfolio managers and relevant industry publications to set out their vision for the portfolio strategy and outlook for the region. The Manager releases monthly portfolio updates to the market to ensure that investors are kept up to date in respect of performance and other portfolio developments, and maintains a website on behalf of the Company that contains relevant information in respect of the Company's investment mandate and objective. If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time. The Chairman is available to meet directly with shareholders periodically to understand their views on governance and the Company's performance where they wish to do so. She may be contacted via the Company Secretary whose details are given on page 115.

### Impact

The Board values any feedback and questions from shareholders ahead of and during Annual General Meetings in order to gain an understanding of their views and will take action when and as appropriate. Feedback and questions will also help the Company evolve its reporting, aiming to make reports more transparent and understandable.

Feedback from all substantive meetings between the Investment Manager and shareholders will be shared with the Board. The Directors will also receive updates from the Company's broker on any feedback from shareholders, as well as share trading activity, share price performance and an update from the Investment Manager.

The portfolio managers attended a number of professional investor meetings throughout the year and held discussions with a range of wealth management desks and offices in respect of the Company during the year under review. The Manager also held group webcasts in the year to provide investors with portfolio updates and give them the opportunity to discuss any issues with the portfolio managers. 53 press articles about the Company were published in the year under review focusing on the Company's profile and the case for long-term investment opportunities in Latin America. These included 11 pieces of national coverage, 23 pieces of intermediary coverage and 21 pieces of consumer investment coverage.

### Performance

Details of the Company's performance are set out in the Chairman's Statement on page 5.

The Investment Manager's Report on pages 11 to 14 forms part of this Strategic Report and includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

### Portfolio analysis

A detailed analysis of the investments and the sector and geographical allocations is provided on pages 19 to 23.



## Results and dividends

The results for the Company are set out in the Income Statement on page 85. The total gain for the year on ordinary activities, after taxation, was US\$53,405,000 (2022: gain of US\$13,669,000) of which the revenue profit amounted to US\$8,967,000 (2022: US\$13,842,000), and the capital gain amounted to US\$44,438,000 (2022: capital loss of US\$173,000).

Under the Company's dividend policy, dividends are calculated based on 1.25% of the US Dollar NAV at close of business on the last working day of March, June, September and December and are paid in May, August, November and February respectively. Dividends will be financed through a combination of available net income in each financial year and revenue and capital reserves. The Company has declared interim dividends totalling 28.82 cents per share under this policy in respect of the year ended 31 December 2023 as detailed in the table at the foot of this page.

Details of this policy are also set out in the Chairman's Statement on page 6.

## NAV, share price and index performance

At each meeting the Board reviews the detail of the performance of the portfolio as well as the net asset value and share price (total return) for the Company and compares this to the performance of other companies in the peer group of Latin American open and closed-end funds and to our benchmark.

The Board also regularly reviews a number of indices and ratios to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection.

Information on the Company's performance is given in the performance record on page 4 and the Chairman's Statement and Investment Manager's Report on pages 5 to 8 and 11 to 14 respectively.

## Details of the Company's discount control

The Board recognises that it is in the long-term interests of shareholders that shares do not trade at a significant discount to their prevailing NAV. The Board monitors the level of the Company's discount to NAV on an ongoing basis and considers strategies for managing any discount. In the year to 31 December 2023, the Company's share price to NAV traded in the range of a discount of 6.8% to 18.6% on a cum-income basis. The Board has in place a discount control mechanism whereby it will offer shareholders the ability to tender up to 24.99% of the Company's issued share capital at the AGM in 2026 if certain performance and discount targets are not met. More details are given in the Strategic Report on pages 34 and 35.

Further details setting out how the discount or premium at which the Company's shares trade is calculated are included in the Glossary on pages 120 to 125.

## Ongoing charges

The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items expressed as a percentage of average daily net assets.

The ongoing charges are based on actual costs incurred in the year as being the best estimate of future costs. The Board reviews the ongoing charges and monitors the expenses incurred by the Company on an ongoing basis against a peer group of Latin American open and closed-end funds. A definition setting out in detail how the ongoing charges ratio is calculated is included in the Glossary on pages 120 to 125.

	<b>Dividend</b>	<b>Pay date</b>
Quarter to 31 March 2023	6.21 cents	16 May 2023
Quarter to 30 June 2023	7.54 cents	11 August 2023
Quarter to 30 September 2023	7.02 cents	9 November 2023
Quarter to 31 December 2023	8.05 cents	9 February 2024
<b>Total</b>	<b>28.82 cents</b>	

# Strategic Report

continued

## Composition of shareholder register

The Board is mindful of the importance of a diversified shareholder register and the need to make the Company's shares attractive to long-term investors; it is therefore the Board's aim to increase the diversity of the shareholder register over time. The Board monitors the retail element of the register, which is defined for these purposes as wealth managers, Independent Financial Advisors (IFAs) and direct private investors. As at 31 December 2023, the Company's share register comprised 54.6% retail investors; the Board will monitor this with the aim of growing the retail element of the register over time.

## Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time are comparable to those reported by other investment trusts and are set out below.

The table below sets out the key KPIs for the Company. As indicated in footnote 2 to the table, some of these KPIs fall within the definition of 'Alternative Performance Measures' (APMs) under guidance issued by the European Securities and Markets Authority and additional information explaining how these are calculated is set out in the Glossary on pages 120 to 125.

Key Performance Indicators	Year ended 31 December 2023	Year ended 31 December 2022
Net asset value total return <sup>1,2</sup>	37.8%	6.6%
Share price total return <sup>1,2</sup>	35.3%	4.7%
Benchmark total return (net) <sup>1</sup>	32.7%	8.9%
Discount to net asset value <sup>2</sup>	11.5%	9.1%
Average discount to net asset value for the year	12.6%	8.9%
Revenue return per share	30.45c	41.48c
Ongoing charges <sup>2,3</sup>	1.28%	1.13%
Retail element of share register <sup>4</sup>	54.6%	53.2%

<sup>1</sup> Calculated in US Dollar terms with dividends reinvested.

<sup>2</sup> Alternative Performance Measures, see Glossary on pages 120 to 125.

<sup>3</sup> Ongoing charges represent the management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items as a % of average daily net assets.

<sup>4</sup> Source: Richard Davies Investor Relations.

## Principal risks

The Company is exposed to a variety of risks and uncertainties and the key risks are set out on the following pages. The Board has put in place a robust process to identify, assess and monitor the principal and emerging risks. A core element of this process is the Company's risk register. This identifies the risks facing the Company and assesses the likelihood and potential impact of each risk and the quality of controls operating to mitigate it. A residual risk rating is then calculated for each risk based on the outcome of the assessment. This approach allows the effect of any mitigating procedures to be reflected in the final assessment.

The risk register is regularly reviewed and the risks reassessed. The risk environment in which the Company operates is also monitored and regularly appraised. New risks are also added to the register as they are identified which ensures that the document continues to be an effective risk management tool. The risk that unforeseen or unprecedented events including (but not limited to) heightened geo-political tensions such as the conflicts in Russia-Ukraine and the Middle East, high inflation and the current cost of living crisis has had a significant impact on global markets. The Board has taken into consideration the risks posed to the Company by the crisis and incorporated these into the Company's risk register.

The risk register, its method of preparation and the operation of key controls in the Manager's and third party service providers' systems of internal control are reviewed on a regular basis by the Audit Committee in order to gain a more comprehensive understanding of the Manager's and other third party service providers' risk management processes and how these apply to the Company's business. BlackRock's internal audit department provides an annual presentation to the Audit Committee chairmen of the BlackRock investment trusts setting out the results of testing performed in relation to BlackRock's internal control processes. Where produced, the Audit Committee also reviews Service Organisation Control (SOC 1) reports from the Company's service providers.

As required by the UK Corporate Governance Code, the Board has undertaken a robust assessment of both the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. Those principal risks have been described in the table that follows, together with an explanation of how they are managed and mitigated. The Board will continue to assess these risks on an ongoing basis. Emerging risks are considered by the Board as they come into view and are incorporated into the existing review of the Company's risk register. They were also considered as part of the annual evaluation process. Additionally, the Manager considers emerging risks in numerous forums and the Risk and Quantitative Analysis team produces an annual risk survey. Any material risks of relevance to the Company identified through the annual risk survey will be communicated to the Board.

The Board will continue to assess these risks on an ongoing basis. In relation to the 2018 UK Corporate Governance Code, the Board is confident that the procedures that the Company has put in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the reporting period.

The current risk register includes a number of risks which have been categorised as follows:

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

The principal risks and uncertainties faced by the Company during the financial year, together with the potential effects, controls and mitigating factors, are set out in the following table.

# Strategic Report

continued

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## Counterparty

### Principal Risk

Potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.

### Mitigation/Control

Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties. The Board reviews the controls put in place by the Investment Manager to monitor and to minimise counterparty exposure, which include intra-day monitoring of exposures to ensure that these are within set limits.

The Depositary is liable for restitution for the loss of financial instruments held in custody unless able to demonstrate the loss was a result of an event beyond its reasonable control.

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## Investment performance

### Principal Risk

Returns achieved are reliant primarily upon the performance of the portfolio.

The Board is responsible for:

- deciding the investment strategy to fulfil the Company's objective; and
- monitoring the performance of the Investment Manager and the implementation of the investment strategy.

An inappropriate investment strategy may lead to:

- poor performance compared to the benchmark index and the Company's peer group;
- a widening discount to NAV;
- a reduction or permanent loss of capital; and
- dissatisfied shareholders and reputational damage.

The Board is also cognisant of the long term risk to performance from inadequate attention to ESG issues, and in particular the impact of Climate Change. More detail in respect of these risks can be found in the AIFMD Fund Disclosures document available on the Company's website at <https://www.blackrock.com/uk/individual/literature/policies/itc-disclosure-blackrock-latin-america-trust-plc.pdf>.

### Mitigation/Control

To manage this risk the Board:

- regularly reviews the Company's investment mandate and long-term strategy;
- has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on;
- receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure, gearing and any changes in gearing and the rationale for the composition of the investment portfolio; and
- monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with factors specific to particular sectors, based on the diversification requirements inherent in the investment policy.

Consideration of material ESG information and sustainability risks is integrated in the Manager's investment process, as set out on pages 24 to 26. This is monitored by the Board.



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## Income/dividend

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### Principal Risk

The Company's dividend policy is to pay dividends based on 1.25% of the US Dollar net asset value at each quarter end. Under this policy, a portion of the dividend is likely to be paid out of capital reserves, and over time this might erode the capital base of the Company, with a consequential impact on longer-term total returns. The rate at which this may occur and the degree to which dividends are funded from capital are also dependent upon the level of dividends and other income earned from the portfolio. Income returns from the portfolio are dependent, among other things, upon the Company successfully pursuing its investment policy.

Any change in the tax treatment of dividends or interest received by the Company, including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests, may reduce the level of dividends received by shareholders.

### Mitigation/Control

The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting.

The Company has the ability to make dividend distributions out of capital reserves as well as revenue reserves to support any dividend target. These reserves totalled US\$158.8 million at 31 December 2023.

The Board is mindful of the balance of shareholder returns between income and capital and monitors the impact of the Company's dividend on the Company's capital base and the impact over time on total return.

Any changes to the Company's dividend policy are communicated to the market on a timely basis and shareholder approval will be sought for significant changes.

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## Legal and regulatory compliance

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### Principal Risk

The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments.

Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. In such event the investment returns of the Company may be adversely affected.

Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010.

Amongst other relevant laws and regulations, the Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive, the UK Listing Rules, international sanctions and the FCA's Disclosure Guidance and Transparency Rules.

### Mitigation/Control

The Investment Manager monitors investment movements and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting.

Compliance with the accounting rules affecting investment trusts is carefully and regularly monitored. The Company Secretary and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulations.

# Strategic Report

continued

Following authorisation under the Alternative Investment Fund Managers' Directive (AIFMD), the Company and its appointed Alternative Investment Fund Manager (AIFM) are subject to the risks that the requirements are not correctly complied with. The Board and the AIFM also monitor changes in government policy and legislation which may have an impact on the Company.

The Market Abuse Regulation came into force on 3 July 2016. The Board takes steps to ensure that individual Directors (and their Persons Closely Associated) are aware of their obligations under the regulation and has updated internal processes which seek to ensure the risk of non-compliance is effectively mitigated.

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## Operational

### Principal Risk

In common with most other investment trust companies, the Company has no employees. The Company therefore relies on the services provided by third parties. Accordingly, it is dependent on the control systems of the Manager and The Bank of New York Mellon (International) Limited (the Custodian, Depositary and Fund Accountant) who maintain the Company's assets, dealing procedures and accounting records. The Company's share register is maintained by the Registrar, Computershare Investor Services PLC. The security of the Company's assets, dealing procedures, accounting records and adherence to regulatory and legal requirements depend on the effective operation of the systems of these other third party service providers. There is a risk that a major disaster, such as floods, fire, a global pandemic or terrorist activity, renders the Company's service providers unable to conduct business at normal operating capacity and effectiveness.

Failure by any service provider to carry out its obligations to the Company could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position.

### Mitigation/Control

Due diligence is undertaken before contracts are entered into with third party service providers. Thereafter, the performance of the provider is subject to regular review and reported to the Board.

Most third party service providers produce Service Organisation Control (SOC 1) reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit Committee for their review.

The Company's assets/financial instruments held in custody are subject to a strict liability regime and in the event of a loss of such financial assets held in custody, the Depositary must return assets of an identical type or the corresponding amount, unless able to demonstrate the loss was a result of an event beyond its reasonable control.

The Board reviews the overall performance of the Manager, Investment Manager and all other third party service providers and compliance with the Investment Management Agreement on a regular basis. The Board also considers the business continuity arrangements of the Company's key service providers on an ongoing basis and reviews these as part of their review of the Company's risk register. The Board has received updates from key service providers (the Manager, the Depositary, the Custodian, the Fund Accountant, the Broker, the Registrar and the Printer) confirming that appropriate business continuity arrangements are in place.

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## Market

### Principal Risk

Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments in the face of negative market movements. There may be exposure to significant economic, geo-political and currency risks due to the location of the operation of the businesses in which the Company may invest, or as a result of a global economic crisis such as the Russia-Ukraine and Middle East conflicts. Shares in businesses in which the Company invests can prove volatile and this may be reflected in the Company's share price. Market risk includes the potential impact of events which are outside the Company's control, including (but not limited to) heightened geo-political tensions and military conflict, a global pandemic and high inflation. The Company may also invest in smaller capitalisation companies or in the securities markets of developing countries which are not as large as the more established securities markets and have substantially less trading volume, which may result in a lack of liquidity and higher price volatility.

Corruption also remains a significant issue across the Latin American investment universe and the effects of corruption could have a material adverse effect on the Company's performance. Accounting, auditing and financial reporting standards and practices and disclosure requirements applicable to many companies in Latin American countries may be less rigorous than in other markets. As a result, there may be less information available publicly to investors in these securities, and such information as is available is often less reliable.

### **Mitigation/Control**

The Board considers asset allocation, stock selection, unquoted investments, if any, and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager.

The Board monitors the implementation and results of the investment process with the Investment Manager.

The Board also recognises the benefits of a closed-end fund structure in extremely volatile markets such as those experienced during the Russia-Ukraine and Middle East conflicts. Unlike open ended counterparts, closed-end funds are not obliged to sell down portfolio holdings at low valuations to meet liquidity requirements for redemptions. During times of elevated volatility in markets following the Russian invasion of Ukraine and market stress, the ability of a closed-end fund structure to remain invested for the long term enables the portfolio managers to adhere to disciplined fundamental analysis from a bottom-up perspective and be ready to respond to dislocations in the market as opportunities present themselves.

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## **Financial**

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### **Principal Risk**

The Company's investment activities expose it to a variety of financial risks that include interest rate, currency and liquidity risk.

### **Mitigation/Control**

Details of these risks are disclosed in note 16 to the financial statements, together with a summary of the policies for managing these risks.

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## **Marketing**

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### **Principal Risk**

Marketing efforts are inadequate or do not comply with relevant regulatory requirements, and fail to communicate adequately with shareholders or reach out to potential new shareholders, resulting in reduced demand for the Company's shares and a widening discount.

### **Mitigation/Control**

The Board focuses significant time on communicating directly with the major shareholders and reviewing marketing strategy and initiatives.

All investment trust marketing documents are subject to appropriate review and authorisation.

## **Viability statement**

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months referred to by the 'Going Concern' guidelines. The Board recognises that it is obliged to propose a biennial continuation vote, with the next vote at the AGM to be held in May 2024. The outcome of these events is unknown at the present time. In addition, the Board is cognisant of the uncertainty surrounding the potential duration of the Russia-Ukraine conflict and its impact on the global economy and the prospects for many of the Company's portfolio holdings. Notwithstanding these uncertainties, given the factors stated below, the Board expects the Company to continue for the foreseeable future and has therefore conducted this review for the period up to the AGM in 2027, being a period of three years from the date of approval of this report. The Board considers three years to be an appropriate time horizon, being a reasonable time horizon to assess potential investments and the period being used to assess performance for the Company's Discount Control mechanism (as set out in more detail on pages 34 and 35 of the Strategic Report).

# Strategic report

continued

In choosing this period for its assessment of the viability of the Company the Directors have considered the following matters:

- the Company's business model should remain attractive for much longer than the period up to the AGM in 2027, unless there is a significant economic or regulatory change;
- the ongoing relevance of the Company's investment objective, business model and investment policy in the current environment (in particular the Company's closed-end structure which provides intraday liquidity to investors and the ability for the portfolio managers to invest over a longer-term time horizon than many open ended peers). This longer-term investment horizon is well-suited to Latin America as the volatility of this region can make short term investing more challenging. The Company is the only investment trust with exposure to the Latin American region;
- the Board keeps the Company's principal risks and uncertainties as set out on pages 42 to 47 under review, and is confident that the Company has appropriate controls and processes in place to manage these and to maintain its operating model, even given the global economic challenges posed by the Russia-Ukraine and Middle East conflicts, the impact of climate change on portfolio companies and the current climate of heightened geo-political risk;
- if the tender offer was to be implemented in 2026 was fully subscribed, the Directors consider that the Company will still retain sufficient assets and liquidity to remain viable and to continue to operate in accordance with its business model and investment mandate; and
- the Board has reviewed the operational resilience of the Company and its key service providers (the Manager, Depositary, Custodian, Fund Accountant, Registrar and Broker) and have concluded that all service providers are able to provide a good level of service for the foreseeable future.

The Directors have also reviewed the assumptions and considerations underpinning the Company's existing going concern assertion which are based on:

- processes for monitoring costs;
- key financial ratios;
- evaluation of risk management and controls;
- portfolio risk profile;
- share price discount to NAV;
- gearing; and
- counterparty exposure and liquidity risk.

Based on the results of their analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

## Future prospects

The Board's main focus is the achievement of capital growth and an attractive total return. The future of the Company is dependent upon the success of the investment strategy. The outlook for the Company is discussed in both the Chairman's Statement and the Investment Manager's Report.

## Social, community and human rights issues

As an investment trust with no employees, the Company has no direct social or community responsibilities or impact on the environment. However, the Company believes that it is in shareholders' interests to consider human rights issues, environmental, social and governance factors when selecting and retaining investments. Details of the Company's policy on socially responsible investment are set out on pages 68 and 69.

## Modern Slavery Act

As an investment vehicle the Company does not provide goods or services in the normal course of business, and does not have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.



## Directors, gender representation and employees

The Directors of the Company on 31 December 2023, all of whom held office throughout the year, are set out in the governance structure and Directors' biographies on pages 31 and 32.

The Board's aim regarding diversity, including age, gender, educational and professional background and other broader characteristics of diversity, is to take these into account during the recruitment and appointment process. However, the Board is committed to an objective of appointing the most appropriate candidate, regardless of gender or other forms of diversity, and therefore no targets have been set against which to report.

The Parker Review in respect of board diversity and the recent changes to the FCA's Listing Rules set new diversity targets and associated disclosure requirements for UK companies listed on the premium and standard segment of the London Stock Exchange. Listing Rule 9.8.6R (9) requires listed companies to include a statement in their annual reports and accounts in respect of certain targets on board diversity, or if those new targets have not been met to disclose the reasons for this. This new requirement applies to accounting periods commencing on or after 1 April 2022. However, the Board did meet the diversity targets from 17 November 2009 up until Professor Mahrugh Doctor resigned from the Board on the 31 March 2023. The Board has reduced in size to four directors, in an effort to reduce costs, as the size of the Company has fallen post the tender offer, which was completed in May 2022. The Board will consider board diversity when seeking to appoint a new director in the future.

Further information on the composition and diversity of the Board can be found in the disclosure table which follows below:

Gender	Number of Board members	Percentage of Board	Number of senior roles held <sup>1</sup>
Men	2	50	1
Women	2	50	1
<b>Ethnicity<sup>2</sup></b>			
White British (or any other white background)	4	100	2
Other	0	0	0

<sup>1</sup> A senior position is defined as the role of Chairman, Audit Committee Chairman or Senior Independent Director.

<sup>2</sup> Categorisation of ethnicity is stated in accordance with the Office of National Statistics classification.

The Company does not have any employees, therefore there are no disclosures to be made in that respect.

The Chairman's Statement on pages 5 to 8, along with the Investment Manager's Report and portfolio analysis on pages 11 to 14 form part of the Strategic Report.

The Strategic Report was approved by the Board at its meeting on 26 March 2024.

By order of the Board

### GRAHAM VENABLES

For and on behalf of  
BlackRock Investment Management (UK) Limited  
Company Secretary  
26 March 2024

# Directors' Report

The Directors present the Annual Report and audited Financial Statements of the Company for the year ended 31 December 2023.

## Status of the Company

The Company was incorporated in England and Wales on 12 March 1990 under registered number 2479975 and is domiciled in the United Kingdom. The Company is registered as an investment company as defined in Section 833 of the Companies Act 2006 and operates as such.

The Company has been approved by HM Revenue & Customs as an investment trust in accordance with Sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility requirements. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

As an investment company that is managed and marketed in the United Kingdom, the Company is an AIF falling within the scope of, and subject to the requirements of, the AIFMD, as implemented, retained and onshored in the UK. The Company is governed by the provisions of the Alternative Investment Fund Managers' Regulations. The Company must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the Financial Conduct Authority (FCA). Further details are set out in the Regulatory Disclosures Report on pages 116 and 117 and in the Notes to the Financial Statements on pages 89 to 107.

The Company's ordinary shares are eligible for inclusion in the stocks and shares component of an Individual Savings Account (ISA).

## Facilitating retail investments

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

## The Common Reporting Standard

Tax legislation under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information (The Common Reporting Standard) was introduced on 1 January 2016.

The legislation requires investment trust companies to provide personal information to HMRC about investors who purchase shares in investment trusts. As an affected company, BlackRock Latin American Investment Trust plc must provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders, and corporate entities. The local tax authority to which the information is initially passed may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information.

All new shareholders, excluding those whose shares are held in CREST, entered onto the share register will be sent a certification form for the purposes of collecting this information.

## Shareholder Rights Directive II

The Shareholder Rights Directive II took effect from 10 June 2019 with some transitional provisions. It encourages long-term shareholder engagement and transparency between companies and shareholders. In substantive terms the changes are small for investment companies and the majority of requirements apply to the Company's remuneration policy and disclosure of processes, as well as related party transactions. There are also additional rules for Alternative Investment Fund Managers and proxy advisers.

## GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018. The Board has sought and received assurances from its third party service providers that they have taken appropriate steps to ensure compliance with the regulation.

## Dividends

Details of the dividends paid and payable in respect of the year are set out in the Chairman's Statement on page 6 and note 8 on page 95.

## Investment management and administration

BlackRock Fund Managers Limited (BFM) was appointed as the Company's AIFM with effect from 2 July 2014. The management contract is terminable by either party on six months' notice.

BlackRock Investment Management (UK) Limited (BIM (UK)) continues to act as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Secretary of the Company throughout the year. BFM receives an annual management fee of 0.80% of net asset value. The Company does not have any performance fee arrangements in place.

The Investment Manager has sub-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. BFM, BIM (UK) and BIM LLC are subsidiaries of BlackRock, Inc. which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm.

The Company contributes to a focused investment trust sales and marketing initiative operated by BIM (UK) on behalf of the investment trusts under its management. In 2023, the Company's contribution to the consortium element of the initiative, which enables the trusts to achieve efficiencies by combining certain sales and marketing activities, represents a budget of up to 0.025% per annum of its net assets (US\$148.1 million) as at 31 December 2022 and this contribution is matched by BIM (UK). In addition, a budget has been allocated for Company specific sales and marketing activity. Total fees paid or payable for these services for the year ended 31 December 2023 amounted to US\$104,000 (excluding VAT). The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

## Appointment of the manager

The Board has considered arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. As part of the annual review, the Board considers the quality and continuity of personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. The Board believes that it is in shareholders' interests as a whole that BlackRock should continue as Investment Manager of the Company on the existing terms. The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually.

As part of this review, the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date. The specialist nature of the Company's investment remit is, in the Board's view, best served by the Latin American team at BlackRock, who have a proven track record in successfully investing in the Latin American region.

The principal contents of the agreement with the Manager have been set out in the previous section. Having considered the terms of this agreement, and those of other investment trust companies, the Board considers that the terms of the agreement represent an appropriate balance between cost and incentivisation of the Manager.

## Depository and custodian

The Company has appointed The Bank of New York Mellon (International) Limited as its Depository (the Depository or BNYM). Their duties and responsibilities are outlined in the investment fund legislation (as contained in the FCA AIF Rulebook). The main role of the Depository under the AIFMD is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring the value of the Company's shares is calculated appropriately in accordance with the relevant regulations and guidance. The Depository is also responsible for enquiring into the conduct of the AIFM in each annual accounting period. The Depository receives a fee payable at 0.0095% of the net assets of the Company. The Company has appointed the Depository in a tripartite agreement to which BFM as AIFM is also a signatory. The Depository is also liable for loss of financial instruments held in custody.

# Directors' Report

continued

Under the depositary agreement, custody services in respect of the Company's assets have been delegated to BNYM which also receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. Custody fees of US\$33,000 (2022: US\$35,000) were paid to BNYM. The depositary agreement is subject to 90 days' notice of termination by any party.

## Registrar

The Company has appointed Computershare Investor Services PLC as its Registrar (the Registrar). The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to any corporate actions, dividend administration, shareholder documentation, the Common Reporting Standard and the Foreign Account Tax Compliance Act.

The Registrar receives a fixed fee plus disbursements and VAT per annum. Fees in respect of corporate actions and other services are negotiated on an arising basis.

## Change of control

There are no agreements to which the Company is a party that might be affected by a change in control of the Company.

## Exercise of voting rights in investee companies

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager by BFM. More information in respect of BlackRock's approach to investment stewardship and proxy voting guidelines is set out on pages 24 to 27. BlackRock's market-specific voting guidelines are available on its website at <https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines>.

During the year under review, the Investment Manager voted on 654 proposals at 50 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, as should be expected when investing in well-run companies, but voted against 69 management resolutions and abstained from voting on 111 resolutions. Most of the votes against were in respect of resolutions relating to the election or re-election of directors, changes to board structure and governance and directors' remuneration, which were deemed by the Investment Manager as not being in the best interests of shareholders.

## Continuation of the Company

As agreed by shareholders, an ordinary resolution for the continuation of the Company as an investment trust is proposed biennially at the AGM. The last such resolution was put to shareholders at the 2022 AGM and hence the next resolution will be put to shareholders at the AGM in 2024. If any such ordinary resolution is not passed, the Directors will convene a general meeting within three months at which proposals for the liquidation or reconstruction of the Company will be put forward.

## Principal risks

The key risks faced by the Company are set out in the Strategic Report on pages 42 to 47.

## Going concern

As described in the viability statement on pages 47 and 48 of the Annual Report, the Directors have considered the financial resources available to the Company, the nature and liquidity of the portfolio, the Company's projected income and expenditure and the fact that the Company's ongoing charges represent a very small percentage of net assets (1.28% of average daily net assets for the year ended 31 December 2023). In addition, the Board has considered the fact that the Company has access to additional liquidity through a US\$25 million bank overdraft facility, subject to a maximum restriction of 30% of net asset value and the fact that the Company has a relatively liquid portfolio (as at 31 December 2023, 100% of the portfolio was capable of being liquidated within three days). The Board has also reviewed the Company's revenue and expense forecasts and is comfortable that the Company's business model remains viable and that the Company has sufficient resources to meet all liabilities as they fall due for the period up to 31 December 2025 (being a period of at least 12 months from the date of approval of these financial statements). Having taken these factors into account, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future, that it is able to meet its liabilities as they fall due and that it is financially sound.



The Board has also considered the ongoing relevance of the Company's investment objective, business model and investment policy in the current environment of heightened geo-political risk due to the Russia-Ukraine and Middle East conflicts. The Board also notes that the Company's mandate to invest in the relatively volatile Latin American region is well-suited to the Company's closed-end structure which provides intraday liquidity to investors and the ability for the portfolio managers to invest over a longer-term time horizon than many open ended peers. In the Board's view this investment mandate also provides important diversification for investors in a climate of heightened geo-political risk. The Company is the only investment trust with exposure to the Latin American region, providing investors with the opportunity for exposure to the region that cannot be easily obtained elsewhere.

The Board also remains mindful of the continuing uncertainty surrounding the potential duration of the Russia-Ukraine and Middle East conflicts and the longer-term effects on the global economy.

As a result of their review, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the period to 31 December 2025, being a period of at least 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company's longer term viability is considered in the viability statement on pages 47 and 48.

## **Directors**

The Directors of the Company as at 31 December 2023 and their biographies are set out on pages 31 and 32. Details of Directors' interests in the ordinary shares of the Company are set out on page 60 of the Directors' Remuneration Report. All of the Directors in office at the date of this report held office throughout the year under review.

All appointments to the Board and re-elections of Directors are carried out in accordance with the Companies Act and the Company's Articles of Association. In accordance with best practice and developing Corporate Governance, Directors now stand for re-election on an annual basis. Accordingly, Carolan Dobson, Craig Cleland, Laurie Meister and Nigel Webber will all retire at the 2024 AGM and being eligible will offer themselves for re-election.

The Board has considered the time commitment of each Director to ensure that they have sufficient time to effectively discharge their duties to the Company.

In respect of tenure, the Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that the length of a Director's tenure, in isolation, reduces his or her ability to act independently. The Board's policy on tenure is that continuity and experience add significantly to the strength of the Board and, as such, no formal limit on the overall length of service of any of the Company's Directors has been imposed, although the Board believes in the merits of an ongoing and progressive refreshment of its composition.

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on pages 64 to 66, the Board believes that it continues to be effective and that the Directors bring extensive knowledge and experience, suitably aligned to the activities of the Company, and demonstrate a range of valuable business, financial and asset management skills, as set out in the table on the following page. Further details of their experience and expertise can be found in their biographies on pages 31 and 32 and in the table above. Further details of the independence of the Board and Board tenure is provided in the Corporate Governance Report on page 65.

There were no contracts subsisting during the year under review or up to the date of this report in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. None of the Directors are entitled to compensation for loss of office on the takeover of the Company. None of the Directors has a service contract with the Company.

## **Directors' indemnity**

In addition to Directors' and Officers' liability insurance cover, the Company's Articles of Association provide, subject to the provisions of applicable UK legislation, an indemnity for Directors in respect of costs incurred in the defence of any proceedings brought against them by third parties arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour. The Company has entered into Deeds of Indemnity with Directors individually which are available for inspection at the registered office of the Company and will be available at the AGM.

The powers of the Directors are set out in the Corporate Governance Statement on pages 64 to 70.

# Directors' Report

continued

## Conflicts of interest

The Board has put in place a framework for Directors to report conflicts of interests or potential conflicts of interest. All Directors are required to notify the Company Secretary of any situations, or potential situations where they consider that they have or may have a direct or indirect interest or duty that conflicted or possibly conflicted with the interests of the Company. The Board has concluded that the framework worked effectively throughout the year.

All new situations or changes to previously reported situations are reviewed on an individual basis and reviewed at each meeting. Directors are also reminded at each meeting that there remains a continuing obligation to notify the Company Secretary of any new situations that may arise or any changes that may occur to a previously notified situation.

## Directors' Remuneration Report and Policy

The Directors' Remuneration Report is set out on pages 58 to 61. An advisory ordinary resolution to approve this report will be put to shareholders at the forthcoming AGM. The Company is also required to put the Directors' Remuneration Policy to a binding shareholder vote every three years. The Company's Remuneration Policy was last put to shareholders at the AGM in May 2023, therefore an ordinary resolution to approve the policy will next be put to shareholders at the AGM in 2026. Further details are given on pages 58 to 63.

## Notifiable interest in the Company's voting rights

As at 31 December 2023, the following investors had declared a notifiable interest in the Company's voting rights.

	Number of ordinary shares	% of issued share capital
City of London Management Limited	6,375,420	21.64%
Lazard Asset Management Ltd	2,617,161	8.89%
Allspring Global Investments	1,029,567	3.50%

Subsequent to the year end, and as at 25 March 2024, the following investors had declared a notifiable interest in the Company's voting rights.

	Number of ordinary shares	% of issued share capital
City of London Management Limited	6,393,288	21.71%
Lazard Asset Management Ltd	2,543,323	8.64%
Allspring Global Investments	955,481	3.24%

No other shareholder has notified an interest of 3% or more in the Company's shares up to 25 March 2024.

## Share capital

Full details of the Company's issued share capital are given in note 14 on page 97. Details of the voting rights in the Company's shares as at the date of this report are also given in note 17 to the Notice of Annual General Meeting on page 131. The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights of the ordinary shares or on the transfer of the ordinary shares. There are no shares which carry specific rights with regard to the control of the Company.

## Share issues and share repurchases

The Company has the authority to purchase ordinary shares in the market to be held in treasury or for cancellation and to issue new shares or sell shares from treasury for cash. No ordinary shares were issued or sold under this authority during the year.

The Directors consider that it is in the interests of shareholders as a whole that the price of the ordinary shares reflects, as closely as possible, the NAV per share. The Directors will consider the issue at a premium or repurchase at a discount of ordinary shares to address any supply/demand imbalance in the market. Any such transactions will enhance the net asset value for continuing shareholders.

Although the Investment Manager initiates any buy backs, the policy and parameters are set by the Board and reviewed at regular intervals. The Company intends to raise the cash needed to finance the purchase of shares either by selling securities in the Company's portfolio or by short term borrowing.

The current authority to purchase ordinary shares in the market to be held in treasury or for cancellation was granted to the Directors on 22 May 2023 and expires at the date of the 2024 AGM. The Directors are proposing that their authority to purchase ordinary shares in the market to be held in treasury or for cancellation be renewed at the forthcoming AGM.

### **Treasury shares**

At the AGM in 2023 the Company was authorised to purchase its own ordinary shares to be held in treasury for reissue or cancellation at a future date. There was no change in the amount of ordinary shares held in treasury during the year.

Both the repurchase for cancellation and the use of treasury shares should assist in providing a discount management mechanism and enhancing the NAV of the Company's shares. This will provide the Directors with additional flexibility to manage the Company's investment portfolio.

The Board intends only to authorise the sale of shares from treasury at prices at or above the prevailing NAV per share (plus costs of the relevant sale). This should result in a positive overall effect on existing shareholders.

The Company currently holds 2,181,662 ordinary shares in treasury and will seek the necessary authority to hold and reissue treasury shares at the forthcoming AGM.

### **Streamlined Energy and Carbon Reporting (SECR) statement: greenhouse gas (GHG) emissions and energy consumption disclosure**

As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emissions producing sources under the Companies Act (Strategic Report and Directors' Reports) Regulations 2013. For the same reason, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

### **Articles of Association**

Any amendments to the Company's Articles of Association must be made by special resolution.

### **Annual general meeting**

#### **AGM Arrangements**

**The following information to be discussed at the forthcoming AGM is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended).**

**If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.**

### **Resolutions for the re-election of Directors**

The biographies of the Directors are set out on pages 31 and 32 and are incorporated into this report by reference. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are set out below. All the Directors in office at the date of this report held office throughout the year. All Directors will stand for re-election by shareholders at the meeting in accordance with the requirements of the UK Code.

**Resolution 4** relates to the re-election of Ms Dobson who was appointed on 1 January 2016.

Ms Dobson has current and detailed knowledge of investment management and investment trusts. She brings leadership skills and much in-depth knowledge, expertise and experience of the sector to the Board, having served as a non-executive director on or chaired a number of investment trust boards and also having headed up the investment trust business at Murray Johnstone and also the UK Equity business at Abbey Asset Managers.

# Directors' Report

continued

**Resolution 5** relates to the re-election of Mr Cleland who was appointed on 1 January 2019. Mr Cleland is an asset management executive working in the promotion and running of investment companies and regularly liaises with a number of brokers, auditors and regulators, which contributes towards keeping his extensive industry knowledge up to date. He also meets regularly with both institutional and retail investors in the sector to discuss industry issues. He has extensive knowledge of investment trust technical and accounting issues, and was a member of the Association of Investment Companies' (AIC) Technical Committee for ten years during which time he helped to develop the AIC's Statement of Recommended Practice (SORP) for the industry. He brings this strong accounting and technical background and experience of the audit committee remit (having also acted as the audit committee chairman of the Invesco Select Trust plc since 2016) to his role as the Company's Audit Committee Chairman and as Chairman of the Company's Remuneration Committee.

**Resolution 6** relates to the re-election of Mr Webber who was appointed on 1 April 2017. Mr Webber has many years of experience in the investment and asset management business, and was previously Global Chief Investment Officer for HSBC Private Banking Group; he brings in-depth knowledge, expertise and experience in investment matters (including experience relating to the Latin American region) to his role on the Board. Mr Webber is also a qualified Chartered Accountant and brings this skill set to his role as a member of the Company's Audit Committee.

**Resolution 7** relates to the re-election of Ms Meister who was appointed on 1 February 2020. She brings in-depth and extensive financial markets experience to her role, with twenty eight of her thirty-two years in the sector dedicated to having led and developed Latin American equity and capital markets businesses and other emerging markets.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM.

## Ordinary Resolutions

### **Resolution 10 Continuation of the Company as an investment trust:**

The ordinary resolution to be proposed will seek shareholders' authority that the Company shall continue in being as an investment trust.

### **Resolution 11 Authority to allot shares:**

The Directors may only allot shares for cash if authorised to do so by shareholders in a general meeting. This resolution seeks authority for the Directors to allot ordinary shares for cash up to an aggregate nominal amount of US\$147,243.20 which is equivalent to 1,472,432 ordinary shares of 10 cents each and represents 5% of the Company's issued ordinary share capital as at the date of the Notice of the Annual General Meeting (excluding shares held in treasury). This resolution will expire at the conclusion of the next AGM of the Company to be held in 2025, unless renewed prior to that date at an earlier general meeting.

## Special Resolutions

### **Resolution 12 Authority to disapply pre-emption rights:**

By law, Directors require specific authority from shareholders before allotting new shares for cash or selling shares out of treasury for cash, without first offering them to existing shareholders in proportion to their holdings. Resolution 12 empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro-rata basis, up to an aggregate nominal amount of US\$147,243.20 which is equivalent to 1,472,432 ordinary shares of 10 cents each and represents 5% of the Company's issued ordinary share capital as at the date of the Notice of Annual General Meeting (excluding shares held in treasury).

This resolution will expire at the conclusion of the next AGM of the Company to be held in 2025, unless renewed prior to that date at an earlier general meeting.

### **Resolution 13 Authority to buy back shares:**

The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors believe that the ability to buy back shares has significant advantages for both the Company and its shareholders. The buy back authority provides the Board with a mechanism to balance the supply of shares with prevailing demand, with a view to bringing these into balance. The Board's aim with share buy backs is to narrow the discount at which the shares trade to NAV to ensure that the share price is as close as possible to NAV thus preserving shareholder value. The Board's intention is only to buy shares back at a discount to NAV, and hence any buy backs undertaken will enhance shareholder value as the repurchase will result in a greater proportion of assets becoming attributable to fewer shares. In



addition, share buy backs may help to deter short term investors who are seeking to exploit the discount and achieve instant returns (rather than reflecting a long-term view of the prospects of the Company); hence the ability to operate a buy back authority is in the long term interests of shareholders. Whilst there have been no buy backs for the year to 31 December 2023 or in 2024 (up to the date of this report), this is a reflection of historic market conditions and should not be used as an indication of the frequency and impact that any share buy backs would have on the future share rating of the Company.

The Board continues to monitor the market and, in conjunction with the Company's broker, gives consideration to the possibility of buying back shares as required. The Board believes that the buy back authority is an important mechanism on the Company's tool kit to manage the Company's share rating in the interests of all shareholders, and recommends that shareholders vote in favour of this resolution.

The Directors are seeking authority to purchase up to 4,414,351 ordinary shares (being 14.99% of the issued share capital, excluding treasury shares, as at the date of this report). This authority, unless renewed at an earlier general meeting, will expire at the conclusion of the next AGM of the Company to be held in 2025.

## **Recommendation**

The Board considers that each of the resolutions is likely to promote the success of the Company and is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of these resolutions as they intend to do in respect of their own beneficial holdings.

## **Corporate governance**

Full details are given in the Corporate Governance Statement on pages 64 to 70. The Corporate Governance Statement forms part of this Directors' Report.

## **Audit information**

As required by Section 418 of the Companies Act 2006, each of the Directors who held office at the date of approval of this report confirms that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

## **Independent Auditor**

The Auditor, Ernst & Young LLP, has indicated their willingness to continue in office and resolutions proposing their reappointment and authorising the Audit Committee to determine their remuneration for the ensuing year will be submitted at the Annual General Meeting.

The Directors' Report was approved by the Board at its meeting on 26 March 2024.

By order of the Board

### **GRAHAM VENABLES**

For and on behalf of  
BlackRock Investment Management (UK) Limited  
Company Secretary  
26 March 2024

# Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31 December 2023 which has been prepared in accordance with Sections 420 – 422 of the Companies Act 2006. The Remuneration Policy which is subject to a triennial binding vote is set out on pages 62 and 63.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 78 to 84.

## Statement of the Chairman

A key driver of the remuneration policy is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience to promote the long-term success of the Company whilst also reflecting the time commitment and responsibilities of the role. The basis for determining the level of any increase in the Directors' remuneration is set out in the Directors' Remuneration Policy on pages 62 and 63.

The Board's focus is on setting the strategy for the successful progression of the Company and monitoring performance against the strategic objectives set. In order to do this effectively, Directors spend a substantial amount of time preparing for the four scheduled Board meetings and three Audit Committee meetings held each year. At these meetings, the Directors review the Company's portfolio, monitor investment performance and review compliance with investment guidelines. The Board also reviews and monitors the Company's ongoing operating costs to ensure that these represent optimal value and are in line with agreed budgets. In addition, the Board sets the marketing strategy of the Company and contributes to a sales and marketing initiative operated by BlackRock; the Board has set key performance indicators to monitor progress and reviews these on a regular basis to monitor and assess the effectiveness of this initiative.

Directors are also responsible for establishing and maintaining the Company's control systems to manage risk effectively, and a register of these controls and the risks facing the Company are reviewed at each Audit Committee meeting, along with control reports from external auditors. Directors also receive an annual update from BlackRock's internal audit department. As well as this usual business, Directors also spend additional time as and when required in ad hoc meetings to address other issues as they arise, including the Board's response to emerging risks. Investment trusts are subject to a large number of regulatory and disclosure requirements, including the requirements of the UK Code, UKLA Listing Rules, and Investment Trust Company tax regulations. The regulatory requirements have increased significantly in recent years, with the implementation of AIFMD, GDPR, Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard requiring considerable additional time to be spent by the Board to ensure that new depositary and management agreements comply with best industry practice.

There are more new regulatory obligations that will become applicable to the Company over the next few years, and the Directors will need to devote time to ensuring that the Company is compliant with these new requirements, resulting in a further increase in workload for Directors. The Board will continue to be mindful of this in setting remuneration levels.

The Board's remuneration was last reviewed in November 2023. Following this review it was agreed to increase the level of Directors' fees by 5% with effect from 1 January 2024. Directors' fees were last increased on 1 January 2023. Directors' fees are set out in the policy table on page 63. No discretionary fees have been paid to Directors during the year or since inception and the payment of such fees is expected to be a rare occurrence, only necessary in exceptional circumstances. Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken and why it was deemed necessary to pay such additional remuneration.

## Remuneration Committee

The Remuneration Committee is responsible for Directors' remuneration and for setting the Company's remuneration policy. The Committee is wholly comprised of independent Directors. The names of the members of the Remuneration Committee are set out on page 30.

## Implementation of the Remuneration Policy in the year 2023

The Directors intend that the Remuneration Policy will be implemented as set out on pages 62 and 63. The Directors' Remuneration Policy on page 62 and the policy table on page 63 form part of this report. The Directors do not receive any performance related remuneration or incentives. Discretionary payments are permitted under the policy; however such discretionary payments would only be considered in exceptional circumstances.

## Remuneration/service contracts

The maximum remuneration of the Directors is determined within the limits of the Company's Articles and currently amounts in aggregate to £250,000. None of the Directors are entitled to receive from the Company:

- performance related remuneration;
- any benefits in kind except reasonable travel expenses in the course of travel to attend meetings and duties undertaken on behalf of the Company;
- share options;
- rewards through a long term incentive scheme;
- a pension or other retirement benefit; and
- compensation for loss of office.

All of the Directors are non-executive. None of the Directors has a service contract with the Company and the terms of their appointment are detailed in a letter of appointment. New directors are appointed for an initial term of three years and it is expected that they will serve two further three year terms. The continuation of an appointment is contingent on satisfactory performance evaluation and re-election at each Annual General Meeting (AGM). A director may resign by notice in writing to the Board at any time, there is no notice period. The letters of appointment are available for inspection at the registered office of the Company.

## Remuneration implementation report

A single figure for total remuneration of each Director is set out in the table below for the year ended 31 December 2023. The information in the table below has been audited.

Directors	Year ended 31 December 2023			Year ended 31 December 2022		
	Fees £	Taxable benefits <sup>1</sup> £	Total £	Fees £	Taxable benefits <sup>1</sup> £	Total £
Carolyn Dobson (Chairman)	50,200	3,310	53,510	47,800	3,882	51,682
Craig Cleland (Audit Committee Chairman and Remuneration Committee Chairman)	38,600	1,015	39,615	36,700	2,585	39,285
Mahrukh Doctor <sup>2</sup>	9,050	3,034	12,084	34,600	4,280	38,880
Laurie Meister	34,300	–	34,300	32,600	233	32,833
Nigel Webber	34,300	–	34,300	32,600	95	32,695
<b>Total</b>	<b>166,450</b>	<b>7,359</b>	<b>173,809</b>	<b>184,300</b>	<b>11,075</b>	<b>195,375</b>

<sup>1</sup> Taxable benefits relates to travel and subsistence costs which have been grossed up to include PAYE and NI contributions.

<sup>2</sup> Mahrukh Doctor retired as a Director on 31 March 2023.

No discretionary payments were made in the year to 31 December 2023 (2022: £nil).

The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 December 2023, fees of £13,000 (2022: £15,000) were outstanding to Directors in respect of their annual fees.

## Relative importance of spend on pay

As the Company has no employees, the table above also comprises the total remuneration costs and benefits paid by the Company. To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared to the Company's net loss on ordinary activities after taxation, total operating expenditure and dividend distributions.

# Directors' Remuneration Report

continued

	2023 US\$'000	2022 US\$'000	Change US\$'000
Directors' total remuneration	222	231	(9)
Total dividends paid and payable	8,488	12,207	(3,719)
Net profit/(loss) on ordinary activities after taxation	53,405	13,669	+39,736
Total operating expenditure	2,101	1,958	+143

## Five year change comparison

Over the last five years, Directors' pay has increased as set out in the table below:

	2023	2022	2021	2020	2019
Carolán Dobson	5.0%	0.0%	0.0%	1.7%	2.2%
Craig Cleland <sup>1</sup>	5.2%	0.0%	0.0%	4.9%	N/a
Laurie Meister <sup>2</sup>	5.2%	0.0%	0.0%	N/a	N/a
Nigel Webber	5.2%	0.0%	0.0%	1.9%	3.2%

<sup>1</sup> Mr Cleland was appointed Director on 1 January 2019 and Chairman of the Audit Committee on 31 March 2019. The increase of 4.9% in 2020 reflects the fact that he received an increase related to his appointment as Audit Committee Chairman in March 2019.

<sup>2</sup> Ms Meister was appointed on 1 February 2020. For the purposes of the calculations in the above table her salary has been annualised for the year to 31 December 2020.

As previously noted, the Company does not have any employees and hence no comparisons are given in respect of the comparison between Directors' and employees' pay increases.

## Shareholdings

The interests of the Directors in the ordinary shares of the Company are set out in the table below. The Company does not have a share option scheme, therefore none of the Directors has an interest in any share options in the Company. There is no requirement for Directors to hold shares in the Company.

	Ordinary shares		
	26 March 2024	31 December 2023	31 December 2022
Carolán Dobson	6,842	4,792	4,792
Nigel Webber	5,000	5,000	5,000
Craig Cleland	12,000	12,000	12,000
Laurie Meister	2,915	2,915	2,915

The information in the table above has been audited.

All the holdings of the Directors are beneficial. No other changes to these holdings have been notified up to the date of this report.

## Retirement of Directors

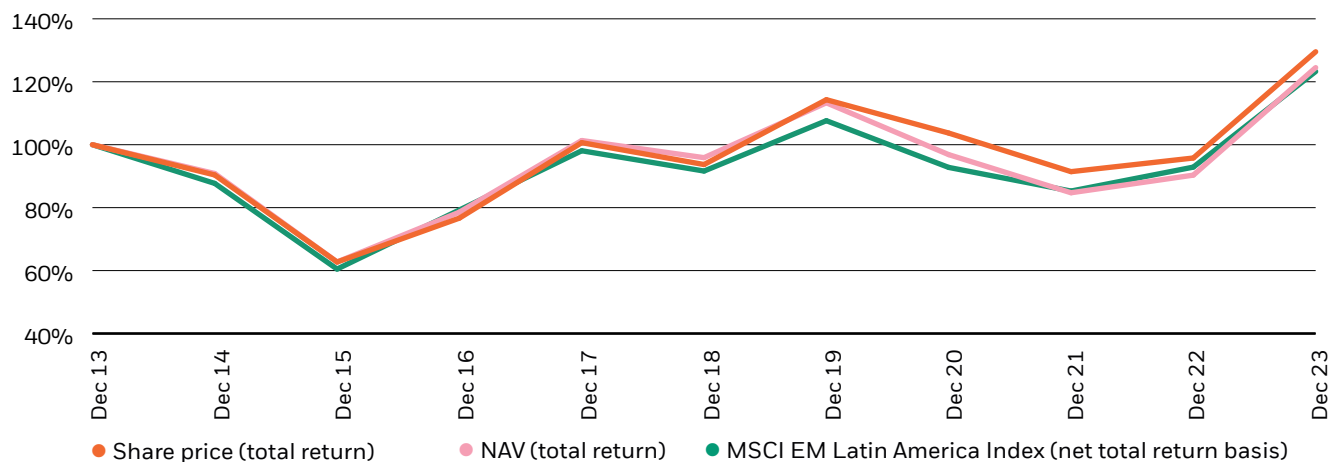
Further details are given in the Directors' Report on page 53 and in the Corporate Governance Statement on page 65.

## Performance

The graph below compares the Company's NAV and share price total returns with the total return on an equivalent investment in the MSCI EM Latin America Index (Net Return). This index is deemed to be the most appropriate as the Company has a Latin American objective.



### Performance from 31 December 2013 to 31 December 2023



Sources: BlackRock Investment Management (UK) Limited and Datastream.  
Performance figures are calculated in US Dollar terms, rebased to 100, with dividends reinvested.

By order of the Board

### CRAIG CLELAND

Chairman  
Remuneration Committee  
26 March 2024

# Directors' Remuneration Policy

## Consideration of shareholders' views

An ordinary resolution to approve the remuneration report is put to members at each AGM. The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Shareholders have the opportunity to express their views and ask questions in respect of the remuneration policy at the AGM. To date, no shareholders have commented in respect of the remuneration policy. In the event that there was a substantial vote against any resolution proposed at the Company's AGM, the reasons for any such vote would be sought and appropriate action taken. Should the votes be against resolutions in relation to the directors' remuneration, further details will be provided in future Directors' Remuneration Reports. In accordance with the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy on a triennial basis. An ordinary resolution for the approval of the remuneration policy was approved by shareholders at the AGM held on 22 May 2023, with 99.47% of votes cast (including votes cast at the Chairman's discretion) in favour and 0.53% votes cast against. The remuneration policy will next be put to a binding shareholder vote at the AGM in 2026.

The Directors' Remuneration Report was last approved by shareholders at the AGM held on 22 May 2023, with 99.49% of votes cast (including votes cast at the Chairman's discretion) in favour and 0.51% of votes cast against.

Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken.

## Directors' Remuneration Policy

In setting the appropriate level of Directors' fees, a number of factors are considered, including the workload of the Directors, their responsibilities, any change in these responsibilities and additional legal duties (for example as a result of new legislation being implemented), the relationship with their suppliers and service providers and the size and complexity of the Company. The time commitment required, the level of skills and appropriate experience required and the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity are also taken into account. The Board also considers the average rate of inflation during the period since the last fee increase and reviews the level of remuneration in comparison with other investment trusts of a similar size and/or mandate, as well as taking account of any data published by the Association of Investment Companies to ensure that fees are in line with industry practice. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary. The review is performed on an annual basis. The Board is cognisant of the need to avoid any potential conflicts of interest and has therefore agreed a mechanism by which no Director is present when his or her own pay is being considered.

The Company has no employees and consequently no consideration is required to be given to employment conditions elsewhere in setting this policy and there has been no employee consultation.

No element of the Directors' remuneration is performance related or subject to recovery or withholding (except for tax). Directors cannot be awarded any share options or long-term performance incentives. None of the Directors has a service contract with the Company or receives any non-cash benefits (except as described in the policy table), pension entitlements or compensation for loss of office.

The remuneration policy would be applied when agreeing the remuneration package of any new Director. The terms of Directors' appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company. Directors' appointments do not have a fixed duration, but they can be terminated by the Company in writing at any time without obligation to pay compensation. On termination of the appointment, Directors shall only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date. No payments for loss of office are made. Directors are subject to annual re-election.

## Remuneration policy table

<b>Purpose and link to strategy</b>	Fees payable to Directors should be sufficient to attract and retain individuals of high calibre who possess knowledge and experience suitably aligned to the activities of the Company. Those chairing the Board and key committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the responsibilities borne by the Directors.
<b>Description</b>	<p>Current levels of fixed annual fee (effective from 1 January 2024):</p> <p>Chairman – £52,800</p> <p>Audit Committee Chairman – £40,600</p> <p>Remuneration Committee Chairman/Senior Independent Director – £38,100</p> <p>Directors – £36,100</p> <p>All reasonable expenses to be reimbursed.</p>
<b>Maximum and minimum levels</b>	Remuneration consists of a fixed fee each year, set in accordance with the stated policies and any increase granted must be in line with the stated policies. The Company's Articles of Association set a limit of £250,000 in respect of the total remuneration that may be paid to Directors in any financial year. In addition, the Directors propose a limit of £50,000 in relation to the maximum that may be paid in respect of taxable benefits. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.
<b>Policy on share ownership</b>	Directors are not required to own shares in the Company.
<b>Operation</b>	
<b>Fixed fee element</b>	The Board reviews the quantum of Directors' pay each year to ensure that this is in line with the level of Directors' remuneration for other investment trusts of a similar size. When making recommendations for any changes in pay, the Board will consider wider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements). Directors are not eligible to be compensated for loss of office, nor are they eligible for bonuses, pension benefits, share options or other incentives or benefits. Directors do not have service contracts but are appointed under letters of appointment.
<b>Discretionary payments</b>	The Company's Articles authorise the payment of discretionary fees to Directors for any additional work undertaken on behalf of the Company which is outside of their normal duties. Any such extra work undertaken is subject to the prior approval of the Chairman or, in the case of the Chairman undertaking the extra work, subject to the prior approval of the Chairman of the Audit Committee. The level of discretionary fees shall be determined by the Directors and will be subject to a maximum of £25,000 per annum per Director. Any discretionary fees paid will be disclosed in the Directors' remuneration implementation report within the Annual Report.
<b>Taxable benefits</b>	Some expenses incurred by Directors are required to be treated as taxable benefits. Taxable benefits include (but are not limited to) travel expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered offices in London, and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred, including the tax and national insurance costs incurred by the Director on such expenses.

# Corporate Governance Statement

## Chairman's introduction

Governance is the process by which the Board seeks to look after shareholders' interests and protect and enhance shareholder value. Shareholders hold the Directors responsible for the stewardship of the Company, delegating authority and responsibility to the Directors to manage the Company on their behalf and holding them accountable for its performance.

The Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. We aim to run the Company in a manner which is responsible and consistent with our belief in honesty, transparency and accountability. In our view, good governance means managing the business well and engaging effectively with investors. We consider the practice of good governance to be an integral part of the way we manage the Company and we are committed to maintaining high standards of financial reporting, transparency and business integrity.

As a UK-listed investment trust company our principal reporting obligation is driven by the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council in July 2018. However, as listed investment trust companies differ in many ways from other listed companies, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the AIC Code) issued in February 2019, which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

Both the UK Code and the AIC Code apply to accounting periods beginning on or after 1 January 2019. The Board has determined that it has complied with the recommendations of the AIC Code.

This report, which forms part of the Directors' Report, explains how the Board deals with its responsibility, authority and accountability.

## Compliance

The Board has made the appropriate disclosures in this report to ensure that the Company meets its continuing obligations. It should be noted that, as an investment trust, most of the Company's day-to-day responsibilities are delegated to third party service providers, the Company has no employees and the Directors are all non-executives, therefore not all of the provisions are directly applicable to the Company.

The Board considers that the Company has complied with the recommendations of the AIC Code and the provisions contained within the UK Code throughout this accounting period, except for the provisions relating to:

- the role of the chief executive; and
- executive directors' remuneration.

For the reasons set out in the AIC Code of Corporate Governance, and as explained in the UK Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company with no executive employees. In view of BlackRock having an internal audit function, it does not consider it necessary for the Company to have its own internal audit function. The Board receives regular reports from BlackRock's internal audit function. In addition, BlackRock's internal audit department provides an annual presentation to the Audit Committee chairmen of the BlackRock investment trusts on the results of testing performed in relation to BlackRock's internal control processes.

The UK Code is available from the Financial Reporting Council's website at [frc.org.uk](http://frc.org.uk). The AIC Code is available from the Association of Investment Companies at [theaic.co.uk](http://theaic.co.uk).

Information on how the Company has applied the principles of the AIC Code and the UK Code is set out below.

## The Board

### Board composition

The Board currently consists of four non-executive Directors.

In accordance with best practice and developing corporate governance, all of the Directors have agreed to submit themselves to annual re-election. Therefore, all Directors will retire and stand for re-election and for election.



The Directors' biographies, on pages 31 and 32, demonstrate a breadth of investment knowledge, business and financial skills which enables them to provide effective strategic leadership and proper governance of the Company. Details of the Chairman's other significant time commitments can also be found on page 31.

Each Director has signed a letter of appointment to formalise in writing the terms of their appointment as Directors. Copies of these letters are available on request from the Company's registered office.

### **Board independence and tenure**

The Board regularly reviews the independence of its members and considers all of the Directors to be independent. The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can add significantly to the strength of the Board. Whilst the Board recognises the benefits of diversity and regular refreshment, it does not believe that length of tenure should be the predominant factor in determining an individual's independence. The Board believes that the overarching objective should be to establish and maintain a board which has a range of tenure, skills and experience such that it can effectively discharge its duties and retain the benefits of corporate memory, while also benefiting from regular board refreshment, which inevitably brings new ideas and perspectives. The Board's independence has been considered, and all current Directors are deemed to be wholly independent. A number of factors were taken into account when making this assertion, including length of tenure, the individual contribution of each Director, their other directorships and interests, and their ongoing commitment and enthusiasm to promote the long-term success of this Company, its shareholders and wider stakeholders.

### **Diversity**

The Board's policy is to take diversity into account during the recruitment and appointment process. The Board recognises the benefits of diverse backgrounds and skill sets, and in particular of having a range of experienced Directors who, both individually and collectively possess a suitable balance of skills, knowledge, experience, backgrounds, ethnicity, gender, independence and other characteristics to enable it to fulfil its obligations. It will therefore endeavour to comply with best practice and applicable regulation in respect of diversity and will seek to consider characteristics such as age, ethnicity, gender, disability, and educational and professional background in the recruitment process. All Board appointments use the services of an external consultant. Going forward any consultant will be instructed to provide a list of candidates with representation across gender and ethnicity as well as professional background and other characteristics. As at the date of this report, the Board consists of two men and two women, and is also inclusive of other protected characteristics covered in legislation. The Board has disclosed, amongst other data, the ethnicity of the Board. The disclosure can be found on page 49, and the Board is pleased to note it is compliant with the recommendations of both the BEIS sponsored FTSE Women Leaders Review (which set new targets for FTSE 350 companies designed to achieve boards with 40% female representation and at least one woman in the role of Chair or Senior Independent Director the end of 2025). Since the retirement from the Board of Professor Doctor on 31 March 2023, the Board will consider the Parker Review recommendation to have at least one director from an ethnically diverse background by 2024 during the course of the year to comply with this recommendation.

The Company does not have any employees, therefore there are no disclosures to be made in that respect.

### **Directors' appointment, retirement and rotation**

The rules concerning the appointment, retirement and rotation of Directors are set out on page 53 of the Directors' Report and page 65 of the Corporate Governance Statement.

The Board believes that it has a good balance of skills and experience. The Board recognises the value of progressive refreshing of, and succession planning for, company boards.

All Directors are subject to annual re-election. Each Director's appointment has been reviewed by the Board prior to submission for re-election. Following the formal evaluation the Chairman is pleased to confirm that each of the Directors standing for re-election or election continues to be effective and to demonstrate commitment to the role (including time for Board and Committee meetings and any other duties).

The Board accordingly recommends the re-election of the Chairman and each of the Directors to stand for re-election at the forthcoming AGM.

# Corporate Governance Statement

continued

The Board is cognisant of the concept of 'overboarding' and has considered the time commitment required by the Directors' other roles, taking into account their nature and complexity.

## Directors' recruitment

The Nomination Committee, which comprises all the Directors, reviews Board structure, size and composition, the balance of knowledge, experience and skills range and to consider succession planning and tenure policy. Appointments of new Directors are made on a formalised basis, with the Committee agreeing the selection criteria and the method of selection, recruitment and appointment. Board diversity, including gender, is taken into account in establishing the criteria. The services of an external search consultant may be used to identify suitable candidates and assist with the selection process.

## Directors' induction and training

When a new Director is appointed to the Board, he or she is provided with all relevant information regarding the Company and their duties and responsibilities as a Director. In addition, a new Director will also spend some time with the portfolio managers, the Company Secretary and other key employees of the Manager whereby he or she will become familiar with the workings and processes of the Company.

The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the Auditor, representatives of the Manager and the Company Secretary regarding any proposed developments or changes in laws or regulations that could affect them or the Company.

## Directors' liability insurance

The Company has maintained appropriate Directors' Liability Insurance cover throughout the year.

## The Board's responsibilities

The Board is responsible for the effective stewardship of the Company's affairs. A formal schedule of matters reserved for the decision of the Board has been adopted. Investment policy and strategy are determined by the Board. It is also responsible for gearing policy, dividend policy, public documents such as the Annual Reports and Financial Statements, the terms of the discount control mechanism, buy back policy, and corporate governance matters. In order to enable them to discharge their responsibilities, the Board has full and timely access to relevant information.

The Board meets on a quarterly basis to review investment performance, financial reports and other reports of a strategic nature. Board or Board committee meetings are also held on an ad hoc basis to consider particular issues as they arise. Key representatives of the Manager and/or Investment Manager attend each meeting and between each meeting there is regular contact with the Manager and the Investment Manager.

In total the Board met formally on four occasions during the year. The full attendance record is set out on pages 31 and 32.

The Board has established a procedure whereby Directors, wishing to do so in the furtherance of their duties, may take independent professional advice at the Company's expense.

The Board has direct access to company secretarial advice and services of the Manager, through a nominated representative, who is responsible to the Board for ensuring that the Board and Committee procedures are followed, and that the Company complies with applicable rules and regulations.

## Performance evaluation

In order to review the effectiveness of the Board, the Committees and the individual Directors, the Board carries out an annual appraisal process. This encompasses both quantitative and qualitative measures of performance in respect of the Board and its Committees, implemented by way of the completion of an evaluation survey and a subsequent review of the findings. The appraisal of the Chairman follows the same process and is carried out by the Board as a whole under the leadership of the Audit Committee Chairman in the absence of the Chairman. The appraisal process is considered by the Board to be constructive in terms of identifying areas for improving the functioning and performance of the Board and the Committees and the contribution of individual Directors, as well as building on and developing individual and collective strengths. There were no significant actions arising from the evaluation process and it was agreed that the Board as a whole and its Committees were functioning effectively.

## **Delegation of responsibilities**

The Board has delegated the following areas of responsibility:

### **Management and administration**

The management of the investment portfolio and the administration of the Company have been contractually delegated to BFM, as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BIM (UK) (the Investment Manager). The contractual arrangements with the Manager are summarised on page 51.

The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The Investment Manager has delegated the portfolio valuation and fund accounting services to The Bank of New York Mellon (International) Limited.

The review of the Manager's performance is an ongoing duty and responsibility of the Board which is carried out at every Board meeting. In addition, a formal review is undertaken annually, details of which are set out on page 51 of the Directors' Report.

The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is The Bank of New York Mellon (International) Limited. The address at which the business is conducted is given on page 115. The agreement with the previous Depositary, BNY Mellon Trust & Depositary (UK) Limited, was transferred via a Deed of Novation dated 1 November 2017.

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Investment Manager. Details of the Investment Manager's approach to voting at shareholder meetings are set out on page 52.

### **Committees of the Board**

The Board has appointed a number of committees as set out below and on page 30. Copies of the terms of reference of each committee are available on request from the Company's registered office and are also available on the BlackRock website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

#### **Audit Committee**

The Audit Committee, which is currently chaired by Mr Cleland, comprises the whole Board with the exception of Ms Dobson, who is not a member of the Committee but who may attend by invitation.

Further details are provided in the Report of the Audit Committee on pages 71 to 74.

#### **Nomination Committee**

The Nomination Committee is currently chaired by Ms Dobson, and consists of the Chairman of the Committee, Mr Webber, Mr Cleland and Ms Meister. Further details are provided on page 30.

#### **Management Engagement Committee**

The Management Engagement Committee is currently chaired by Ms Dobson, and consists of the Chairman of the Committee, Mr Webber, Mr Cleland and Ms Meister. Further details are provided on page 30.

#### **Remuneration Committee**

The Remuneration Committee is currently chaired by Mr Cleland and consists of the Chairman of the Committee, Ms Dobson, Mr Webber and Ms Meister. Further details are provided on page 30.

#### **Marketing Committee**

The Marketing Committee is currently chaired by Ms Meister, and consists of the Chairman of the Committee and Mr Webber. Further details are provided on page 30.

# Corporate Governance Statement

continued

## Internal controls

The Board is responsible for the internal controls of the Company and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of investment trusts.

The Board reviews the effectiveness of the internal control systems to identify, evaluate and manage the Company's significant risks. As part of that process the Audit Committee receives reports from the Manager setting out the internal controls which are in place and identifying any significant failings or weaknesses. If any matter is categorised by the Board as significant, procedures exist to ensure that necessary action is taken to remedy the failing. The Board is not aware of any significant failings or weaknesses arising in the year under review.

Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the operations of the Company. There is a monitoring and reporting process to review these controls, which has been in place throughout the year under review and up to the date of this report, carried out by the Manager's corporate audit departments. This accords with the Financial Reporting Council's 'Internal Control: Revised Guidance for Directors on the UK Corporate Governance Code'.

The Company's risk register sets out the risks relevant to the Company and describes, where relevant, the internal controls that are in place at the AIFM, the Investment Manager and other third party service providers to mitigate these risks. The Audit Committee (the Committee) formally reviews this register on a semi-annual basis and BFM as the Company's AIFM reports on any significant issues that have been identified in the period. In addition, BlackRock's internal audit department report to the Committee on a semi-annual basis on the results of testing performed in relation to BlackRock's internal control processes. The Depositary also reviews the control processes in place at the custodian, the Fund Accountant and the AIFM and reports formally to the Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad hoc basis to the extent that this is required. The Committee also receives Service Organisation Control (SOC 1) reports respectively from BlackRock and The Bank of New York Mellon (International) Limited (BNYM) on the internal controls of their respective operations (and in the case of BNYM, in respect of asset servicing and custody services, centrally managed information technology services and fund administration and securities data management operations) together with the opinion of their reporting accountants.

The Board recognises that these control systems can only be designed to manage rather than to eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Manager, the Fund Accountant and the Custodian.

The Manager prepares revenue forecasts and management accounts which allow the Board to assess the Company's activities and review its performance. The Board and the Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted to the Board at each meeting.

The Company does not have its own internal audit function as all administration is delegated to the Manager and other third party service providers. The Board monitors the controls in place through the Manager's internal audit department and feels that there is currently no need for the Company to have its own internal audit function, although this matter is kept under review.

## Financial reporting

The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on page 75, the Independent Auditor's Report on pages 78 to 84, and the Statement of Going Concern on pages 52 and 53.

## Socially responsible investment

Investment trusts do not employ staff and accordingly have no direct impact on social matters but can be significant investors in the economies of the regions in which they invest. The Company invests predominantly in securities quoted in Latin America. While the Company has not adopted an ESG investment strategy or exclusionary screens, the Board believes that, to meet its investment objectives, it is important to invest in companies whose boards act responsibly in respect of environmental, ethical and social issues. The Investment Manager's evaluation procedures and financial analysis of the companies within the portfolio take into account environmental policies and other business issues. The Manager is a Tier 1 signatory to the UK Stewardship Code, which, among other things, sets out the responsibilities of institutional shareholders in respect of investee companies.



The Manager's compliance with the UK Stewardship Code is publicly available on the BlackRock website [www.blackrock.com/corporate/insights/investment-stewardship](http://www.blackrock.com/corporate/insights/investment-stewardship).

The Company's investment process is ESG integrated. The Investment Manager defines ESG integration as the practice of explicitly incorporating material ESG information into investment decisions to help enhance risk-adjusted returns. Details on ESG integration can be found on pages 24 to 27.

### **Bribery prevention policy**

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board has a zero tolerance policy towards bribery and a commitment to carry out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery very seriously and the Manager has anti-bribery policies and procedures in place which are high level, proportionate and risk based. The Company's service providers have been contacted in respect of their anti-bribery policies and, where necessary, contractual changes are made to existing agreements in respect of anti-bribery provisions.

### **Criminal Finances Act 2017**

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

### **Communication with shareholders**

Communication with shareholders is given a high priority.

All shareholders have the opportunity to attend and vote at the AGM. The Notice of Annual General Meeting is sent out at least 20 working days in advance of the meeting and sets out the business of the meeting and any item not of an entirely routine nature is explained in the Directors' Report on pages 56 and 57, separate resolutions are proposed for substantive issues.

In addition, the Manager will review the Company's portfolio and performance at the AGM, where all the Directors and representatives of the Manager will be available to answer shareholders' queries. Proxy voting figures will be announced to the shareholders at the AGM and will be made available on the Company's website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla) shortly after the meeting. In accordance with provision 4 of the UK Corporate Governance Code, when, in the opinion of the Board, a significant proportion of votes have been cast against a resolution at any general meeting, the Board will explain, when announcing the results of voting, what actions it intends to take to understand the reasons behind the vote result.

The Board discusses with the Manager at each Board meeting any feedback from meetings with shareholders, and it also receives reports from its corporate broker. A regular dialogue has been maintained with the Company's institutional investors and private client asset managers both directly through the Board and through the Manager. The Chairman and other Directors also meet with shareholders periodically, without the Manager being present to ensure that the Manager is not used as the sole conduit for shareholder communication with the Board. The dialogue with shareholders provides a two way forum for canvassing the views of shareholders and for enabling the Board to become aware of any issues of concern, including those relating to performance, strategy and corporate governance.

Shareholders wishing to communicate with the Chairman, the Chairman of the Audit Committee or other members of the Board may do so by writing to the Company Secretary at the registered office address on page 115 or by sending an email to [cosec@blackrock.com](mailto:cosec@blackrock.com). The Company Secretary has no authority to respond to enquiries addressed to the Board and all communication, other than junk mail, is redirected to the Chairman.

There is a section within this report entitled Shareholder Information, on pages 110 to 112, which provides an overview of useful information available to shareholders.

The Company's Annual Report and Financial Statements are also published on [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla), which is the website maintained by the Company's Manager. The work undertaken by the Auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

# Corporate Governance Statement

continued

## **Packaged Retail & Insurance-Based Investment Products (PRIIPs) Regulation ('The Regulation')**

This regulation (as onshored in the UK and amended) requires that anyone manufacturing, advising on, or selling a PRIIP to a retail investor in the UK must comply with the regulation. Shares issued by Investment Trusts fall into scope of the regulation.

Investors should be aware that the PRIIPs Regulation requires the AIFM, as the PRIIPs manufacturer, to prepare a key information document ('KID') in respect of the Company. This KID must be made available, free of charge, to retail investors prior to them making any investment decision and have been published on BlackRock's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

The PRIIPs KID in respect of the Company can be found at: [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

## **Disclosure guidance and transparency rules**

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 50 to 57 because it is information which refers to events that have taken place during the course of the year.

For and on behalf of the Board

**CAROLAN DOBSON**

Chairman

26 March 2024

# Report of the Audit Committee

As Chairman of the Company's Audit Committee I am pleased to present the Committee's report for the year ended 31 December 2023.

## Composition

The Audit Committee comprises all the Directors, with the exception of Ms Dobson, the Chairman of the Company. However, Ms Dobson is invited to and still attends the meetings. The Committee members as a whole have competence relevant to the investment trust sector and at least one member of the Committee has competence in accounting and/or auditing.

The biographies of the Directors may be found on pages 31 and 32.

## Performance evaluation

Details of the evaluation of the Audit Committee are set out in the Corporate Governance Statement on page 66.

## Role and responsibilities

The Company has established a separately chaired Audit Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements, and providing an opinion as to whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The Committee also reviews the external Auditor's report on the Annual Report and Financial Statements and is responsible for reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies and ensuring the adequacy of the internal control systems and standards. The terms of reference detailing the scope and duties of the Audit Committee are available on the website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

The Audit Committee meets at least three times a year with the two planned meetings being held prior to the Board meetings to approve the half yearly and annual results. The Audit Committee receives information from the Investment Manager's internal audit and compliance departments.

## Responsibilities and review of the external audit

During the year, the principal activities of the Audit Committee included:

- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and on an annual basis reviewing the external Auditor's report on the annual financial statements;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external Auditor;
- reviewing and recommending to the Board for approval the audit and non-audit fees payable to the external Auditor and the terms of their engagement;
- reviewing and approving the external Auditor's plan for the financial year, with a focus on the identification of areas of audit risk, and consideration of the appropriateness of the level of audit materiality adopted;
- reviewing the role of the Board, the Manager and other third party service providers in an effective audit process;
- reviewing the efficacy of the external audit process and making a recommendation to the Board with respect to the reappointment of the Auditor;
- considering the quality of the formal audit report to shareholders;
- reviewing the appropriateness of the Company's accounting policies; and
- ensuring the adequacy of the internal control systems and standards.

## Whistleblowing policy

The Committee has also reviewed and accepted the 'whistleblowing' policy that has been put in place by the Manager under which its staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, insofar as they affect the Company.

# Report of the Audit Committee

continued

## Internal audit

The Company does not have its own internal audit function, as all the administration is delegated to the Manager and other third party service providers. The Board considers that it is sufficient to rely on the internal audit department of BlackRock. The requirement for an internal audit function is kept under review.

## Non-audit services

The Company's policy on non-audit services is set out in full in the Audit Committee's terms of reference which are available on the Company's website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla). There were no non-audit services provided by the Auditor to the Company in the year to 31 December 2023 (2022: no non-audit services).

## Significant issues considered regarding the Annual Report and Financial Statements

During the year, the Audit Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Audit Committee reviewed the external audit plan and concluded that the appropriate areas of audit risk relevant to the Company had been identified by the Auditor. The Committee also discussed the audit and procedures and plan with the Auditor and that suitable control procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The table below sets out the key areas of risk identified and also explains how these were addressed.

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### Significant issue

The accuracy of the valuation of the investment portfolio

#### How the issue was addressed

Listed investments are valued using stock exchange prices provided by third party pricing vendors. Unquoted or illiquid investments, if any, are valued by the Directors based on recommendations from BlackRock's Pricing Committee. The Board reviews detailed portfolio valuations at each of its Board meetings and receives confirmation from the Manager that the pricing basis is appropriate, in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct. The Board also relies on the Manager's and Fund Accountant's controls which are documented in a semi-annual internal controls report which is reviewed by the Audit Committee.

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### Significant issue

The risk of misappropriation of assets and unsecured ownership of investments

#### How the issue was addressed

The Depositary is responsible for financial restitution for the loss of financial instruments held in custody. The Depositary reports to the Committee twice a year. The Committee reviews reports from its service providers on key controls over the assets of the Company and will take action to address any significant issues that are identified in these reports, which may include direct discussions with representatives of the relevant service providers to obtain more detailed information surrounding any matters of concern and gaining assurance that appropriate remediation action has been taken. Any significant issues are reported by the Manager to the Committee. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.

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### Significant issue

The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income

#### How the issue was addressed

The Board reviews income forecasts, including special dividends, and receives explanations from the Manager for any variations or significant movements from previous forecasts and prior year figures. The Committee also reviews the facts and circumstances of all special dividends to determine the revenue/capital treatment. The Directors also review a detailed schedule of dividends received from portfolio holdings at each meeting which sets out current and historic dividend rates, and the amounts accrued. Any significant movements or unusual items are discussed with the Manager. The Committee also

reviews SOC 1 Reports from its service providers, including the Company's Fund Accountant and Custodian, The Bank of New York Mellon (International) Limited. These reports include information on the control processes in place to ensure the accurate recording of income, and any exceptions are highlighted to the Committee and will be investigated further to ensure that appropriate remediation action has been taken where relevant.

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As the provision of portfolio valuation, fund accounting and administration services is delegated to the Manager, which sub-delegates fund accounting to The Bank of New York Mellon (International) Limited ('BNYM'), and the provision of depositary services is contracted to BNYM, the Audit Committee has also reviewed the Service Organisation Control Reports prepared by BlackRock, the Custodian and the Fund Accountant to ensure that the relevant control procedures are in place to cover these areas of risk as identified above and are adequate and appropriate, and have been designated as operating effectively by the reporting Auditor.

### **Auditor and audit tenure**

The Committee is mindful of the regulations on mandatory auditor rotation which require the appointment of a new auditor every ten years, although this can be extended in certain circumstances. Ernst & Young LLP was selected as the Company's Independent Auditor after a formal tender process carried out in 2020. The Committee will continue to review the Auditor's appointment each year to ensure that the Company is receiving an optimal level of service. The appointment of the Auditor is reviewed each year and the audit partner rotates at least every five years. Mr Matthew Price has acted as the Company's audit partner since 2020.

The legislation also prohibits certain non-audit consulting services and caps the amount of additional fees auditors can charge their clients. No fees were paid to the Auditor in respect of non-audit services during the year (2022: US\$nil). The Company's policy on non-audit services is set out in full in the Audit Committee's terms of reference which are available on the Company's website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

The Auditor has indicated its willingness to continue in office. Resolutions proposing its reappointment and authorising the Audit and Management Engagement Committee to determine its remuneration for the ensuing year will be proposed at the AGM.

### **Assessment of the effectiveness of the external audit process**

To assess the effectiveness of the external audit, members of the Audit Committee work closely with BIM (UK) and BFM to obtain a good understanding of the progress and efficiency of the audit. The Audit Committee has adopted a framework in its review of the effectiveness of the external audit process and audit quality. This includes a review of the following areas:

- the quality of the audit engagement partner and the audit team;
- the expertise of the audit firm and the resources available to it;
- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;
- the role of the Audit Committee, the Manager and third party service providers in an effective audit process;
- communications by the Auditor with the Audit Committee;
- how the Auditor supports the work of the Audit Committee and how the audit contributes added value;
- a review of independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and the effectiveness of the Manager in performing its role is also sought from relevant involved parties, notably the audit partner and team. The external Auditor is invited to attend the Audit Committee meetings at which the semi-annual and annual report and financial statements are considered and at which they have the



# Report of the Audit Committee

continued

opportunity to meet with the Audit Committee without representatives of the Manager being present. The effectiveness of the external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset value and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved, the quality and timeliness of papers analysing these judgements, the views of the independent Auditor and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the Auditor and the Committee.

To form a conclusion with regard to the independence of the external Auditor, the following factors are considered. The Committee considers whether the skills and experience of the Auditor make them a suitable supplier of the non-audit services and whether there are safeguards in place to ensure that there is no threat to its objectivity and independence in the conduct of the audit resulting from the provision of such services. On an ongoing basis, Ernst & Young LLP reviews the independence of its relationship with the Company and reports to the Committee, providing details of any other relationships with the Manager. As part of this review, the Audit Committee also receives information about policies and processes for maintaining independence and monitoring compliance with relevant requirements from the Company's Auditor. This will include information on the rotation of audit partners and staff, the level of fees that the Company pays, details of any relationships between the audit firm and its staff and the Company as well as an overall confirmation from the Auditor of its independence and objectivity.

As a result of their review, the Committee has concluded that Ernst & Young LLP is independent of the Company and therefore it has made a recommendation to the Board that Ernst & Young LLP be reappointed.

## Conclusions in respect of the Annual Report and Financial Statements

The production and the audit of the Company's Annual Report and Financial Statements is a comprehensive process requiring input from a number of different contributors. One of the key governance requirements of the Company's Annual Report and Financial Statements is that they are fair, balanced and understandable. The Board has requested that the Audit Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements, and the Audit Committee has given consideration to the following:

- the comprehensive control framework over the production of the Annual Report and Financial Statements, including the verification processes in place to deal with the factual content;
- the comprehensive reviews that are undertaken at different levels in the production process of the Annual Report and Financial Statements, by the Manager, the third party service providers responsible for accounting services, the Depositary and the Audit Committee that aim to ensure consistency and overall balance;
- the controls that are in place at the Manager and other third party service providers to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets; and
- the existence of satisfactory Service Organisation Control (SOC 1) reports that have been reviewed and reported on by external Auditor to verify the effectiveness of the internal controls of the Manager, Custodian and Fund Accountant.

In addition to the work outlined above, the Audit Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable. In reaching this conclusion, the Audit Committee has assumed that readers of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment trust industry. The Audit Committee has reported on these findings to the Board who affirm the Audit Committee's conclusion in the Statement of Directors' Responsibilities on page 75.

### CRAIG CLELAND

Chairman

Audit Committee

26 March 2024

# Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable United Kingdom law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under these laws the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of each financial year and of the profit or loss of the Company for that year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Strategic Report, Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules.

The Directors have delegated responsibility to the Manager for the maintenance and integrity of the Company's corporate and financial information included on the Investment Manager's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on pages 31 and 32, confirm to the best of their knowledge that:

- the Financial Statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Report and Financial Statements include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The 2018 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements. The process by which the Committee has reached these conclusions is set out in the Audit Committee's report on pages 71 to 74. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 December 2023, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For and on behalf of the Board

**CAROLAN DOBSON**

Chairman

26 March 2024









# Financial statements



Mexico was yet another market that performed well in 2023, rising 40.9%. A significant outperformer was Fibra Uno, the Mexican real estate operator. This is a stock that has continued to benefit from the nearshoring theme, ie increased foreign investment and demand for industrial properties.

PHOTO COURTESY OF FIBRA UNO

# Independent Auditor's Report

to the members of BlackRock Latin American Investment Trust plc

## Opinion

We have audited the financial statements of BlackRock Latin American Investment Trust plc for the year ended 31 December 2023 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of Company in conducting the audit.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's

ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of the Company's going concern assessment process and engagement with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspection of the Directors' assessment of going concern, including the revenue forecast, for the period to 31 December 2025. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its liabilities as they fall due.
- Review of the factors and assumptions, including the impact of geopolitical and other significant events that could give rise to market volatility, as applied to the revenue forecast and the Directors' liquidity assessment of the investments. We considered the appropriateness of the methods used to be able to make an assessment for the Company.
- Consideration of the mitigating factors included in the revenue forecasts that are within control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments to cover working capital requirements should revenue decline significantly.
- In relation to the Company's overdraft facility, our inspection of the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the investment portfolio. We recalculated the Company's compliance with debt covenants and performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.
- Review of the Company's going concern disclosures included in the Annual Report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 31 December 2025, which is at least 12 months from the date the financial statements were authorised for issue.



In relation to the Company's 's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

### Overview of our audit approach

<b>Key audit matters</b>	<ul style="list-style-type: none"> <li>• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement.</li> <li>• Risk of incorrect valuation or ownership of the investment portfolio.</li> </ul>
<b>Materiality</b>	<ul style="list-style-type: none"> <li>• Overall materiality of \$1.90 million (2022: \$1.48 million) which represents 1% (2022: 1%) of the Company's shareholders' funds.</li> </ul>

### An overview of the scope of our audit

#### Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team,

#### Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Directors have stated that they are cognisant of the long-term risk to performance from inadequate attention to Environmental, Social and Governance (ESG) issues, and in particular the impact of climate change. These are explained in the principal risks included in the Strategic Report (pages 42 to 47), which form part of the "Other information" rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether

they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 2a and conclusion that there was no material impact of climate change on the valuation of investments. We also challenged the Directors' considerations of climate change in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement</b></p> <p><i>Refer to the Report of the Audit Committee (pages 72 and 73); Accounting policies (pages 89 and 90); and note 3 of the Financial Statements (page 92).</i></p> <p>The total investment income for the year to 31 December 2023 was \$10.92 million (2022: \$15.44 million), consisting primarily of dividend income from overseas listed investments.</p> <p>During the year, the Company received special dividends amounting to \$0.16 million, all of which were classified as revenue (2022: \$0.48 million classified as revenue).</p> <p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p> <p>In addition to the above, the Directors may, in certain circumstances, exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.</p>	<p><b>We performed the following procedures:</b></p> <p>We have obtained an understanding of the processes and controls surrounding revenue recognition by performing our walkthrough procedures. For the classification of special dividends, we also evaluated the design and implementation of controls.</p> <p>For all dividend and fixed interest income recognised by the Company, we recalculated the investment income by multiplying the investment holdings at the ex-dividend date/ex-coupon date, traced from the accounting records, by the dividend per share/coupon rate, as agreed to an independent data vendor. We agreed all distributions received to bank statements and, where applicable, we also agreed the exchange rates to an external source.</p> <p>For all dividends accrued at the year end, we confirmed that the Company held the relevant investments as at the ex-dividend date and reviewed the investee company announcements to assess whether the obligation arose prior to 31 December 2023. We agreed the dividend rate to the corresponding announcements made by the investee company, recalculated the amount receivable and, where applicable, agreed the subsequent cash receipts to post-year end bank statements.</p> <p>To test the completeness of recorded investment income, we tested that expected dividends/fixed interest payments for each investee company held during the year had been recorded as income with reference to investee company announcements obtained from an independent data vendor.</p> <p>For all investments held during the year, we compared the type of dividends paid with reference to an external data source to identify those which were 'special'. We confirmed four special dividends, amounting to \$0.16 million, were received during the year. We tested all special dividends received, by recalculating the amount received and assessing the appropriateness of classification as revenue by reviewing the underlying rationale of the distribution.</p>	<p>The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Risk of incorrect valuation or ownership of the investment portfolio</b>  Refer to the Report of the Audit Committee (page 72); Accounting policies (pages 90 and 91); and note 10 of the Financial Statements (page 96).</p> <p>The valuation of the instruments held in the investment portfolio is the key driver of the Company's net asset value and total return. Inappropriate asset pricing, including incorrect application of exchange rates, or failure to maintain proper legal title of the instruments held by the Company could have a significant impact on the portfolio valuation and, therefore, the return generated for shareholders.</p> <p>The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date.</p>	<p><b>We performed the following procedures:</b></p> <p>We obtained an understanding of The Bank of New York Mellon (International) Limited's ('BNYM') process surrounding investment title and pricing by performing our walkthrough procedures.</p> <p>For all listed investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at year-end.</p> <p>We inspected the stale pricing reports produced by BNYM to identify prices that have not changed and verified whether the listed price is a valid fair value.</p> <p>We compared the Company's investment holdings at 31 December 2023 to independent confirmations received directly from the Company's Custodian and Depositary, testing any reconciling items to supporting information.</p>	<p>The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio.</p>

### Our application of materiality

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

### Materiality

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

We determined materiality for the Company to be \$1.90 million (2022: \$1.48 million), which is 1% (2022: 1%) of the Company's shareholders' funds. We believe that shareholders' funds provides us with a basis of materiality aligned to the key measure of the Company's performance.

### Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely \$1.42 million (2022: \$1.10 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing threshold of \$0.49 million (2022: \$0.72 million) for the revenue column of the Income Statement, being the greater of 5% of the net revenue profit on ordinary activities before taxation and our reporting threshold.

### Reporting threshold

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$0.09 million (2022: \$0.07 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

# Independent Auditor's Report

continued

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

## Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 75 and 110 to 132, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 52 and 53 and page 89;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 47 and 48;
- Directors' statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on pages 48, 52 and 53, and 89;
- Directors' statement on fair, balanced and understandable set out on pages 74 and 75;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 42 and 43;

- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 42 to 47; and
- The section describing the work of the Audit Committee set out on pages 71 to 74.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities in respect of Annual Report and Financial Statements set out on page 75, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' Code of Corporate Governance and Statement of Recommended Practice, section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how BlackRock Latin America Investment Trust plc is complying with those frameworks through discussions with the Audit Committee and Company Secretary, review of Board and committee meeting minutes and review of papers provided to the Audit Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further detail of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Other matters we are required to address**

Following the recommendation from the Audit Committee, we were appointed by the Company on 29 June 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is four years, covering the years ended 31 December 2020 to 31 December 2023.



# Independent Auditor's Report

continued

The audit opinion is consistent with the additional report to the Audit Committee.

## **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**MATTHEW PRICE** (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP,

Statutory Auditor

London

26 March 2024

# Income Statement

for the year ended 31 December 2023

	Notes	Revenue US\$'000	2023 Capital US\$'000	Total US\$'000	Revenue US\$'000	2022 Capital US\$'000	Total US\$'000
Gains on investments held at fair value through profit or loss	10	–	45,717	45,717	–	1,258	1,258
Gains/(losses) on foreign exchange		–	22	22	–	(183)	(183)
Income from investments held at fair value through profit or loss	3	10,915	–	10,915	15,438	–	15,438
Other income	3	49	–	49	21	–	21
<b>Total income</b>		<b>10,964</b>	<b>45,739</b>	<b>56,703</b>	<b>15,459</b>	<b>1,075</b>	<b>16,534</b>
<b>Expenses</b>							
Investment management fee	4	(339)	(1,019)	(1,358)	(333)	(999)	(1,332)
Other operating expenses	5	(724)	(19)	(743)	(609)	(17)	(626)
<b>Total operating expenses</b>		<b>(1,063)</b>	<b>(1,038)</b>	<b>(2,101)</b>	<b>(942)</b>	<b>(1,016)</b>	<b>(1,958)</b>
<b>Net profit on ordinary activities before finance costs and taxation</b>		<b>9,901</b>	<b>44,701</b>	<b>54,602</b>	<b>14,517</b>	<b>59</b>	<b>14,576</b>
Finance costs	6	(88)	(263)	(351)	(81)	(243)	(324)
<b>Net profit/(loss) on ordinary activities before taxation</b>		<b>9,813</b>	<b>44,438</b>	<b>54,251</b>	<b>14,436</b>	<b>(184)</b>	<b>14,252</b>
Taxation (charge)/credit	7	(846)	–	(846)	(594)	11	(583)
<b>Net profit/(loss) on ordinary activities after taxation</b>		<b>8,967</b>	<b>44,438</b>	<b>53,405</b>	<b>13,842</b>	<b>(173)</b>	<b>13,669</b>
<b>Earnings/(loss) per ordinary share (US\$ cents)</b>	<b>9</b>	<b>30.45</b>	<b>150.90</b>	<b>181.35</b>	<b>41.48</b>	<b>(0.52)</b>	<b>40.96</b>

The total columns of this statement represent 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 year. All income is attributable to the equity holders of the Company.

The net profit/(loss) for the year disclosed above represents the Company's total comprehensive income/(loss).

The notes on pages 89 to 107 form part of these financial statements.

# Statement of Changes in Equity

for the year ended 31 December 2023

	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
<b>For the year ended 31 December 2023</b>								
At 31 December 2022		3,163	11,719	5,824	4,356	114,343	8,706	148,111
Total comprehensive income:								
Net profit for the year		–	–	–	–	44,438	8,967	53,405
Transactions with owners, recorded directly to equity:								
Dividends paid <sup>1</sup>	8	–	–	–	–	–	(11,797)	(11,797)
<b>At 31 December 2023</b>		<b>3,163</b>	<b>11,719</b>	<b>5,824</b>	<b>4,356</b>	<b>158,781</b>	<b>5,876</b>	<b>189,719</b>

<b>For the year ended 31 December 2022</b>								
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 year		–	–	–	–	(173)	13,842	13,669
Transactions with owners, recorded directly to equity:								
Tender offer <sup>2</sup>	14	–	–	–	–	(51,017)	–	(51,017)
Tender offer cost	14	–	–	–	–	(414)	–	(414)
Cancellation of shares		(981)	–	981	–	–	–	–
Dividends paid <sup>3</sup>	8	–	–	–	–	–	(8,965)	(8,965)
<b>At 31 December 2022</b>		<b>3,163</b>	<b>11,719</b>	<b>5,824</b>	<b>4,356</b>	<b>114,343</b>	<b>8,706</b>	<b>148,111</b>

<sup>1</sup> Quarterly dividend of 6.29 cents per share for the year ended 31 December 2022, declared on 3 January 2023 and paid on 8 February 2023; special dividend of 13.00 cents per share for the year ended 31 December 2022, declared on 3 January 2023 and paid on 8 February 2023; quarterly dividend of 6.21 cents per share for the year ended 31 December 2023, declared on 3 April 2023 and paid on 16 May 2023; quarterly dividend of 7.54 cents per share for the year ended 31 December 2023, declared on 3 July 2023 and paid on 11 August 2023; quarterly dividend of 7.02 cents per share, declared on 2 October 2023 and paid on 9 November 2023.

<sup>2</sup> On 26 May 2022, the Company repurchased and subsequently cancelled 9,810,979 shares. The price at which tendered shares were repurchased was 417.09 pence per share.

<sup>3</sup> 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 ended 31 December 2022, declared on 1 April 2022 and paid on 16 May 2022; quarterly dividend of 5.74 cents per share for the year ended 31 December 2022, declared on 1 July 2022 and paid on 12 August 2022; quarterly dividend of 6.08 cents per share, declared on 3 October 2022 and paid on 9 November 2022.

For information on the Company's distributable reserves, please refer to note 15 on page 98.

The notes on pages 89 to 107 form part of these financial statements.

# Balance Sheet

as at 31 December 2023

	Notes	2023 US\$'000	2022 US\$'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	10	190,875	158,149
<b>Current assets</b>			
Debtors	11	2,135	1,572
Cash and cash equivalents		274	160
<b>Total current assets</b>		<b>2,409</b>	<b>1,732</b>
<b>Creditors – amounts falling due within one year</b>			
Bank overdraft	16	(2,658)	(10,731)
Other creditors	12	(883)	(1,015)
<b>Total current liabilities</b>		<b>(3,541)</b>	<b>(11,746)</b>
<b>Net current liabilities</b>		<b>(1,132)</b>	<b>(10,014)</b>
<b>Total assets less current liabilities</b>		<b>189,743</b>	<b>148,135</b>
<b>Creditors – amounts falling due after more than one year</b>			
Non-equity redeemable shares	13	(24)	(24)
		<b>(24)</b>	<b>(24)</b>
<b>Net assets</b>		<b>189,719</b>	<b>148,111</b>
<b>Capital and reserves</b>			
Called up share capital	14	3,163	3,163
Share premium account	15	11,719	11,719
Capital redemption reserve	15	5,824	5,824
Non-distributable reserve	15	4,356	4,356
Capital reserves	15	158,781	114,343
Revenue reserve	15	5,876	8,706
<b>Total shareholders' funds</b>	<b>9</b>	<b>189,719</b>	<b>148,111</b>
<b>Net asset value per ordinary share (US\$ cents)</b>	<b>9</b>	<b>644.24</b>	<b>502.95</b>

The financial statements on pages 85 to 107 were approved and authorised for issue by the Board of Directors on 26 March 2024 and signed on its behalf by Carolan Dobson, Chairman.

BlackRock Latin American Investment Trust plc

Registered in England, No. 02479975

The notes on pages 89 to 107 form part of these financial statements.

# Statement of Cash Flows

for the year ended 31 December 2023

	2023 US\$'000	2022 US\$'000
<b>Operating activities</b>		
Net profit on ordinary activities before taxation	54,251	14,252
Add back finance costs	351	324
Gains on investments held at fair value through profit or loss	(45,717)	(1,258)
(Gains)/losses on foreign exchange	(22)	183
Sale of investments held at fair value through profit or loss	114,570	123,691
Purchase of investments held at fair value through profit or loss	(101,634)	(68,345)
Increase in other debtors	(569)	(1,100)
Decrease in other creditors	(71)	(304)
Taxation on investment income	(846)	(594)
<b>Net cash generated from operating activities</b>	<b>20,313</b>	<b>66,849</b>
<b>Financing activities</b>		
Interest paid	(351)	(324)
Tender offer	–	(51,017)
Tender offer costs	–	(414)
Dividends paid	(11,797)	(8,965)
<b>Net cash used in financing activities</b>	<b>(12,148)</b>	<b>(60,720)</b>
<b>Increase in cash and cash equivalents</b>	<b>8,165</b>	<b>6,129</b>
Cash and cash equivalents at the start of the year	(10,571)	(16,517)
Effect of foreign exchange rate changes	22	(183)
<b>Cash and cash equivalents at end of the year</b>	<b>(2,384)</b>	<b>(10,571)</b>
<b>Comprised of:</b>		
Cash at bank	274	160
Bank overdraft	(2,658)	(10,731)
	<b>(2,384)</b>	<b>(10,571)</b>

The notes on pages 89 to 107 form part of these financial statements.



# Notes to the Financial Statements

for the year ended 31 December 2023

## 1. Principal activity

The Company was incorporated on 12 March 1990 and its principal activity is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010.

## 2. Accounting policies

The principal accounting policies adopted by the Company are set out below.

### (a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the revised Statement of Recommended Practice – Financial Statements of Investment Trust 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.

Substantially, all of the assets of the Company consist of securities that are readily realisable and, accordingly, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the period to 31 December 2025, being a period of at least 12 months from the date of approval of these financial statements, and therefore consider the going concern assumption to be appropriate. The Directors have reviewed compliance with the covenants associated with the bank overdraft, income and expense projections and the liquidity of the investment portfolio in making their assessment.

The Directors have considered the impact of climate change on the value of the investments included in the Financial Statements and have concluded that there was no further impact of climate change to be considered as the investments are valued based on market pricing as required by FRS 102.

None of the Company's other assets and liabilities were considered to be potentially impacted by climate change.

The principal accounting policies adopted by the Company are set out below. Unless specified otherwise, the policies have been applied consistently throughout the year and are consistent with those applied in the preceding year. All of the Company's operations are of a continuing nature.

The Company's financial statements are presented in US Dollars, which is the functional and presentation currency of the Company. The US Dollar is the functional currency because it is the currency in which the bulk of the Company's assets (notably portfolio investments, cash at bank, bank overdrafts and amounts due to and from brokers) are denominated. All values are rounded to the nearest thousand US Dollars (US\$'000) except where otherwise indicated.

### (b) Presentation of Income Statement

In order to reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and a capital nature has been presented alongside the Income Statement.

### (c) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

### (d) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provisions are made for dividends not expected to be received.

Special dividends are recognised on an ex-dividend basis and treated as capital or revenue depending on the facts or circumstances of each particular dividend.

Dividends are accounted for in accordance with Section 29 of FRS 102 on the basis of income actually receivable, without adjustment for tax credits attaching to the dividend. Dividends from overseas companies continue to be shown gross of withholding tax.

Deposit interest receivable is accounted for using the effective interest rate method in accordance with Section 11 of FRS 102.

# Notes to the Financial Statements

continued

## 2. Accounting policies continued

### (d) Income continued

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

Fixed returns on non-equity securities are recognised on a time apportionment basis. The return on a fixed interest security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security. Amounts amortised during the year are recognised in the Income Statement. Interest income is accounted for on an accruals basis.

### (e) Expenses

All expenses, including finance costs, are accounted for on an accruals basis. Expenses have been charged wholly to the revenue account of the Income Statement, except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital. Details of transaction costs on the purchases and sales of investments are disclosed in note 10 on page 96;
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and
- the investment management fee and finance costs have been allocated 75% to the capital account and 25% to the revenue account of the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio.

### (f) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

The current tax effect of different items of expenditure is allocated between capital and revenue on the marginal basis using the Company's effective rate of corporation tax for the accounting period.

Deferred taxation is recognised in respect of all timing differences at the financial reporting date, where transactions or events that result in an obligation to pay more taxation in the future or right to less taxation in the future have occurred at the balance sheet date. Deferred taxation is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the timing differences can be deducted.

### (g) Investments held at fair value through profit or loss

The Company's investments are classified as held at fair value through profit or loss in accordance with Sections 11 and 12 of FRS 102 and are managed and evaluated on a fair value basis in accordance with its investment strategy.

All investments are classified upon initial recognition as held at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. Sales are recognised at the trade date of the disposal and the proceeds are measured at fair value, which is regarded as the proceeds of the sale less any transaction costs.

The fair value of the financial investments is based on their quoted bid price at the balance sheet date on the exchange on which the investment is quoted, without deduction for the estimated future selling costs.

Unquoted investments are valued by the Directors at fair value using International Private Equity and Venture Capital Valuation Guidelines. This policy applies to all current and non-current asset investments of the Company. These guidelines are aligned with FRS 102 and, where this does not align, FRS 102 prevails.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'Gains or losses on investments held at fair value through profit or loss'. Also included within this heading are transaction costs in relation to the purchase or sale of investments.

The fair value hierarchy consists of the following three levels:

Level 1 – Quoted market prices for identical instruments in active markets.

Level 2 – Valuation techniques using observable inputs.

Level 3 – Valuation techniques using significant unobservable inputs.

#### **(h) Debtors**

Debtors include sales for future settlement, other debtors and prepayments and accrued income in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

#### **(i) Creditors**

Creditors include purchases for future settlement, interest payable, share buy back costs and accruals in the ordinary course of business. Creditors are classified as creditors – amounts falling due within one year if payment is due within one year or less. If not, they are presented as creditors – amounts falling due after more than one year.

#### **(j) Dividends payable**

Under Section 32 of FRS 102, final dividends should not be accrued in the financial statements unless they have been approved by shareholders before the balance sheet date. Dividends payable to equity shareholders are recognised in the Statement of Changes in Equity when they have been approved by shareholders and have become a liability of the Company. Interim dividends are only recognised in the financial statements in the period in which they are paid. Dividends are financed through a combination of available net income in each financial year and revenue and capital reserves.

#### **(k) Cash and cash equivalents**

Cash comprises cash in hand and demand deposits. Cash equivalents include bank overdrafts repayable on demand and short-term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

#### **(l) Foreign currency translation**

In accordance with Section 30 of FRS 102, the Company is required to determine a functional currency being the currency in which the Company predominately operates. The functional and reporting currency is US Dollars, reflecting the primary economic environment in which the Company operates. Transactions in foreign currencies are translated into US Dollars at the rates of exchange ruling on the date of the transaction. Foreign currency monetary assets and liabilities held at fair value are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Non-monetary assets held at fair value are translated into US Dollars at the rates of exchange ruling when the fair value was determined. Profits and losses thereon are recognised in the capital account of the Income Statement and taken to the capital reserve.

#### **(m) Share repurchases, share reissues and new share issues**

Shares repurchased and subsequently cancelled – share capital is reduced by the nominal value of the shares repurchased and capital redemption reserve is correspondingly increased in accordance with Section 733 of the Companies Act 2006. The full cost of the repurchase is charged to the capital reserve.

Shares repurchased and held in treasury – the full cost of the repurchase is charged to the capital redemption reserve.

Where treasury shares are subsequently re-issued:

- amounts received to the extent of the repurchase price are credited to the capital redemption reserve; and
- any surplus received in excess of the repurchase price is taken to the share premium account.

Where new shares are issued, the par value is taken to called up share capital and amounts received to the extent of any surplus received in excess of the par value are taken to the share premium account.

Share issue costs are charged to the share premium account. Costs on share reissues are charged to the capital reserve.

# Notes to the Financial Statements

continued

## 2. Accounting policies continued

### (n) Bank borrowings

Bank overdrafts are recorded as the proceeds received. Finance charges are accounted for on an accruals basis in the Income Statement using the Effective Interest Method and are added to the carrying amount of the instruments to the extent that they are not settled in the period in which they arise.

### (o) Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors do not believe that any accounting judgements or estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

## 3. Income

	2023 US\$'000	2022 US\$'000
<b>Investment income:</b>		
Overseas dividends	10,339	14,515
Overseas REIT distributions	416	421
Overseas special dividends	160	480
Fixed interest income	–	22
<b>Total investment income</b>	<b>10,915</b>	<b>15,438</b>
<b>Other income:</b>		
Deposit interest	47	21
Interest from Cash Fund	2	–
	<b>49</b>	<b>21</b>
<b>Total income</b>	<b>10,964</b>	<b>15,459</b>

Dividends and interest received in cash during the year amounted to US\$9,671,000 and US\$49,000 (2022: US\$14,413,000 and US\$45,000).

No special dividends have been recognised in capital in 2023 (2022: US\$nil).

## 4. Investment management fee

	2023			2022		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
<b>Investment management fee</b>	339	1,019	1,358	333	999	1,332

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.

## 5. Other operating expenses

	2023 US\$'000	2022 US\$'000
<b>Allocated to revenue:</b>		
Custody fees	33	35
Depository fees <sup>1</sup>	16	15
Auditor's remuneration <sup>2</sup>	58	50
Registrar's fees	40	33
Directors' emoluments <sup>3</sup>	222	231
Marketing fees	104	83
Postage and printing fees	65	45
AIC fees	2	–
Broker fees	45	38
Employer NI contributions	27	23
FCA fee	10	10
Write back of prior year expenses <sup>4</sup>	(6)	(23)
Other administration costs	108	69
	<b>724</b>	<b>609</b>
<b>Allocated to capital:</b>		
Custody transaction charges <sup>5</sup>	19	17
	<b>743</b>	<b>626</b>
The Company's ongoing charges <sup>6</sup> , calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items were:	1.28%	1.13%

<sup>1</sup> All expenses, other than depository fees, are paid in British Pound Sterling and are therefore subject to exchange rate fluctuations.

<sup>2</sup> No non-audit services were provided by the Company's Auditor.

<sup>3</sup> Further information on Directors' emoluments can be found in the Directors' Remuneration Report on pages 58 to 61. The Company has no employees.

<sup>4</sup> Relates to prior year accruals for AIC fees and other administration costs written back during the year ended 31 December 2023 (2022: postage and printing fees, broker fees and other administration costs).

<sup>5</sup> For the year ended 31 December 2023, expenses of US\$19,000 (2022: US\$17,000) were charged to the capital account of the Income Statement. These relate to transaction costs charged by the Custodian on sale and purchase trades.

<sup>6</sup> Alternative Performance Measures, see Glossary on pages 120 to 125.

## 6. Finance costs

	2023			2022		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
<b>Interest on bank overdraft</b>	88	263	351	81	243	324

Finance costs for the Company are charged 25% to the revenue account and 75% to the capital account of the Income Statement.



# Notes to the Financial Statements

continued

## 7. Taxation

### (a) Analysis of charge/(credit) in year

	2023			2022		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
<b>Current taxation</b>						
Corporation tax	583	(583)	–	247	(247)	–
Double taxation relief	(583)	583	–	(247)	247	–
Capital gains tax provision reversed (note 7(c))	–	–	–	–	(11)	(11)
	–	–	–	–	(11)	(11)
Overseas tax	846	–	846	594	–	594
<b>Total taxation charge/(credit) (note 7(b))</b>	<b>846</b>	<b>–</b>	<b>846</b>	<b>594</b>	<b>(11)</b>	<b>583</b>

### (b) Factors affecting total taxation charge/(credit) for the year

The taxation assessed for the year is lower (2022: lower) than the blended rate of corporation tax used of 23.52% (based on a rate of 19.00% up to 31 March 2023 and a rate of 25.00% from 1 April 2023) (2022: standard rate of corporation tax of 19.00%). The differences are explained below:

	2023			2022		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
Profit/(loss) on ordinary activities before taxation	9,813	44,438	54,251	14,436	(184)	14,252
Profit/(loss) on ordinary activities multiplied by blended rate of 23.52% (2022: standard rate of 19.00%)	2,308	10,452	12,760	2,743	(35)	2,708
<b>Effects of:</b>						
Capital gains not taxable	–	(10,753)	(10,753)	–	(241)	(241)
Exchange (gains)/losses not taxable	–	(5)	(5)	–	35	35
Relief for overseas tax	(583)	441	(142)	(247)	175	(72)
Income not subject to corporation tax	(1,725)	–	(1,725)	(2,496)	–	(2,496)
Overseas tax suffered	846	–	846	594	–	594
Tax losses not utilised/recognised	–	(139)	(139)	–	63	63
Capital gains tax provision reversed (note 7(c))	–	–	–	–	(11)	(11)
Disallowed expenses	–	4	4	–	3	3
<b>Total taxation charge/(credit) (note 7(a))</b>	<b>846</b>	<b>–</b>	<b>846</b>	<b>594</b>	<b>(11)</b>	<b>583</b>

### (c) Capital gains tax liability

	2023			2022		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
<b>Non-current tax liability</b>						
Balance brought forward	–	–	–	–	11	11
Capital gains tax provision reversed	–	–	–	–	(11)	(11)
<b>Balance carried forward</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

At 31 December 2023, the Company had net surplus management expenses of US\$nil (2022: US\$868,000) and a non-trade loan relationship deficit of US\$1,883,000 (2022: US\$1,606,000). A deferred tax asset has not been recognised in respect of these losses because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period. Accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus management expenses or loan relationship deficits. The estimated value of this unrecognised deferred tax asset at 31 December 2023 is US\$471,000 (2022: US\$619,000) based the corporation tax rate in effect from 1 April 2023 of 25%, as enacted by the Finance Act 2021.

## 8. Dividends

<b>Dividends paid on equity shares:</b>	<b>Record date</b>	<b>Payment date</b>	<b>2023 US\$'000</b>	<b>2022 US\$'000</b>
Quarter to 31 December 2022 – dividend of 6.29 cents	13 January 2023	8 February 2023	1,852	2,438
Year to 31 December 2022 – dividend of 13.00 cents	13 January 2023	8 February 2023	3,828	–
Quarter to 31 March 2023 – dividend of 6.21 cents	14 April 2023	16 May 2023	1,829	3,047
Quarter to 30 June 2023 – dividend of 7.54 cents	14 July 2023	11 August 2023	2,221	1,690
Quarter to 30 September 2023 – dividend of 7.02 cents	13 October 2023	9 November 2023	2,067	1,790
			<b>11,797</b>	<b>8,965</b>

The Company's dividend policy is to pay regular quarterly dividends equivalent to 1.25% of the Company's US Dollar NAV on the last working day of March, June, September and December each year, with the dividends being paid in May, August, November and February each year, respectively. For the year ending 31 December 2023, the quarterly dividends were calculated based on the Company's cum-income US Dollar NAV at the last working day of the quarter.

The Company's cum-income US Dollar NAV at 31 December 2023 as issued to the market was 644.24 cents per share, and the Directors have declared a fourth quarterly interim dividend of 8.05 cents per share. The fourth quarterly interim dividend was paid on 9 February 2024 to holders of ordinary shares on the register at the close of business on 12 January 2024.

The total dividends payable in respect of the year which form the basis of determining retained income for the purpose of Section 1158 of the Corporation Tax Act 2010 and Section 833 of the Companies Act 2006, and the amount proposed for the year ended 31 December 2023, meet the relevant requirements as set out in this legislation.

<b>Dividends paid or proposed on equity shares:</b>	<b>2023 US\$'000</b>	<b>2022 US\$'000</b>
Quarter to 31 March 2023 – 6.21 cents (2022: 7.76)	1,829	3,047
Quarter to 30 June 2023 – 7.54 cents (2022: 5.74)	2,221	1,690
Quarter to 30 September 2023 – 7.02 cents (2022: 6.08)	2,067	1,790
Quarter to 31 December 2023 – 8.05 cents <sup>1</sup> (2022: 6.29)	2,371	1,852
Year to 31 December 2023 – nil cents (2022: 13.00)	–	3,828
	<b>8,488</b>	<b>12,207</b>

<sup>1</sup> Based on 29,448,641 ordinary shares in issue at 12 January 2024.

All dividends paid or payable are distributed from the Company's distributable reserves.

# Notes to the Financial Statements

continued

## 9. Earnings and net asset value per ordinary share

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

	2023	2022
Net revenue profit attributable to ordinary shareholders (US\$'000)	8,967	13,842
Net capital profit/(loss) attributable to ordinary shareholders (US\$'000)	44,438	(173)
<b>Total profit attributable to ordinary shareholders (US\$'000)</b>	<b>53,405</b>	<b>13,669</b>
<b>Total shareholders' funds (US\$'000)</b>	<b>189,719</b>	<b>148,111</b>
<b>Earnings per share</b>		
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	29,448,641	33,373,033
The actual number of ordinary shares in issue at the year end on which the net asset value was calculated was:	29,448,641	29,448,641
Revenue earnings per share (US\$ cents) – basic and diluted	30.45	41.48
Capital earnings/(loss) per share (US\$ cents) – basic and diluted	150.90	(0.52)
<b>Total earnings per share (US\$ cents) – basic and diluted</b>	<b>181.35</b>	<b>40.96</b>
	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
Net asset value per ordinary share (US\$ cents)	644.24	502.95
Ordinary share price (US\$ cents) <sup>1</sup>	569.84	457.10

<sup>1</sup> Based on an exchange rate of US\$1.27 to £1 at 31 December 2023 and US\$1.20 to £1 at 31 December 2022.

There are no dilutive securities at the year end.

## 10. Investments held at fair value through profit or loss

	2023 US\$'000	2022 US\$'000
Overseas listed equity investments	190,875	158,149
<b>Valuation of investments at 31 December</b>	<b>190,875</b>	<b>158,149</b>
Opening book cost of equity and fixed income investments	157,988	204,909
Investment holding gains	161	7,273
<b>Opening fair value</b>	<b>158,149</b>	<b>212,182</b>
<b>Analysis of transactions made during the year:</b>		
Purchases at cost	101,573	68,406
Sales proceeds received	(114,564)	(123,697)
Gains on investments	45,717	1,258
<b>Closing fair value</b>	<b>190,875</b>	<b>158,149</b>
Closing book cost of equity investments	162,237	157,988
Closing investment holding gains	28,638	161
<b>Closing fair value</b>	<b>190,875</b>	<b>158,149</b>

The Company received US\$114,564,000 (2022: US\$123,697,000) from investments sold in the year. The book cost of these investments when they were purchased was US\$97,324,000 (2022: US\$115,327,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of investments.

Transaction costs of US\$97,000 were incurred on the acquisition of investments (2022: US\$93,000). Costs relating to the disposal of investments during the year amounted to US\$125,000 (2022: US\$119,000). All transaction costs have been included within capital reserves.

## 11. Debtors

	2023 US\$'000	2022 US\$'000
Sales for future settlement	–	6
Prepayments and accrued income	2,135	1,566
	<b>2,135</b>	<b>1,572</b>

## 12. Creditors – amounts falling due within one year

	2023 US\$'000	2022 US\$'000
Purchases for future settlement	–	61
Other payables	883	954
	<b>883</b>	<b>1,015</b>

## 13. Creditors – amounts falling due after more than one year

	2023 US\$'000	2022 US\$'000
Non-equity redeemable shares	24	24

The redeemable shares of £1 each carry the right to receive a fixed dividend at the rate of 0.1% 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.

## 14. Share capital

	Ordinary shares number	Treasury shares number	Total shares number	Nominal value US\$'000
<b>Allotted, called up and fully paid share capital comprised:</b>				
<b>Ordinary shares of 10 cents each</b>				
<b>At 31 December 2022</b>	<b>29,448,641</b>	<b>2,181,662</b>	<b>31,630,303</b>	<b>3,163</b>
<b>At 31 December 2023</b>	<b>29,448,641</b>	<b>2,181,662</b>	<b>31,630,303</b>	<b>3,163</b>

During the period to 31 December 2023, no ordinary shares were repurchased (2022: 9,810,979 shares for a total cost of US\$51,431,000) and no ordinary share were issued (2022: none).

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.

# Notes to the Financial Statements

continued

## 15. Reserves

	Share premium account US\$'000	Capital redemption reserve US\$'000	Non-distributable reserve US\$'000	Distributable Reserves		
				Capital reserve arising on investments sold US\$'000	Capital reserve arising on revaluation of investments held US\$'000	Revenue reserve US\$'000
At 31 December 2022	11,719	5,824	4,356	114,178	165	8,706
Movement during the year:						
Total comprehensive income:						
Net profit for the year	–	–	–	15,965	28,473	8,967
Transactions with owners, recorded directly to equity:						
Dividends paid during the year	–	–	–	–	–	(11,797)
<b>At 31 December 2023</b>	<b>11,719</b>	<b>5,824</b>	<b>4,356</b>	<b>130,143</b>	<b>28,638</b>	<b>5,876</b>

	Share premium account US\$'000	Capital redemption reserve US\$'000	Non-distributable reserve US\$'000	Distributable Reserves		
				Capital reserve arising on investments sold US\$'000	Capital reserve arising on revaluation of investments held US\$'000	Revenue reserve US\$'000
At 31 December 2021	11,719	4,843	4,356	158,700	7,247	3,829
Movement during the year:						
Total comprehensive income/(loss):						
Net profit/(loss) for the year	–	–	–	6,909	(7,082)	13,842
Transactions with owners, recorded directly to equity:						
Tender offer	–	–	–	(51,017)	–	–
Tender offer cost	–	–	–	(414)	–	–
Cancellation of shares	–	981	–	–	–	–
Dividends paid during the year from revenue	–	–	–	–	–	(8,965)
<b>At 31 December 2022</b>	<b>11,719</b>	<b>5,824</b>	<b>4,356</b>	<b>114,178</b>	<b>165</b>	<b>8,706</b>

The share premium account, capital redemption reserve and non-distributable reserve are not distributable reserves 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 capital reserve may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments such as dividends. In accordance with the Company's Articles of Association, capital reserves and the revenue reserve may be distributed by way of dividend. The capital reserve arising on the revaluation of investments of US\$28,638,000 (2022: gain of US\$165,000) is subject to fair value movements and may not be readily realisable at short notice, as such any gains 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.

## 16. Risk management policies and procedures

The Company's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla) for a more detailed discussion of the risks inherent in investing in the Company.



## **Risk management framework**

The following information refers to the risk management framework of the Alternative Investment Fund Manager (AIFM), however, as disclosed in the Corporate Governance Statement on pages 64 to 70 and in the Statement of Directors' Responsibilities on page 75, it is the ultimate responsibility of the Board to ensure that the Company's risks are appropriately monitored, and to the extent that elements of this are delegated to third party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of relevant agreements and taking appropriate action to the extent issues are identified.

The Directors of the AIFM review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Company's performance and risk profile during the year. The AIFM has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Company is managed within the terms of its investment guidelines and limits set out in the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at [www.blackrock.com/uk/bria](http://www.blackrock.com/uk/bria).

The AIFM is responsible for monitoring investment performance, product risk monitoring and oversight and has the responsibility for the monitoring and oversight of regulatory and operational risk for the Company. The Directors of the AIFM have appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group (RQA) which is a centralised group which performs an independent risk management function. RQA independently identifies, measures and monitors investment risk, including climate-related risk, and tracks the actual risk management practices being deployed across the Company. By breaking down the components of the process, RQA has the ability to determine if the appropriate risk management processes are in place. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The AIFM reports to the Audit Committee twice yearly on key risk metrics and risk management processes; in addition, the Depositary monitors the performance of the AIFM and reports to the Audit Committee. Any significant issues are reported to the Board as they arise.

## **Risk Exposures**

The risk exposures of the Company are set out as follows:

### **(a) Market risk**

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Company may suffer through holding market positions in financial instruments in the face of market movements.

A key metric RQA uses to measure market risk is Value-at-Risk (VaR) which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables (including other price risk, foreign currency risk and interest rate risk), unlike a traditional sensitivity analysis.

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Company will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk. It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR percentage amounts. These limitations and the nature of the VaR measure mean that the Company can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

The one day VaR as of 31 December 2023 and 31 December 2022 (based on a 99% confidence level) was 2.52% and 5.40%, respectively.

# Notes to the Financial Statements

continued

## 16. Risk management policies and procedures continued

### (a) Market risk continued

#### (i) Market risk arising from other price risk

##### Exposure to other price risk

Other 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 market prices of its investments.

The Company is exposed to market price risk arising from its equity and fixed interest investments. The movements in the prices of these investments result in movements in the performance of the Company. Other price risk sensitivity has been covered by VaR analysis under the market risk section above.

The Company's exposure to other changes in market prices at 31 December 2023 on its equity and fixed interest investments was US\$190,875,000 (2022: US\$158,149,000).

##### Management of other price risk

By diversifying the portfolio, where this is appropriate and consistent with the Company's objectives, the risk that a price change of a particular investment will have a material impact on the NAV of the Company is reduced which is in line with the investment objectives of the Company.

#### (ii) Market risk arising from foreign currency risk

##### Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency sensitivity risk has been covered by the VaR analysis under the market risk section.

The fair values of the Company's monetary items which have foreign currency exposure at 31 December 2023 and 31 December 2022 are shown below. Where the Company's equity and fixed income investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

2023

	Brazilian Real US\$'000	Canadian Dollar US\$'000	Mexican Peso US\$'000	British Pound Sterling US\$'000	Chilean Peso US\$'000
Debtors (due from brokers, withholding tax receivable, prepayments and accrued income)	428	–	–	39	–
Creditors (due to brokers and other payables)	–	–	–	(500)	–
Cash and cash equivalents	135	–	–	138	–
<b>Total foreign currency exposure on net monetary items</b>	<b>563</b>	<b>–</b>	<b>–</b>	<b>(323)</b>	<b>–</b>
Investments at fair value through profit or loss	59,306	1,733	26,865	–	4,246
<b>Total net foreign currency exposure</b>	<b>59,869</b>	<b>1,733</b>	<b>26,865</b>	<b>(323)</b>	<b>4,246</b>

	2022				
	Brazilian Real US\$'000	Canadian Dollar US\$'000	Mexican Peso US\$'000	British Pound Sterling US\$'000	Chilean Peso US\$'000
Debtors (due from brokers, withholding tax receivable, prepayments and accrued income)	115	–	6	20	–
Creditors (due to brokers and other payables)	–	–	(2)	(367)	(61)
Cash and cash equivalents	18	–	–	124	19
<b>Total foreign currency exposure on net monetary items</b>	<b>133</b>	<b>–</b>	<b>4</b>	<b>(223)</b>	<b>(42)</b>
Investments at fair value through profit or loss	41,691	–	20,854	–	4,449
<b>Total net foreign currency exposure</b>	<b>41,824</b>	<b>–</b>	<b>20,858</b>	<b>(223)</b>	<b>4,407</b>

### Management of foreign currency risk

The Investment Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board of the Company on a regular basis.

The Investment Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowing facilities are available in the form of a multi-currency overdraft facility to limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt. Derivative contracts are not used to hedge against exposure to foreign currency risk.

Consequently, the Company is exposed to risks that the exchange rate of its reporting currencies relative to other currencies may change in a manner which has an adverse effect on the value of the portion of the Company's assets which are denominated in currencies other than their own currencies.

### (iii) Market risk arising from interest rate risk

#### Exposure to interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk specifically through its cash holdings, fixed interest investments and its borrowing facilities for investment purposes. Interest rate movements may affect the level of income receivable from any cash at bank and on deposits and the level of interest payable on variable rate borrowings. The effect of interest rate changes on the earnings of the companies held within the portfolio may have a significant impact on the valuation of the Company's investments. Interest rate sensitivity risk has been covered by the VaR analysis under the market risk section.

# Notes to the Financial Statements

continued

## 16. Risk management policies and procedures continued

### (a) Market risk continued

#### (iii) Market risk arising from interest rate risk continued

##### Interest rate exposure

The exposure at 31 December 2023 and 31 December 2022 of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates – when the interest rate is due to be re-set; and
- fixed interest rates – when the financial instrument is due for repayment.

	2023			2022		
	Within one year US\$'000	More than one year US\$'000	Total US\$'000	Within one year US\$'000	More than one year US\$'000	Total US\$'000
Exposure to floating interest rates:						
– Cash and cash equivalents	274	–	274	160	–	160
– Bank overdraft	(2,658)	–	(2,658)	(10,731)	–	(10,731)
<b>Total exposure to interest rates</b>	<b>(2,384)</b>	<b>–</b>	<b>(2,384)</b>	<b>(10,571)</b>	<b>–</b>	<b>(10,571)</b>

##### Management of interest rate risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and borrowings under the multi-currency overdraft facility.

The Company finances part of its activities through borrowings at levels approved and monitored by the Board of the Company. The Company, generally, does not hold significant cash balances, with short term borrowings being used when required. Derivative contracts are not used to hedge against the exposure to interest rate risk.

Interest received on cash balances, or paid on the bank overdraft respectively, is approximately 4.90% and 5.95% per annum (2022: 1.51% and 2.59% per annum).

The Company modified all of its floating-rate financial liabilities indexed to Sterling LIBOR (see note 16c) to reference Secured Overnight Financing Rate (SOFR) during the year ended 31 December 2023. As a result, the Company's IBOR exposures to non-derivative financial liabilities as at 31 December 2023 was a multi-currency overdraft indexed to SOFR.

### (b) Counterparty credit risk

Counterparty credit risk is the risk that the issuer of a financial instrument will fail to fulfil an obligation or commitment that it has entered into with the Company.

The Company is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. Counterparty credit risk to the Company arises from transactions to purchase or sell equity investments.

The major counterparties engaged with the Company are all widely recognised and regulated entities.

There were no past due or impaired assets as of 31 December 2023 (31 December 2022: nil).

##### Depository

The Company's Depository is The Bank of New York Mellon (International) Limited (BNYM or the Depository) (S&P long-term credit rating as at 31 December 2023: AA– (2022: AA–). The Company's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNYM) as the Company's Custodian (as sub-delegated by the Depository). All of the equity, fixed interest assets and cash of the Company are held within the custodial network of the global custodian appointed by the Depository. Bankruptcy or insolvency of the Depository/Custodian may cause the Company's rights with respect to its investments held by the Depository/Custodian to be delayed or limited. The maximum exposure to this risk at 31 December 2023 is the total value of equity and fixed interest investments held with the Depository/Custodian and cash and cash equivalents in the Balance Sheet.

In accordance with the requirements of the depositary agreement, the Depositary will ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the assets of the Company. Thus in the event of insolvency or bankruptcy of the Depositary, the Company's non-cash assets are segregated and this reduces counterparty credit risk. The Company will, however, be exposed to the counterparty credit risk of the Depositary in relation to the Company's cash held by the Depositary. In the event of the insolvency or bankruptcy of the Depositary, the Company will be treated as a general creditor of the Depositary in relation to cash holdings of the Company.

### Counterparties/brokers

All transactions in listed securities are settled/paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has made payment. Payment is made on a purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk also arises on transactions with a broker in relation to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used. The Company monitors the credit rating and financial position of the broker used to further mitigate this risk.

Cash held as security by the counterparty to financial derivative contracts is subject to the credit risk of the counterparty. During the period there were no open derivative positions and therefore no cash held as security.

The following table details the total number of counterparties to which the Company is exposed, the maximum exposure to any one counterparty, the collateral held by the Company against this exposure, the total exposure to all other counterparties and the lowest long-term credit rating of any one counterparty (or its ultimate parent if unrated).

	Total number of counterparties	Maximum exposure to any one counterparty <sup>1</sup> US\$'000	Collateral held <sup>1</sup> US\$'000	Total exposure to all other counterparties <sup>1</sup> US\$'000	Lowest credit rating of any one counterparty <sup>2</sup>
31 December 2023	1	274	–	–	AA–
31 December 2022	2	160	–	6	AA–

<sup>1</sup> Calculated on a net exposure basis.

<sup>2</sup> Standard & Poor's ratings.

### Debtors

Amounts due from debtors are disclosed on the Balance Sheet as debtors.

The counterparties included in debtors are the same counterparties discussed previously under counterparty credit risk and are subject to the same scrutiny by the BlackRock RQA Counterparty and Concentration Risk (RQA CCR) team. The Company monitors the ageing of debtors to mitigate the risk of debtor balances becoming overdue.

In summary, the exposure to credit risk at 31 December 2023 and 31 December 2022 was as follows:

	2023 US\$'000	2022 US\$'000
Debtors (amounts due from brokers, prepayments and accrued income)	2,135	1,572
Cash and cash equivalents	274	160
	<b>2,409</b>	<b>1,732</b>

### Management of counterparty credit risk

Credit risk is monitored and managed by RQA CCR. The team is headed by BlackRock's Chief Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Credit Officer.



# Notes to the Financial Statements

continued

## 16. Risk management policies and procedures continued

### (b) Counterparty credit risk continued

#### Management of counterparty credit risk continued

The counterparty credit risk is managed as follows:

- transactions are only entered into with those counterparties approved by RQA CCR, with a formal review carried out for each new counterparty and with counterparties selected by RQA CCR on the basis of a number of risk mitigation criteria designed to reduce the risk to the Company of default;
- the creditworthiness of financial institutions with whom cash is held is reviewed regularly by RQA CCR; and
- RQA CCR reviews the credit standard of the Company's brokers on a periodic basis and set limits on the amount that may be due from any one broker.

The Board monitors the Company's counterparty risk by reviewing:

- the semi-annual report from the Depositary, which includes the results of periodic site visits to the Company's Custodian where controls are reviewed and tested;
- the Custodian's Service Organisation Control (SOC 1) reports which include a report by the Custodian's auditors. This report sets out any exceptions or issues noted as a result of the auditor's review of the Custodian's processes;
- the Manager's internal control reports which include a report by the Manager's auditors. This report sets out any exceptions or issues noted as a result of the auditor's review of the Manager's control processes; and
- in addition, the Depositary and the Manager report any significant breaches or issues arising to the Board as soon as these are identified.

### (c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. At the year end, the Company has an uncommitted multi-currency overdraft facility for up to US\$25 million from The Bank of New York Mellon (International) Limited (BNYM) which it utilises for short term liquidity purposes. As at 31 December 2023, \$2.7 million of this overdraft had been utilised (2022: \$10.7 million). Interest is payable at a rate per annum equal to the Secured Overnight Financing Rate (SOFR) plus 0.97%.

The overdraft facility of 29 July 2010, as amended from time to time, between the Company and BNYM was renewed on 15 September 2023, amending in particular the rate of interest applicable to each overdraft utilised.

#### Liquidity risk exposure

The undiscounted gross cash outflows of the financial liabilities as at 31 December 2023 and 31 December 2022, based on the earliest date on which payment can be required, were as follows:

	2023		2022	
	3 months or less US\$'000	More than 1 year US\$'000	3 months or less US\$'000	More than 1 year US\$'000
Current liabilities:				
Bank overdraft	(2,658)	–	(10,731)	–
Other creditors	(883)	–	(1,015)	–
	<b>(3,541)</b>	<b>–</b>	<b>(11,746)</b>	<b>–</b>

#### Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet liquidity needs. Liquidity risk is not significant as the majority of the Company's assets are investments in listed securities that are readily realisable.

The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The Investment Manager review daily forward-looking cash reports which project cash obligations. These reports allow them to manage their obligations.

For the avoidance of doubt, none of the assets of the Company are subject to special liquidity arrangements.

#### (d) 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 at bank and bank 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 to the Financial Statements on pages 90 and 91.

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 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 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 including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in the measurement of Level 3 assets or liabilities.

##### 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 as at 31 December 2023	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Equity investments	190,875	–	–	190,875
<b>Total</b>	<b>190,875</b>	<b>–</b>	<b>–</b>	<b>190,875</b>

# Notes to the Financial Statements

continued

## 16. Risk management policies and procedures continued

### (d) Valuation of financial instruments continued

#### Fair values of financial assets and financial liabilities continued

Financial assets at fair value through profit or loss as at 31 December 2022	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Equity investments	158,149	–	–	158,149
<b>Total</b>	<b>158,149</b>	<b>–</b>	<b>–</b>	<b>158,149</b>

There were no transfers between levels for financial assets and financial liabilities during the year recorded at fair value as at 31 December 2023 and 31 December 2022. The Company did not hold any Level 3 securities throughout the financial year or as at 31 December 2023 (2022: 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.

## 17. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and
- to secure long-term capital growth and an attractive total return primarily through investing in quoted securities in Latin America.

Gearing will be selectively employed with the aim of enhancing returns. The Board view that 105% of the net asset value 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. These current parameters sit within the Company's gearing policy as set out in the investment policy on pages 33 and 34 which states that net borrowings are not expected to exceed 25% of net assets under normal circumstances, and the Company's Articles of Association which limit net borrowings to 100% of capital and reserves.

The Company's total capital as at 31 December 2023 was US\$189,719,000 (2022: US\$148,111,000) comprised of equity, capital and reserves.

Under the terms of the overdraft facility agreement, the Company's total indebtedness shall at no time exceed US\$25 million or 30% of the Company's net asset value (whichever is the lowest) (2022: US\$25 million or 30% of the Company's net asset value (whichever is the lowest)).

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Manager's view on the market; and
- the need to buy back equity shares, either for cancellation or to be held in treasury, which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium).

The Company is subject to externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restrictions tests imposed on investment companies by law.

During the year, the Company complied with the externally imposed capital requirements to which it was subject.

## 18. 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 in the Directors' Report on page 51.

The investment management fee is levied quarterly, based on 0.80% per annum of the Company's daily net asset value. The investment management fee due for the year ended 31 December 2023 amounted to US\$1,358,000 (2022: US\$1,332,000), as disclosed in note 4 to the Financial Statements on page 92. At the year end, an amount of US\$383,000 was outstanding in respect of these fees (2022: US\$588,000).

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 year ended 31 December 2023 amounted to US\$104,000 excluding VAT (2022: US\$83,000). Marketing fees of US\$86,000 (2022: US\$81,000) were outstanding at 31 December 2023.

During the year, 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 31 December 2023, an amount of US\$213,000 (2022: US\$110,000) 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.

## 19. Related party disclosure

At the date of this report, the Board consists of four Non-executive Directors, all of whom are considered to be independent of the Manager by the Board.

Disclosures of the Directors' interests in the ordinary shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages 58 to 61. At 31 December 2023, an amount of US\$17,000 (2022: US\$18,000) was outstanding in respect of Directors' fees.

### Significant holdings

The following investors are:

- funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. (Related BlackRock Funds); or
- investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are as a result, considered to be related parties to the Company (Significant Investors).

#### As at 31 December 2023

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.0	20.7	1

#### As at 31 December 2022

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.7	20.7	1

## 20. Contingent liabilities

There were no contingent liabilities at 31 December 2023 (2022: none).









# Additional information



We are especially positive about the outlook for Brazil. We believe that the combination of a benign outlook for inflation and a relatively prudent fiscal policy by the government will enable the central bank to decrease interest rates faster than market participants currently expect. We expect further upside to the equity market in the next 12-18 months as local capital starts flowing back into the market.

# Shareholder information

## Financial calendar

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

<b>March/April</b>	Annual results announced.
<b>March/April</b>	Annual Report and Financial Statements published.
<b>May</b>	Annual General Meeting.
<b>September</b>	Half yearly figures to 30 June announced, and Half Yearly Financial Report published.

## Dividend timetable

	<b>Announcement date</b>	<b>Pay date</b>
First quarterly dividend	April	May
Second quarterly dividend	July	August
Third quarterly dividend	October	November
Fourth quarterly dividend	January	February

## Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. The Board has arranged for all shareholders to receive their dividends in Sterling unless they elect otherwise. Shareholders who wish to receive their dividends in US Dollars should complete and return the enclosed Currency Election Form. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC on 0370 707 1112 or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Dividend confirmations will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

## Ordinary share price

The Company's mid-market ordinary share price is quoted daily in The Financial Times and The Times under 'Investment Companies' and in The Daily Telegraph under 'Investment Trusts'. The share price is also available on the BlackRock website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

## ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic codes for the Company's shares are:

	<b>Ordinary shares</b>
ISIN	GB0005058408
SEDOL	0505840
Reuters code	BRLA.L
Bloomberg code	BRLA:LN
Ticker	BRLA/LON

## Share dealing

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. Alternatively, please go to [www.computershare.com/dealing/uk](http://www.computershare.com/dealing/uk) for a range of Dealing services made available by Computershare.

## CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

## Electronic communications

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation.

Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting [investorcentre.co.uk/ecomms](https://investorcentre.co.uk/ecomms). You will require your shareholder reference number which you will find on your share certificate or tax voucher.

You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

## Electronic proxy voting

Shareholders are able to submit their proxy votes electronically via Computershare's internet site at [eproxyappointment.com](https://eproxyappointment.com) using a unique identification PIN which will be provided with voting instructions and the Notice of Annual General Meeting.

CREST members who wish to appoint one or more proxies or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. More details are set out in the notes on the Form of Proxy and the Notice of Annual General Meeting.

## Nominee code

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

## Publication of NAV/portfolio analysis

The NAV per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

The daily NAV and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at [www.blackrock.com/uk/brla](https://www.blackrock.com/uk/brla), and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under "BLRK" on Bloomberg (monthly information only).

## Online access

Other details about the Company are also available on the BlackRock website at [www.blackrock.com/uk/brla](https://www.blackrock.com/uk/brla) and shareholders can check details of their holdings on Computershare's website at [investorcentre.co.uk](https://investorcentre.co.uk).

The financial statements and other literature are published on the BlackRock website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website, at [investorcentre.co.uk](https://investorcentre.co.uk).

# Shareholder information

continued

To access Computershare's website you will need your shareholder reference number (SRN) which can be found on communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

- **Holding enquiry** – view balances, values, history, payments and reinvestments.
- **Payments enquiry** – view your dividends and other payment types.
- **Address change** – change your registered address.
- **Bank details update** – choose to receive your dividend payment directly into your bank account instead of by cheque.
- **Outstanding payments** – reissue payments using the online replacement service.
- **Downloadable forms** – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

## Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio reduced to £1,000 from 6 April 2023 and will reduce again to £500 from 6 April 2024. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a 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 the shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries please contact a financial adviser.

## Individual savings accounts (ISAs)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion in an ISA. In the 2023/2024 and 2024/2025 tax years, investors will be able to invest up to £20,000 in Individual Savings Accounts (ISAs) either as cash or shares.

## Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. In the event of queries regarding your holding of shares, please contact the registrar on 0370 707 1112. Changes of name or address must be notified in writing to the registrar at:

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

Certain details relating to your holding can also be checked through the Computershare investor centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from either your share certificate, Form of Proxy or dividend confirmation or other electronic communications previously received from Computershare.

The address of the Computershare website is [investorcentre.co.uk](https://investorcentre.co.uk). Alternatively, please contact 0370 707 1112.

## General enquiries

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](mailto:cosec@blackrock.com)

# Analysis of ordinary shareholders

at 31 December 2023

## By type of holder

	Holdings	%	Shares	%
Individuals	356	62.24	604,589	2.05
Bank or Nominees	199	34.79	28,714,525	97.51
Investment Trust	1	0.17	32,613	0.11
Other Company	12	2.10	78,251	0.27
Pension Trust	1	0.17	1	0.00
Other Corporate Body	3	0.53	18,662	0.06
	<b>572</b>	<b>100.00</b>	<b>29,448,641</b>	<b>100.00</b>

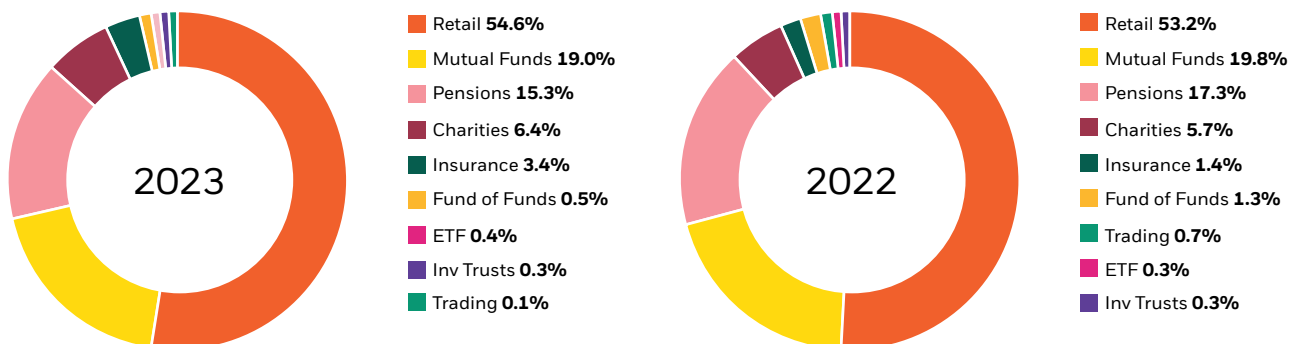
The above excludes Treasury Shares of 2,181,662.

## By size of holding

	Holdings	%	Shares	%
1 - 1,000	247	43.18	97,017	0.33
1,001 - 5,000	152	26.57	346,685	1.18
5,001 - 10,000	51	8.92	360,158	1.22
10,001 - 100,000	80	13.99	798,924	2.71
100,001 - 500,000	26	4.54	5,020,580	17.05
500,001 - 1,000,000	8	1.40	6,056,576	20.57
1,000,001 - 999,999,999	8	1.40	16,768,701	56.94
	<b>572</b>	<b>100.00</b>	<b>29,448,641</b>	<b>100.00</b>

The above excludes Treasury Share of 2,181,662.

## By style of owner<sup>1</sup>



<sup>1</sup> Source: Richard Davies Investor Relations.



# Ten year record

Year ended 31 December	Net assets attributable to ordinary shareholders US\$'000	Net asset value per ordinary share – debt at fair value cents	Ordinary share price cents <sup>1</sup>	Discount %	Revenue Return per ordinary share cents	Dividends per ordinary share cents	Effective gearing <sup>2</sup> %	Ongoing charges <sup>3</sup> %
2014	276,423	702.1	624.5	(11.1)	31.46	30.00	(2.4)	1.20
2015	180,943	459.6	408.2	(11.2)	24.10	21.00	(3.1)	1.12
2016	221,730	563.2	486.5	(13.6)	17.89	15.00	2.1	1.20
2017	279,590	710.2	622.3	(12.4)	13.03	13.00	7.8	1.11
2018	255,245	650.2	557.2	(14.3)	15.13	23.55	9.8	1.03
2019	287,444	732.2	643.2	(12.2)	18.10	34.89	6.2	1.13
2020	234,151	596.4	552.9	(7.3)	14.86	23.06	7.4	1.14
2021	194,838	496.3	461.2	(7.1)	26.10	27.56	8.9	1.14
2022	148,111	503.0	457.1	(9.1)	41.48	38.87	6.8	1.13
<b>2023</b>	<b>189,719</b>	<b>644.2</b>	<b>569.8</b>	<b>(11.5)</b>	<b>30.45</b>	<b>28.82</b>	<b>0.6</b>	<b>1.28</b>

<sup>1</sup> Share price converted from Sterling at the exchange rate prevailing on 31 December.

<sup>2</sup> Effective gearing is redeemable shares, loans, convertible bonds at par value (from 15 September 2009 to 16 October 2013), overdrafts less cash and fixed interest stocks as a percentage of net assets.

<sup>3</sup> Alternative Performance Measure, see Glossary on pages 120 to 125.

# Management and other service providers

## Registered Office

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

## Investment Manager and Secretary

BlackRock Investment Management (UK) Limited<sup>1,2</sup>  
12 Throgmorton Avenue  
London EC2N 2DL  
Telephone: 020 7743 3000  
Email: [cosec@blackrock.com](mailto:cosec@blackrock.com)

## Alternative Investment Fund Manager

BlackRock Fund Managers Limited<sup>1</sup>  
12 Throgmorton Avenue  
London EC2N 2DL  
Telephone: 020 7743 3000

## Depository

The Bank of New York Mellon (International) Limited<sup>1</sup>  
160 Queen Victoria Street  
London EC4V 4LA

## Custodian and Banker

The Bank of New York Mellon (International) Limited<sup>1</sup>  
160 Queen Victoria Street  
London EC4V 4LA

## Registrar

Computershare Investor Services PLC<sup>1</sup>  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
Telephone: 0370 707 1112

## Independent Auditor

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

## Stockbrokers

Cavendish Securities plc<sup>1</sup>  
One Bartholomew Close  
London EC1A 7BL

## Solicitors

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

<sup>1</sup> Authorised and regulated by the Financial Conduct Authority.

<sup>2</sup> 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.

# AIFM report on remuneration (unaudited)

## **Remuneration related disclosures in accordance with Article 22(2) of the AIFMD, Article 107 of the AIFMD Regulations and Section XIII of the ESMA Guidelines on sound remuneration policies under the AIFMD**

The below disclosures are made in respect of the remuneration policies of the BlackRock group ("BlackRock"), as they apply to BlackRock Fund Managers Limited (the "Manager"). The disclosures are made in accordance with the provisions in the UK implementing the Alternative Investment Fund Managers Directive (the "AIFMD"), the European Commission Delegated Regulation supplementing the AIFMD (the "Delegated Regulation") and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority.

The BlackRock AIFM Remuneration Policy (the "AIFM Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of alternative investment funds in accordance with the AIFMD, and will ensure compliance with the requirements of Annex II of the AIFMD and to UK entities within the BlackRock group authorised as a manager of a UK alternative investment fund in accordance with the UK version of the Directive.

The Manager has adopted the AIFM Remuneration Policy, a summary of which is set out below.

### **Quantitative Remuneration Disclosure**

The Manager is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year. BlackRock bases its proportionality approach on a combination of factors that it is entitled to take into account based on relevant guidelines.

Remuneration information at an individual AIF level is not readily available. Disclosures are provided in relation to: (a) the staff of the Manager; (b) staff who are senior management; (c) staff who have the ability to materially affect the risk profile of the Company; and (d) staff of companies to which portfolio management and risk management has been formally delegated.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager is included in the aggregate figures disclosed.

Members of staff and senior management of the Manager typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. Conversely, members of staff and senior management of the broader BlackRock group may provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the broader BlackRock group and of the Manager. Therefore, the figures disclosed are a sum of individuals' portion of remuneration attributable to the Manager according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager and the broader BlackRock group. Accordingly, the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded to the Manager's staff in respect of the Manager's financial year ended 31 December 2023 is US\$171.29 million. This figure is comprised of fixed remuneration of US\$98.27 million and variable remuneration of US\$73.02 million. There were a total of 3,683 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager in respect of the Manager's financial year ending 31 December 2023, to its senior management was US\$6.11 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the Manager or its funds was US\$4.20 million. These figures relate to the entire Manager and not to the Company.

# Other AIFMD disclosures (unaudited)

## Leverage

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. Consistent with its investment objectives and policy, the Company may utilise a variety of exchange traded and over-the-counter (OTC) derivative instruments such as options, futures and forward currency transactions as part of its investment policy.

The use of derivatives may expose the Company to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying bonds or equities. Leveraged derivative positions can therefore increase the Company's volatility. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject.

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing cash or securities, or leverage embedded in contracts for difference or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

Using the methodologies prescribed under the AIFMD, the leverage of the Company is disclosed in the table below:

	Commitment leverage as at 31 December	Gross leverage as at 31 December
Leverage Ratio	1.01	1.00

## Other risk disclosures

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 16 of the Notes to the Financial Statements on pages 98 to 106.

## Pre investment disclosures

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

In addition, the European Union's PRIIPs Regulation requires that a key information document (KID) also be made available to investors before they invest. The PRIIPs compliant KID can also be found on the Company's website at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

## GRAHAM VENABLES

For and on behalf of  
BlackRock Investment Management (UK) Limited  
Company Secretary  
26 March 2024

# Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the period under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (3) This provision has been deleted.

9.8.4 (4) The Company does not have any long term incentive schemes in operation.

9.8.4 (5) and (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company or any subsidiary undertaking.

9.8.4 (7), (8) and (9) The Company has not allotted any equity securities for cash in the period under review.

The Company is a stand-alone entity therefore Listing Rules 9.8.4 (8) and 9.8.4 (9) are not applicable.

9.8.4 (10) There were no contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested; or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

## **GRAHAM VENABLES**

For and on behalf of  
BlackRock Investment Management (UK) Limited  
Company Secretary  
26 March 2024



# Depository Report



The Bank of New York Mellon  
(International) Limited  
160 Queen Victoria Street  
London EC4V 4LA

T +44 (0)20 7570 1784

08 March 2024

To the Board of Directors  
BlackRock Latin American Investment Trust Plc  
12 Throgmorton Avenue,  
London  
EC2N 2DL

Dear Sir / Madam,

Re: BlackRock Latin American Investment Trust Plc

Statement of the Depository's Responsibilities in Respect of the Scheme and Report of the Depository to the Shareholders of the BlackRock Latin American Investment Trust Plc ("the Company") for the Period Ended 31 December 2023.

The Depository must ensure that the Company is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ("the Sourcebook"), the Alternative Investment Fund Managers Directive ("AIFMD") (together "the Regulations") and the Company's Articles of Association.

The Depository must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depository is responsible for the safekeeping of the assets of the Company in accordance with the Regulations.

The Depository must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the assets under management and the net asset value per share of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- that the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depository also has a duty to take reasonable care to ensure that Company is managed in accordance with the Articles of Association in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depository of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Articles of Association of the Company and as required by the AIFMD.

Yours sincerely

Colin Campbell  
Senior Manager  
The Bank of New York Mellon (International) Limited – UK Trustee & Depository

The Bank of New York Mellon (International) Limited is registered in England & Wales with Company 3236121 with its Registered Office at 160 Queen Victoria Street London EC4V 4LA. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

# 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 Annual 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.

## Annualised return with dividends reinvested\*

The annualised total return of the Company and the benchmark is their average return earned each year over a given time period, in this case over 48 months.

The inputs that have been used to calculate the annualised total return of the NAV and benchmark and outperformance of the NAV over 48 months are shown in the following table.

	Page	31 December 2023	
<b>Annualised NAV return with dividends reinvested</b>			
Closing NAV per share (cents)	96	644.24	
Add back dividends (cents)	95	119.41	
Effect of dividend reinvestment (cents)		40.81	
Adjusted closing NAV (cents)		804.46	(a)
NAV per share as at 31 December 2018 (cents)		732.15	(b)
Cumulative NAV return over 48 months ( $c = ((a - b)/b)$ ) (%)		9.9	(c)
Number of months in period		48	(d)
<b>Annualised NAV return with dividends reinvested (<math>e = ((1 + c) ^ (12/d)) - 1</math>) (%)</b>		<b>2.4</b>	<b>(e)</b>

	31 December 2023	
<b>Annualised benchmark return with dividends reinvested</b>		
Closing benchmark	639.22	(f)
Opening benchmark as at 31 December 2019	558.16	(g)
Cumulative benchmark return over 48 months ( $h = ((f - g)/g)$ ) (%)	14.52	(h)
<b>Annualised benchmark return with dividends reinvested (<math>j = ((1 + h) ^ (12/d)) - 1</math>) (%)</b>	<b>3.5</b>	<b>(j)</b>

	31 December 2023	
<b>Annualised NAV underperformance</b>		
Annualised NAV return (%)	2.4	(e)
Annualised benchmark return (%)	3.5	(j)
<b>NAV underperformance (<math>k = e - j</math>) (%)</b>	<b>(1.1)</b>	<b>(k)</b>

## 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) total return, with the performance of the benchmark index with dividends reinvested.

As at 31 December 2023, the Company's NAV return in US Dollar terms with dividends reinvested was 37.8% and the net return of the benchmark index with dividends reinvested was 32.7%, therefore the Company's outperformance of the benchmark index was 5.1%.

\*Alternative Performance Measure.

## 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 34, 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 Acts) 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 moneys 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;
- making such other adjustments (if any) as the Auditor considers appropriate.

# Glossary

continued

## 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 31 December 2023, the share price was 569.84c (2022: 457.10c) and the audited NAV per share was 644.24c (2022: 502.95c), therefore giving a discount of 11.5% (2022: 9.1%) (please see note 9 of the Financial Statements for the audited inputs to the calculations).

The average discount over three years, calculated using the Company's daily cum income NAV and share price was 10.5%.

A premium occurs when the share price (based on the mid-market 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 370c and the NAV 365c, the premium would be 1.4%.

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 or 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.

		31 December 2023 US\$'000	31 December 2022 US\$'000	
<b>Net gearing calculation</b>	<b>Page</b>			
Net assets	87	189,719	148,111	(a)
Borrowings	87	2,658	10,731	(b)
Total assets (a + b)		192,377	158,842	(c)
Current assets <sup>1</sup>	87	2,409	1,732	(d)
Current liabilities (excluding borrowings)	87	(883)	(1,015)	(e)
Net current assets/(liabilities) (d + e)		1,526	717	(f)
<b>Net gearing figure (g = (c - f)/a) (%)</b>		<b>100.6</b>	<b>106.8</b>	<b>(g)</b>

<sup>1</sup> Includes cash at bank.

The audited inputs for this calculation can be found in the Balance Sheet on page 87.

The Company's average gearing for the year, based on month end gearing figures calculated in accordance with AIC guidelines was 3.1%.

\* Alternative Performance Measure.

## Leverage

Leverage is defined in the AIFMD 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 AIFMD 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 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 9 of the Financial Statements for the audited inputs to the calculations).

NAV performance (US Dollar)	Page	31 December 2023	31 December 2022
Closing NAV per share (cents)	96	644.24	502.95
Add back quarterly dividends (cents)	95	40.06	25.79
Effect of dividend reinvestment (cents)		8.92	0.36
Adjusted closing NAV (cents)		693.22	529.10 (a)
Opening NAV per share (cents)	96	502.95	496.28 (b)
<b>NAV total return (c = ((a - b)/b)) (%)</b>		<b>37.8</b>	<b>6.6</b> (c)

Share price performance (US Dollar)	Page	31 December 2023	31 December 2022
Closing share price (cents) <sup>1</sup>	96	569.84	457.10
Add back quarterly dividends (cents)	95	40.06	25.79
Effect of dividend reinvestment (cents)		8.36	0.19
Adjusted closing share price (cents)		618.26	483.08 (a)
Opening share price (cents) <sup>1</sup>	96	457.10	461.19 (b)
<b>Share price total return (c = ((a - b)/b)) (%)</b>		<b>35.3</b>	<b>4.7</b> (c)

<sup>1</sup> Based on an exchange rate of \$1.27 to £1 at 31 December 2023 and \$1.20 to £1 at 31 December 2022.

Share price performance (Sterling)	Page	31 December 2023	31 December 2022
Closing share price (pence)	96	447.00	380.00
Add back quarterly dividends (pence)	95	32.20	20.86
Effect of dividend reinvestment (pence)		5.63	0.82
Adjusted closing share price (pence)		484.83	401.68 (a)
Opening share price (pence)	96	380.00	340.50 (b)
<b>Share price total return (c = ((a - b)/b)) (%)</b>		<b>27.6</b>	<b>18.0</b> (c)

\* Alternative Performance Measures.



# Glossary

continued

## 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). For example, as at 31 December 2023 equity shareholders' funds were worth US\$189,719,000 (2022: US\$148,111,000) and there were 29,448,641 (2022: 29,448,641) ordinary shares in issue, the NAV was therefore 644.24 cents per share (2022: 502.95c) (please see note 9 of the Notes to the Financial Statements for the audited inputs to the calculations).

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.

## Net asset value per share (capital only NAV)\*

The capital only NAV is a popular point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is also the measure adopted by the Association of Investment Companies for preparation of statistical data. It is calculated by dividing "total shareholders' funds" (excluding current period revenue) by the total number of ordinary shares in issue (excluding treasury shares).

As at 31 December 2023, equity shareholders' funds less the current year revenue return (after interim dividends paid from current year revenue) amounted to US\$186,868,000 (2022: US\$139,423,000) and there were 29,448,641 (2022: 29,448,641) ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 634.56 cents per share (2022: 473.44c).

Equity shareholders' funds (excluding current period revenue) of US\$186,868,000 (2022: US\$139,423,000) are calculated by deducting from the Company's net assets US\$189,719,000 (2022: US\$148,111,000) its current period revenue US\$8,967,000 (2022: US\$13,842,000) and adding back the interim dividends paid from revenue US\$6,116,000 (2022: US\$5,154,000).

## 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, prior year expenses written back 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:

		31 December 2023 US\$'000	31 December 2022 US\$'000
Ongoing charges calculation	Page		
Management fee	92	1,358	1,332
Other operating expenses	93	730	632
Total management fee and other operating expenses		2,088	1,964 (a)
Average daily net assets in the year		163,209	173,086 (b)
Ongoing charges (c = a/b) (%)		1.28	1.13 (c)

\*Alternative Performance Measure.

## Quoted securities 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.

## 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	31 December 2023	31 December 2022
Quarterly and special dividends paid/payable (cents) <sup>1</sup>	95	28.82	38.87 (a)
Ordinary share price (cents) <sup>2</sup>	96	569.84	457.10 (b)
<b>Yield (c=a/b) (%)</b>		<b>5.1</b>	<b>8.5 (c)</b>

<sup>1</sup> Comprising dividends declared/paid for the 12 months to 31 December.

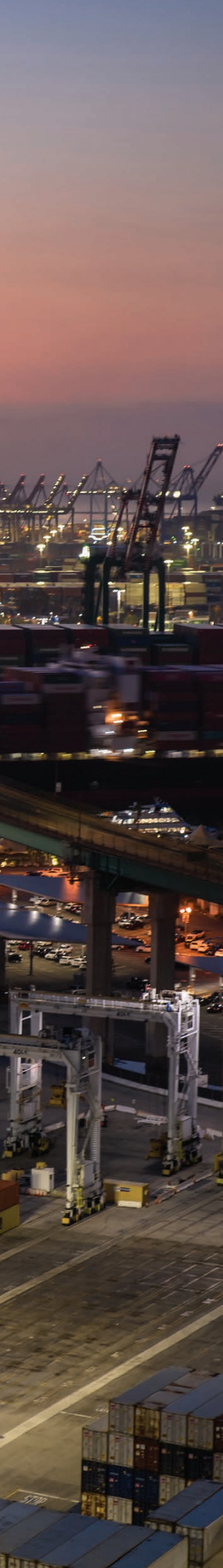
<sup>2</sup> Based on an exchange rate of US\$1.27 to £1 at 31 December 2023 and US\$1.20 to £1 at 31 December 2022.

\*Alternative Performance Measure.









# Annual general meeting



In 2023, Mexico overtook China to become the United States' largest trading partner. Port Laredo in Texas and Port of Los Angeles in California were amongst the top commercial trade gateways with Mexico. Amongst the top imports were auto parts, passenger vehicles and heavy-duty trucks.

# Notice of annual general meeting

Notice is hereby given that the Annual General Meeting of BlackRock Latin American Investment Trust plc will be held at the offices of BlackRock, 12 Throgmorton Avenue, London EC2N 2DL on 22 May 2024 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed in the case of resolutions 1 to 11, as ordinary resolutions and, in the case of resolutions 12 and 13, as special resolutions).

More information in respect of the contribution of each Director to support their re-election is given in the Directors' Report on pages 55 and 56.

## Ordinary business

1. To receive the report of the Directors and the financial statements for the year ended 31 December 2023, together with the report of the Auditor thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2023 (excluding the Directors' Remuneration Policy as set out on pages 62 and 63).
3. To approve the Company's dividend policy to pay quarterly interim dividends equal to 1.25% of the Company's NAV at close of business on the last business day of March, June, September and December.
4. To re-elect Carolan Dobson as a Director.
5. To re-elect Craig Cleland as a Director.
6. To re-elect Nigel Webber as a Director.
7. To re-elect Laurie Meister as a Director.
8. To appoint Ernst & Young LLP as Auditor of the Company until the conclusion of the next AGM of the Company.
9. To authorise the Audit Committee to determine the Auditor's remuneration.

## Special business

### Ordinary resolutions

10. That the Company should continue in being as an investment company.
11. That, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (securities) provided that, unless renewed prior to that time, such authority shall be limited to the allotment of shares and grant of rights in respect of shares with an aggregate nominal amount of up to US\$147,243.20, (representing 5% of the aggregate nominal amount of the issued share capital of the Company at the date of this notice, excluding any treasury shares), provided that this authority shall expire at the conclusion of the next AGM of the Company to be held in 2025 but so that the Company may, before such expiry, make any offer or agreement which would or might require securities to be allotted pursuant to any such offer or agreement as if the authority hereby conferred had not expired.

### Special resolutions

12. That, in substitution for all existing authorities and subject to the passing of resolution 11, the Directors of the Company be and are hereby empowered pursuant to Section 570 and 573 of the Companies Act 2006 (the Act) to allot and make offers of agreement to allot equity securities (as defined in Section 560 of the Act), and to sell equity securities held by the Company as treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority granted by resolution 11 above, as if Section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power:



- (a) shall expire at the conclusion of the next AGM of the Company to be held in 2025, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry, the Directors may allot and sell securities in pursuance of such offers or agreements;
  - (b) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury for cash up to an aggregate nominal amount of US\$147,243.20 (representing 5% of the aggregate nominal amount of the issued share capital of the Company (excluding any treasury shares) at the date of this notice); and
  - (c) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury, at a price of not less than the net asset value per share as close as practicable to the allotment or sale.
13. That, in substitution for the Company's existing authority to make market purchases of ordinary shares of 10 cents in the Company (Shares), the Company be and it is hereby authorised in accordance with Section 701 of the Companies Act 2006 (the Act) to make market purchases of Shares (within the meaning of Section 693 of the Act) provided that:
- (a) the maximum number of shares hereby authorised to be purchased is 4,414,351 ordinary shares (being the equivalent of 14.99% of the Company's issued ordinary share capital, excluding treasury shares, at the date of this notice);
  - (b) the minimum price (exclusive of expenses) which may be paid for a Share shall be 10 cents;
  - (c) the maximum price (exclusive of expenses) which may be paid for a Share shall be the higher of; (i) 5% above the average of the market values of a Share for the five business days immediately preceding the date of purchase as derived from the Daily Official List of the London Stock Exchange; and (ii) the higher of the price quoted for (a) the last independent trade of, and (b) the highest current independent bid for, any number of Shares on the trading venue where the purchase is carried out; and
  - (d) unless renewed prior to such time, the authority hereby conferred shall expire at the conclusion of the next AGM of the Company to be held in 2025 save that the Company may, prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry.

All Shares purchased pursuant to the above authority shall be either:

- (i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or
- (ii) cancelled immediately upon completion of the purchase.

By order of the Board

**GRAHAM VENABLES**

For and on behalf of  
BlackRock Investment Management (UK) Limited  
Company Secretary  
26 March 2024

Registered Office:  
12 Throgmorton Avenue  
London EC2N 2DL

# Notice of annual general meeting

continued

## Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is also entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote instead of him/her. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
2. To appoint a proxy you may use the form of proxy enclosed with this Annual Report. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by not later than 12.00 noon on 20 May 2024 (being 48 hours before the time of the meeting excluding Saturdays, Sundays and Bank Holidays). Alternatively, you can vote or appoint a proxy electronically by visiting [eproxyappointment.com](https://eproxyappointment.com). You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 12.00 noon on 20 May 2024 (being 48 hours before the time of the meeting excluding Saturdays, Sundays and Bank Holidays).
3. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](https://www.proxymity.io). Your proxy must be lodged by 12.00 noon on 20 May 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
4. Completion of the form of proxy will not prevent you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.
5. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in notes 1 to 3 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
6. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
7. Only shareholders registered in the register of members of the Company by not later than close of business two business days prior to the date fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is close of business two business days prior to the date of adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
9. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar by 12.00 noon on 20 May 2024 (being 48 hours before the time of the meeting excluding Saturdays, Sundays and Bank Holidays). Instructions on how to vote through CREST can be found by accessing the following website: [euroclear.com/CREST](https://euroclear.com/CREST). Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) by 12.00 noon on 20 May 2024 (being 48 hours before the time of the meeting excluding Saturdays, Sundays and Bank Holidays). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
12. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless; (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.  
  
Under Section 527 of the Companies Act 2006 (the Act), members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
  - (i) the audit of the Company's financial statements (including the Auditor's report and the conduct of the audit) that are to be laid before the meeting; or
  - (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual reports and financial statements were laid in accordance with Section 437 of the Act.
14. The Company may not require the members requesting any such website publication to pay its expenses in complying with Section 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on that website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.
15. Under Section 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company:
  - (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting, and/or
  - (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.
 A resolution may properly be moved or a matter may properly be included in the business unless:
  - (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
  - (b) it is defamatory of any person; or
  - (c) it is frivolous or vexatious.
 Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 10 April 2024, being the date six clear weeks before the meeting and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
16. Further information regarding the meeting which the Company is required by Section 311A of the Act to publish on a website in advance of the meeting (including this Notice), can be accessed at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).
17. As at the date of this report, the Company's issued share capital comprised 29,448,641 ordinary shares of 10 cents each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company at the date of this report is 29,448,641.
18. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

# 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](https://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](https://www.actionfraud.police.uk)

Find out more at [www.fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

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

SGN001

