

**BlackRock
Latin American
Investment
Trust plc**

Annual Report and
Financial Statements
31 December 2018

BlackRock Latin American Investment Trust plc

Investment objective

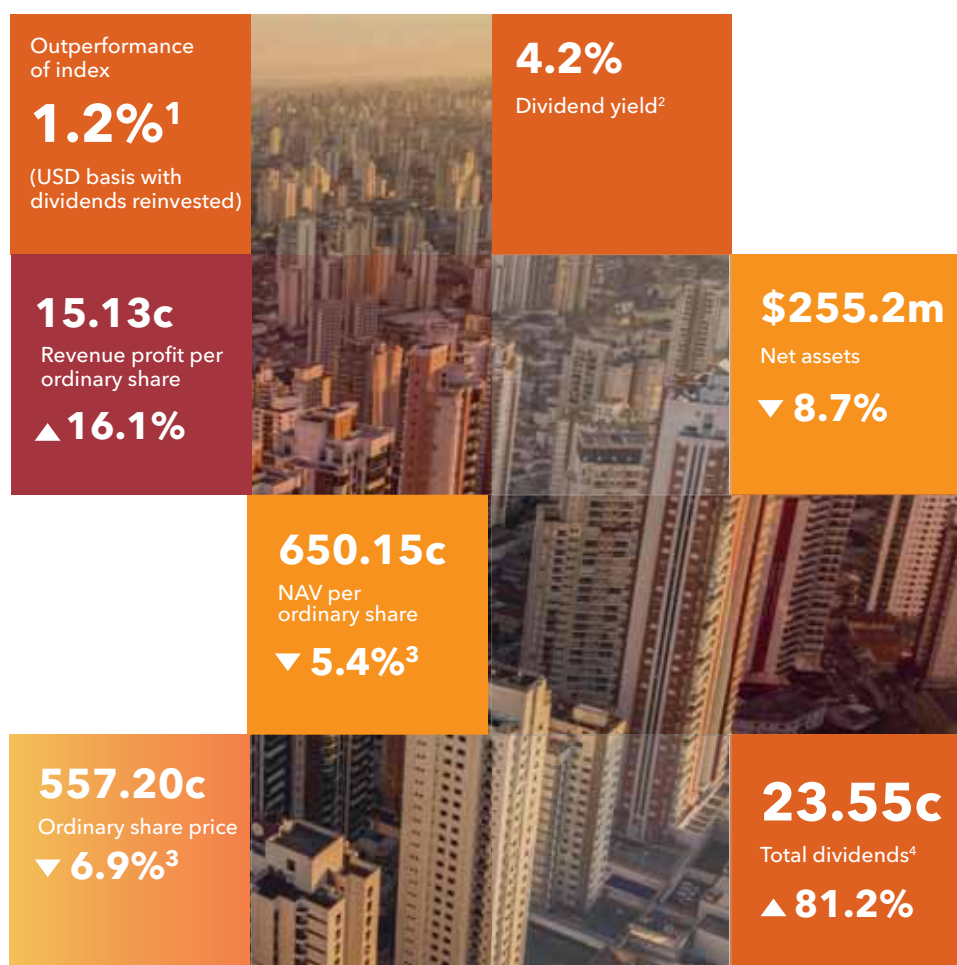
The Company's objective is to secure long term capital growth and an attractive total return primarily through investing in quoted securities in Latin America.

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 factor 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 index 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.
- BlackRock Fund Managers Limited (the Manager) is encouraged to consider appropriate investments in Latin American companies outside the index.
- 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 view that 105% of 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.
- 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.

Financial highlights

as at 31 December 2018



Percentage comparisons are year on year against 31 December 2017.

¹ Outperformance based on cum-income NAV per share calculated relative to the MSCI EM Latin America Index (Net Return) with dividends reinvested for the year ended 31 December 2018 (all in US Dollars).

² Yield calculated based on dividends announced in the last 12 months prior to the date of publication of this report and the share price as at 31 December 2018 of 557.20 cents. 2017 dividend yield based on total dividends of 13.00 cents and a share price at 31 December 2017 of 622.29 cents.

³ All calculations on a total return basis with dividends reinvested.

⁴ Comprises dividends declared in respect of the financial year to 31 December 2018 of 23.55 cents per share compared to dividends declared in respect of the financial year to 31 December 2017 of 13.00 cents per share (see page 3 for more details).

Contents

1	Overview and performance	
	Financial highlights	1
	Performance record	3
	Chairman's statement	4
	Strategic report	8
	Investment manager's report	16
20	Portfolio	
	Ten largest investments	21
	Portfolio	23
	Geographical weightings vs benchmark	25
	Sector and geographical allocations	25
26	Governance	
	Governance structure	27
	Directors' biographies	29
	Directors' report	32
	Directors' remuneration report	38
	Corporate governance statement	42
	Report of the Audit Committee	48
	Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements	52
53	Financial statements	
	Independent Auditors' report	54
	Income statement	60
	Statement of changes in equity	61
	Balance sheet	62
	Statement of cash flows	63
	Notes to the financial statements	64
84	Additional information	
	Shareholder information	85
	Analysis of ordinary shareholders	88
	Ten year record	89
	Management and other service providers	90
	AIFMD disclosures	91
	Information to be disclosed in accordance with Listing Rule 9.8.4	92
	Notice of annual general meeting	93
	Glossary	97
Share fraud warning	100	

Performance record

	31 December 2018	31 December 2017	Change %
Net assets (US\$'000)	255,245	279,590	-8.7
Net asset value per ordinary share (US cents)	650.15c	710.17c	-8.5
- with dividends reinvested			-5.4
Ordinary share price (mid-market) (US cents)*	557.20c	622.29c	-10.5
- with dividends reinvested			-6.9
Ordinary share price (mid-market) (pence)	437.50p	460.00p	-4.9
- with dividends reinvested			-1.0
Discount	14.3%	12.4%	n/a
MSCI EM Latin America Index (Net Return)**	475.18	508.61	-6.6
MSCI EM Latin America Index (Gross Return)**	6,780.50	7,231.10	-6.2

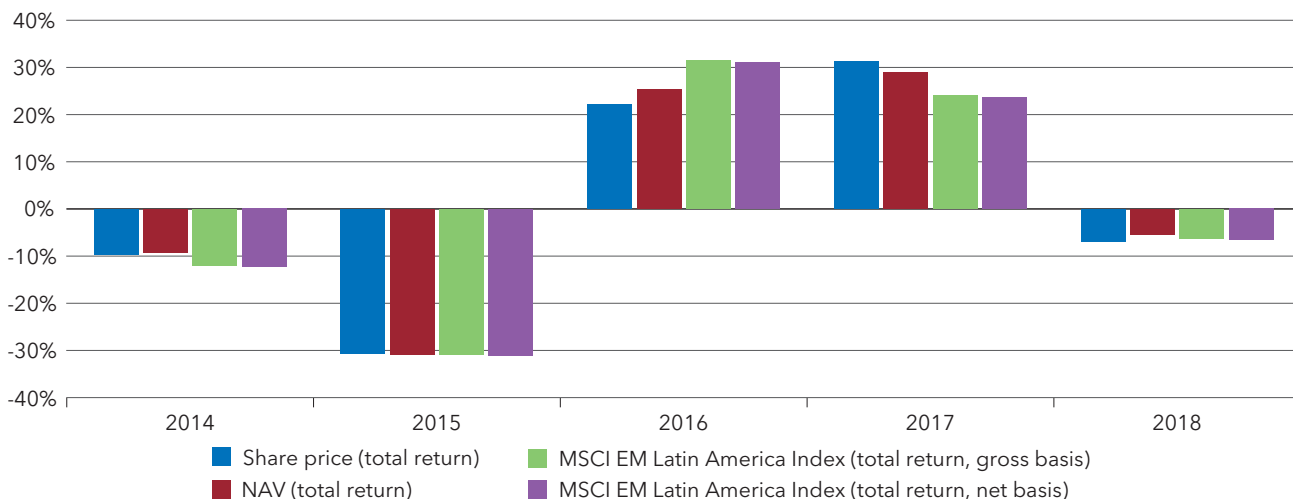
	Year ended 31 December 2018	Year ended 31 December 2017	Change %
Revenue			
Net profit after taxation (US\$'000)	5,947	5,129	+15.9
Revenue profit per ordinary share (US cents)	15.13	13.03	+16.1
Dividends declared			
First quarterly interim (US cents)	7.57	n/a	n/a
Second quarterly interim (US cents)	7.85	n/a	n/a
Third quarterly interim (US cents)	8.13	n/a	n/a
Interim (US cents)	n/a	6.00	n/a
Final (US cents)	n/a	7.00	n/a
Total dividends paid and payable (US cents)	23.55	13.00	+81.2

Source: BlackRock.

* Based on an exchange rate of \$1.2736 to £1 at 31 December 2018 and \$1.3528 to £1 at 31 December 2017.

** The Company's performance benchmark (the MSCI EM Latin America Index) may be calculated on either a Gross or a Net return basis. Net return (NR) indices calculate the reinvestment of dividends net of withholding taxes using the tax rates applicable to non-resident institutional investors, and hence give a lower total return than indices where calculations are on a Gross basis (which assumes that no withholding tax is suffered). As the Company is subject to withholding tax rates for the majority of countries in which it invests, the NR basis is felt to be the most accurate, appropriate, consistent and fair comparison for the Company. Historically the benchmark data for the Company has always been stated on a Gross basis. However going forward it is the Board's intention to monitor the Company's performance with reference to the NR version of the benchmark. For transparency both sets of benchmark data have been provided in the performance data contained in this year end financial report.

BlackRock Latin American Investment Trust plc - performance for the five years to 31 December 2018



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

Chairman's statement



CAROLAN DOBSON

Dear Shareholder

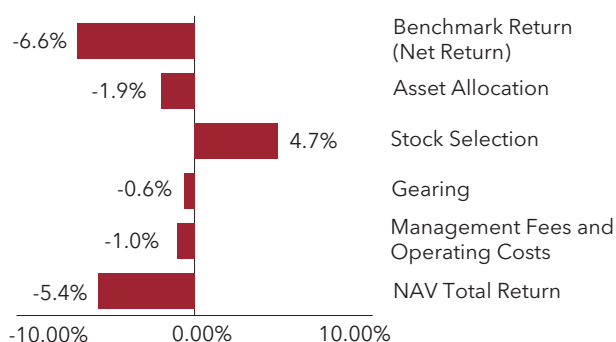
I am pleased to present the Annual Report to shareholders for the year ended 31 December 2018.

Market overview

Latin American markets were characterised by volatility in 2018, with the MSCI EM Latin America Index (net return with dividends reinvested) falling by 6.6%. Stock markets in the region's largest economy, Brazil, were marginally down over the year (-0.5%) but this masked a rollercoaster ride as markets fell by 18.6% in the first half of the year impacted by concerns over the presidential elections and the truck drivers' strike in May. The market bounced back in the second half of 2018, mainly due to the election of Jair Bolsonaro as president in October, which investors viewed in a positive light.

In Mexico, markets fell by 15.5% over the year under review due to concerns about the election of a more

Contribution to total return for the year ended 31 December 2018



BNY Mellon provide performance attribution based on a Brinson Fachler daily transactions-based methodology. This service is in line with GIPS recommendations but may not be considered to be of audit quality, however the analysis is considered to be useful management information.

Source: BNY Mellon.

¹ All calculations on a total return basis with dividends reinvested.

² Benchmark returns based on net return indices with dividends reinvested.

populist president, Andres Manuel López Obrador, and the re-negotiation of the North American Free Trade Agreement (NAFTA). These developments, combined with interest rate increases to combat persistent inflation, created a challenging climate for the domestic equity market.

Markets in the Andean region performed poorly over the year. In Colombia and Chile markets fell by 11.5% and 19.7% respectively, mainly due to commodity prices which fell on the back of concerns over Chinese growth. In Argentina the stock market also fell by over 50% in the year, with high inflation and currency weakness driving the collapse. (All percentages are total return in US Dollar terms).

On 25 January 2019, the tailings dam at Vale's Córrego do Feijão Mine dam in Brumadinho collapsed, tragically causing significant loss of life and substantial environmental damage. At the time of writing the underlying cause of the disaster is still under investigation and our managers are closely monitoring the situation. As at 28 February 2019 Vale represented 5.78% of the Company's assets.

Performance

Over the year ended 31 December 2018 the Company's net asset value per share (NAV) fell by 5.4%¹ in US Dollar terms compared to benchmark return of -6.6%. In sterling terms the NAV rose marginally by 0.6%¹ over the same period and the benchmark in sterling terms fell by 0.8%². The share price fell by 6.9%¹ in US Dollar terms (1.0%¹ in Sterling terms).

Details of the factors affecting performance are set out in the Investment Manager's Report.

Gearing

The Board's view is that 105% of 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 8 and 9 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. Average gearing for the year to 31 December 2018 was 108.7% and as at the year end the Company was geared by 108.9%.

Revenue return and dividends

Total revenue return for the year was 15.13 cents per share (2017: 13.03 cents per share). The increase was largely due to a higher level of special dividends received in the year which accounted for 2 cents per share of total revenue return (2017: 0.4 cents per share).

With effect from July 2018, and as part of the Board's overall strategy to reduce the discount at which the Company's shares trade, a new dividend policy was implemented whereby the Company would pay a regular quarterly dividend equivalent to 1.25% of the Company's US Dollar NAV at the end of each calendar quarter. The Company has paid interim dividends totalling 23.55 cents per share under this policy in respect of the year ended 31 December 2018 as detailed in the table below; this represented a yield of 4.2% based on the Company's share price at 31 December 2018. Had the policy been in place for the full 12 month period, and assuming a dividend had been paid based on 1.25% of the NAV at 31 March 2018, the yield would have been 6.0%.

Under the Company's new 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.

Discount management

The Directors continue to monitor the discount at which the ordinary shares trade to their prevailing NAV and in the year to 31 December 2018 the cum-income discount on the ordinary shares in sterling terms has averaged 14.5% and ranged between 10.8% and 20.6%.

The Board has tried to reduce this volatility by offering shareholders a discount control mechanism covering the four years to 31 December 2021 whereby shareholders are offered a tender for 24.99 per cent of the shares in issue excluding treasury shares (at a tender price reflecting the latest cum-income NAV less 2 per cent 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 2020 and 2022), 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 total return (net basis) by more than 100 basis points over the four year period from 1 January 2018 to 31 December 2021 (the Calculation Period).
- (ii) the average daily discount to the cum-income NAV exceeds 12 per cent as calculated with reference to the trading of the shares over the Calculation Period.

The making of any tender offer pursuant to the above will be conditional upon the Company having the required shareholder authority or such shareholder authority being obtained, the Company having sufficient distributable reserves to effect the repurchase and, having regard to its continuing financial requirements, sufficient cash reserves to settle the relevant transactions with shareholders, and the Company's continuing compliance with the Listing Rules and all other applicable laws and regulations. The Company may require a minimum level of participation in any such tender offer to be met, failing which the tender offer may be declared void.

Further details of the tender mechanism and shareholder continuation vote are set out in the Strategic Report on pages 9 and 10.

Share capital

As noted above, the Directors are mindful of the Company's discount to NAV. The Board monitors the Company's share rating closely, and is committed to

	Dividend	Pay date
Quarter to 30 June 2018	7.57 cents	23 August 2018
Quarter to 30 September 2018	7.85 cents	9 November 2018
Quarter to 31 December 2018	8.13 cents	8 February 2019
Total	23.55 cents	

Chairman's statement continued

making share purchases where appropriate to manage the discount. During the financial year ended 31 December 2018, the Company bought back 110,000 ordinary shares at an average price of 443.31 pence per share and at an average discount of 12.5% representing total consideration of £487,687. The Company has not bought back any shares since 31 December 2018 up to the close of business on 27 March 2019.

The Company did not issue any shares during the year or since the year end.

Portfolio manager

The Board announced on 24 December 2018 that Will Landers, the Company's portfolio manager, was leaving BlackRock as were two analysts based in São Paulo and that Sam Vecht and Ed Kuczma would take over responsibility for managing the portfolio with immediate effect subject to a formal Board review at a later date. The Board subsequently held several meetings with Sam and Ed and also Belinda Boa, Head of Emerging Markets at BlackRock, to discuss how the portfolio will be managed and its future risk and reward characteristics. The Board was encouraged by these discussions and the feedback they received from shareholders and confirmed Sam and Ed's appointment as the Company's co-managers. Sam is a Managing Director in BlackRock's Global Emerging Markets Equities team. He joined Merrill Lynch Investment Managers (MLIM) (which merged with BlackRock in 2006) in 2000 and has managed a number of UK investment trusts since 2004. He has been portfolio manager for BlackRock Emerging Markets Equity Strategies Fund since September 2015, and BlackRock Frontiers Investment Trust plc since 2010, both of which have invested in the Latin American region since launch.

Ed joined BlackRock in 2015 as a senior research analyst on the Latin American equity team from Morgan Stanley Investment Management where he covered emerging market equities, with a primary focus on Latin America and has 15 years of investment experience across all sectors and countries in Latin America.

Board composition

Mr Monteiro de Castro informed the Board last year that it was his intention to step down as a Director of the Company on 31 March 2019 after 11 years of service. I would like to take this opportunity to express the Board's gratitude to Mr Monteiro de Castro for his invaluable contribution to the success of the Company during his tenure and to wish him well for the future.

The Board having carefully considered the composition of the Board and the need to ensure that a suitable balance of skills, knowledge, experience, independence and diversity was maintained, undertook a search and selection process to identify a new Director. Following a thorough and detailed search, I am delighted to welcome Mr Craig Cleland to the Board and who will take over as Chair of the Audit Committee following the retirement of Mr Monteiro de Castro on 31 March 2019. Mr Cleland is Head of Corporate Development/Investment Trusts at CQS (UK) LLP, a multi-asset management firm in London with a focus on credit markets, where his responsibilities include advising and developing the closed-end fund business. He was previously at JPMorgan Asset Management (UK) Limited, latterly as Managing Director, and led their technical groups in the investment trust business and has a wealth of experience in the investment trust sector. Mr Cleland will stand for election at the

Brazil remains the portfolio's largest overweight country position, based on positive expectations for the incoming administration under Jair Bolsonaro, and in particular the continuation of the reform program initiated in 2017.



forthcoming Annual General Meeting. Further details of Mr Cleland's background and the biographies of all the Directors can be found on pages 29 to 31. Information on the recruitment and selection process undertaken and details of the Board's policy on director tenure and succession planning can be found in the Directors' Report on page 34.

Mr Whitehead had also notified the Board of his intention to step down at the AGM in 2019 after 15 years of service, but at the beginning of this year the Board asked him to delay his retirement to the end of 2019 to allow more continuity on the Board as the new portfolio managers settle in. In the autumn the Board will conduct a search and selection process to recruit a replacement director.

In accordance with best practice and developing corporate governance, the Directors have agreed to submit themselves to annual re-election. Therefore all Directors (with the exception of Mr Monteiro de Castro) will retire and stand for re-election (or, in the case of Mr Cleland, for election) at the forthcoming AGM.

Corporate governance and socially responsible investing

Although investment trusts do not employ staff and accordingly have no direct impact on social matters, they can be significant investors in the economies of the regions in which they invest. The Board believes that it is important to invest in companies whose boards act responsibly in respect of environmental, ethical and social issues, and has engaged a Manager with a disciplined approach to corporate governance and the resources to implement this on a global basis. BlackRock is one of the world's leading asset management firms and has a rigorous approach to corporate governance with the BlackRock Investment Stewardship team responsible for protecting and enhancing the value of clients' assets through engagement with companies to encourage business and management practices that support sustainable financial performance over the long-term. This specialist team is a centralised resource for portfolio managers and provides insight on environmental, social and governance (ESG) considerations. This overlay approach ensures that BlackRock can most effectively use its voice as a long-term, actively engaged shareholder to protect the economic interests of its clients. The BlackRock Investment Stewardship team takes a regional approach to engagement in the context of globally consistent principles and is based in the US, UK, Japan, Hong Kong and Singapore. Regional advisory committees of investment colleagues help inform the team's work and establish a shareholder

value framework for the team's engagements and policy development. Additional information on the Manager's approach to socially responsible investing can be found at <https://www.blackrock.com/corporate/about-us/investment-stewardship> and is also given in the Corporate Governance Statement on page 46 and the Manager's policy on the exercise of voting rights attached to the Company's portfolios disclosed in the Directors' Report on page 34.

Annual general meeting

The AGM will be held at 12.00 noon on 15 May 2019 at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL. We hope that as many shareholders as possible will attend. Following the AGM there will be a presentation by Sam Vecht and Ed Kuczma, the co-portfolio managers, on the outlook for the year ahead and an opportunity to meet Sam, Ed and the Directors.

Outlook

Our portfolio managers are positive about the prospects for Brazil, which remains the portfolio's largest overweight country position. This is based on expectations for the incoming administration under newly elected President Jair Bolsonaro, and in particular the continuation of the reform programme initiated in 2017. The portfolio managers have also recently added to Mexico on a selective basis. The portfolio has a lower than benchmark exposure to the Andean region where economic growth has been disappointing. The portfolio managers have a positive view on (and an overweight position in) Argentina, where the sell-off in 2018 has left stocks trading at attractive valuations with some interesting investment opportunities.

CAROLAN DOBSON

Chairman
28 March 2019

Strategic report

The Directors present the Strategic Report of the Company for the year ended 31 December 2018.

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

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.

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) 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 Investment 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 Registrars, Computershare Investor Services PLC.

Prior to 1 November 2017, the entity appointed as the Company's Depositary was BNY Mellon Trust & Depositary (UK) Limited. Details of the contractual terms with these service providers are set out in the Directors' Report on pages 32 and 33.

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 return with dividends reinvested) 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.

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 but the Investment Manager is not constrained from investing outside the index. For Brazil, Mexico, Chile, Argentina, Peru, Colombia and Venezuela, the portfolio weighting is limited to plus or minus 20 percent of the index weighting for each of those countries. For all other Latin American countries the limit is plus or minus 10 percent of the index weighting. 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.

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.

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 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. 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.

Discount management

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 Company has in place a discount control policy for the four year period from 1 January 2018 to 31 December 2021 as set out in detail on pages 5 and 6 of the Chairman's Statement. The new discount control mechanism will be a tender for 24.99% of the shares in issue excluding treasury shares (at a tender



Strategic report continued

price reflecting the latest cum-income NAV less 2% and related portfolio realisation costs) subject to the Company not meeting either a performance target or an average discount target over the period. Full details of these targets are set out within the Chairman's Statement on pages 5 and 6. The tender will also be conditional on the passing of the biennial continuation votes at the AGMs in 2020 and 2022.

Performance

Details of the Company's performance are set out in the Chairman's Statement on page 4.

The Investment Manager's Report on pages 16 to 19 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 are provided on pages 23 to 25.

Results and dividends

The results for the Company are set out in the Income Statement on page 60. The total loss for the year on ordinary activities, after taxation, was US\$14,877,000 (2017: profit of US\$63,765,000) of which the revenue profit amounted to US\$5,947,000 (2017: US\$5,129,000), and the capital loss amounted to US\$20,824,000 (2017: profit of US\$58,636,000).

With effect from July 2018, a new dividend policy was implemented 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 Company has declared interim dividends totalling 23.55 cents per share under this policy in respect of the year ended 31 December 2018 as detailed in the table below.

	Dividend	Pay date
Quarter to 30 June 2018	7.57 cents	23 August 2018
Quarter to 30 September 2018	7.85 cents	9 November 2018
Quarter to 31 December 2018	8.13 cents	8 February 2019
Total	23.55 cents	

Under the Company's new 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.

Details of this policy are also set out in the Chairman's Statement on page 5.

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.

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 3 and the Chairman's Statement and Investment Manager's Report on pages 4 to 7 and 16 to 19 respectively.

Premium/discount to NAV

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 2018, the Company's share price to NAV traded in the range of a discount of 10.8% to 20.6% on a cum-income basis.

110,000 shares were repurchased and held in treasury during the year.

Further details setting out how the discount or premium at which the Company's shares trade is calculated is included in the Glossary on pages 97 and 98.

Ongoing charges

The ongoing charges represent the Company's management fee and all other recurring operating and investment management expenses, excluding finance costs, transaction costs and taxation expressed as a percentage of average 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 page 98.

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, IFAs and direct private investors. On this basis the Company's share register currently comprises 32.8% retail investors; the Board will monitor this with the aim of growing the retail element of the register over time.

	Year ended 31 December 2018	Year ended 31 December 2017
Net asset value total return ^{1,2}	-5.4%	+29.0%
Share price total return ^{1,2}	-6.9%	+31.3%
Benchmark total return (net) ¹	-6.6%	+23.7%
Benchmark total return (gross) ¹	-6.2%	+24.2%
Discount to net asset value ²	14.3%	12.4%
Revenue return per share - basic (cents)	15.13	13.03
Ongoing charges ^{2,3}	1.03%	1.11%
Retail element of share register	32.8%	33.9%

¹ Calculated in US Dollar terms with dividends reinvested.

² Further details of the calculation methodology are given in the Glossary on pages 97 and 98.

³ Ongoing charges, calculated as a percentage of average shareholders' funds and using expenses, excluding finance costs, transaction costs and taxation expressed as a percentage of average net assets.

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 assess and monitor these risks. A core element of this 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, 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, the Audit Committee periodically receives presentations from BlackRock's Internal Audit and Risk & Quantitative Analysis teams. Where produced, the Audit Committee also reviews Service Organisation Control (SOC 1) reports from the Company's service providers.

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

Principal Risk	Mitigation/Control
<p>Counterparty Potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.</p>	<p>Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties.</p> <p>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.</p>
<p>Investment performance Returns achieved are reliant primarily upon the performance of the portfolio.</p> <p>The Board is responsible for:</p> <ul style="list-style-type: none"> deciding the investment strategy to fulfil the Company's objective; and for monitoring the performance of the Investment Manager and the implementation of the investment strategy. <p>An inappropriate investment strategy may lead to:</p> <ul style="list-style-type: none"> poor performance compared to the benchmark index and the Company's peer group; a loss of capital; and dissatisfied shareholders. 	<p>To manage this risk the Board:</p> <ul style="list-style-type: none"> 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.
<p>Income/dividend The Company's dividend policy is to pay dividends based on 1.25% of 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.</p> <p>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.</p>	<p>The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting.</p> <p>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 \$230,183,000 at 31 December 2018.</p> <p>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.</p> <p>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.</p>

Principal Risk	Mitigation/Control
<p>Legal and regulatory compliance</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 and Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.</p>	<p>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.</p> <p>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.</p> <p>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 of this Directive 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.</p> <p>The Market Abuse Regulation came into force across the EU on 3 July 2016. The Board has taken steps to ensure that individual Directors (and their Persons Closely Associated) are aware of their obligations under the regulation and has updated internal processes, where necessary, to ensure the risk of non-compliance is effectively mitigated.</p>
<p>Operational</p> <p>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 Depository and Fund Accountant) who maintain the Company's assets, dealing procedures and accounting records. 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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>The Company's assets are subject to a strict liability regime and in the event of a loss of financial assets held in custody, the Depository 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.</p> <p>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.</p>

Strategic report continued

Principal Risk	Mitigation/Control
<p>Market 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, political and currency risks due to the location of the operation of the businesses in which the Company may invest. Shares in businesses in which the Company invests can prove volatile and this may be reflected in the Company's share price. 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.</p> <p>Market risk includes the potential impact of events which are outside the scope of the Company's control, such as the UK's decision to leave the European Union.</p>	<p>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.</p> <p>The Board monitors the implementation and results of the investment process with the Investment Manager.</p>
<p>Financial The Company's investment activities expose it to a variety of financial risks that include interest rate, currency and liquidity risk.</p>	<p>Details of these risks are disclosed in note 16 to the financial statements, together with a summary of the policies for managing these risks.</p>
<p>Marketing 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.</p>	<p>The Board focuses significant time on communicating directly with the major shareholders and reviewing marketing strategy and initiatives.</p> <p>All investment trust marketing documents are subject to appropriate review and authorisation.</p>

As required by the UK Corporate Governance Code, the Board has undertaken a robust assessment of the principal 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 above table together with an explanation of how they are managed and mitigated. The Board will continue to assess these risks on an ongoing basis.

Viability statement

In accordance with provision C.2.2 of the 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 in 2020, and the Board proposes to offer a tender for 24.99% of the Company's ordinary shares in issue (excluding treasury shares) at the AGM in 2022 if certain conditions are met. The outcome of these events are unknown at the present time, however, 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 2023.

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

- the Company has a relatively liquid portfolio (as at 31 December 2018, 100% of the portfolio was estimated as being capable of being liquidated within 20 days);
- the Company's expenses and liabilities are relatively stable;
- the Company's business model should remain attractive for much longer than the period up to the AGM in 2023, unless there is a significant economic or regulatory change;
- the Company's principal risks and uncertainties as set out above are unlikely to change materially;
- the impact of a significant fall in Latin American markets on the value of the Company's investment portfolio;

- the ongoing relevance of the Company's investment objective, business model and investment policy in the current environment; and
- the level of demand for the Company's shares.

The Directors 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 page 46.

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 2018, all of whom held office throughout the year, are set out in the governance structure and Directors' biographies on pages 29 to 31.

With effect from 1 January 2019 the Board will consist of 4 men and 2 women, moving to 3 men and 2 women from March 2019.

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

The Chairman's Statement on pages 4 to 7, along with the Investment Manager's Report and portfolio analysis on pages 16 to 25 form part of the Strategic Report.

The Strategic Report was approved by the Board at its meeting on 28 March 2019.

By order of the Board

SARAH BEYNSBERGER

For and on behalf of

BlackRock Investment Management (UK) Limited

Company Secretary

28 March 2019

Investment manager's report



SAM VECHT



ED KUCZMA

Market overview

Latin American performance was volatile throughout 2018, ending the year down 6.6% (net return with dividends reinvested) in USD terms, making it the top performing region within the broader emerging markets complex, which was down 14.6% over the same period. Intraregional performance was quite diverse, driven by a mixture of domestic politics and negative sentiment felt across all emerging market regions. Brazil (-0.5%), the region's largest economy, was subject to shifts in market sentiment for the entirety of the period. Whilst January was very strong with indices and flows hitting recent highs,

sentiment quickly tailed off, following a sharp correction in the US. Despite improved confidence, falling inflation and further central bank rate cuts in the beginning of the year, Brazil declined 18.6% by the end of the first half of 2018, as volatility spiked following the May truckers' strike and uncertainty surrounding presidential elections grew. Brazil recovered sharply in the second half of the year primarily due to the election of Jair Bolsonaro on 28 October. On this note, Brazil's performance resisted the sharp deterioration in global equities through the fourth quarter of 2018, with Brazilian currency movements responsible for about 50% of equity gains in USD. While data for the year was mixed, signs of an economic rebound persist.

Mexico (-15.5%) was plagued by stubborn inflation, leading to a hawkish Central Bank earlier in the period, while complexity surrounding NAFTA negotiations continued to put pressure on the currency. Although the market showed resiliency in the second quarter with uncertainty surrounding the presidential race declining, volatility picked up following the cancellation of the partially built new airport in Mexico City (the NAIM project) and increased concerns over how President López Obrador's administration will try to pass policy following the transition period into 2019. Performance

Rumo - rail operator - initially a concession renewal story, the stock has shifted into a true growth story as their recently improved operations now have some clear potential tailwinds as we expect to see a shift from truck to rail transport and potential for capex deployment (as there is demand to increase capacity of some of their concessions).



in Colombia (-11.5%) and Chile (-19.7%), was primarily dictated by commodity prices, which continued a downward trend into year-end, fuelled by concerns over Chinese growth.

Peru (+1.6%) was the top performer in 2018, and was the only country in the region to end in positive territory.

The Company's strong overweight to and selection within Brazil was the primary contributor to returns as the market there rallied strongly following a positive election outcome in October.

Argentina was at the opposite end of the spectrum, with markets declining 50.8% in 2018. A persistently strong US Dollar and elevated inflation led to a collapse of both the equity and FX markets in June. Central Bank missteps to combat rising inflation, led to an initial \$50bn Stand-By Arrangement with the IMF to help support the currency. Investors remained unconvinced of the government's economic plan leading to persistent outflows through the second half of 2018, with the exception of a short lived relief rally in the third quarter following August lows.

Portfolio review

During the year, the Company posted a 5.4%¹ decline in its NAV, while its share price decreased by 6.9%¹. This resulted in the NAV outperformance of its benchmark, the MSCI EM Latin America Index, which returned -6.2%¹ on a gross return basis and -6.6%¹ on a net return basis over the same time period.

The Company's strong overweight to and selection within Brazil was the primary contributor to returns as the market there rallied strongly following a positive election outcome in October and attention focused on the formation of the new government. Large-cap macro



We continue to maintain an off-benchmark allocation to Argentina through software exporter, Globant, which benefitted from persistent pressure on the currency.

¹ All calculations in US Dollar terms with dividends reinvested.

Investment manager's report continued

proxies such as lender, Banco Bradesco, were among the top contributors amid continued optimism surrounding an economic recovery. Consumption oriented names also performed well. Digital retailer, B2W CIA Digital, has been able to maintain progression and positive cash flow generation on its third party marketplace, while Linx has benefitted from an increased demand for payment software solutions. Budget airline operator, Azul, also posted stronger performance, benefitting from stronger than expected traffic volumes and oil price weakness later in the period. The Company's overweight to Chile was also additive to relative performance amid commodity price declines in the second half of 2018. On the other hand, the Company's off-benchmark exposure to Argentina was the largest detractor to performance. Lenders, Supervielle and Galicia, were among the most affected names as the equity and FX markets were unable to find a floor, despite appropriate measures taken by the government to suppress investor concerns over runaway inflation. Cement producer, Loma Negra, also posted heavy declines as domestic growth slowed. An underweight to Colombia weighed on returns as the oil dependent market surged early in the period, moving alongside oil price strength. The Company's leverage facility and implied 105% gross notional, neutral level amplified underperformance to the benchmark.

(SOEs) in Brazil given significant underperformance, attractive valuation, and our continued belief that the October election would elect a government committed to the current economic reform process. At that time we trimmed exposure to off-benchmark Argentina as tough fiscal and CPI (Consumer Price Index) targets associated with the International Monetary Fund (IMF) Stand-By Agreement are likely to result in lower growth. We continue to maintain an off-benchmark allocation to Argentina through software exporter, Globant, which benefitted from persistent pressure on the currency. We continued to add to our Brazil overweight following a positive election result, primarily topping up on existing positions in macro sensitive financials. On the other hand we have remained cautious on Mexico amid increased political uncertainty, maintaining a neutral position. We have been active in taking profits across our positions and redeploying capital on market dips. Most recently we have also trimmed exposure across the resource sectors. The Company ended the period being overweight Brazil, while being underweight Chile, Peru, Colombia, and neutral Mexico. At the sector level, we remain overweight the domestic consumer, while being underweight consumer staples and utilities.

Brazil remains our largest overweight, given our positive expectations for the incoming administration.

Portfolio positioning

We notably shifted risk into Mexico, bringing our exposure to a more neutral position. We increased some exposure to Chile, predominantly through mining names, while exiting our Peruvian exposure as we found better prospects elsewhere. Following a severe correction in the Brazilian market over the summer, due to a combination of inflation concerns stemming from the May truckers' strike and spill over effects of Argentina's peso crisis, we added to underperforming State Owned Enterprises

In determining portfolio construction, focus is given to the four 'C's, namely; Commodities, Currency, Consumption and Credit. More detail is given in the chart below.

The four "C"s of Latin America portfolio construction



Commodities

- Moderation in global growth outlook, led by China.
- Improving supply discipline favours energy sector.
- Improving economic cycle in Brazil allows for exposure to Brazilian steel stocks.
- No exposure to Mexican mining companies due to regulatory concerns.



Currencies

- Outlook for appreciation in the Brazilian real and stabilization in the Argentinian peso leads to above benchmark exposure to Brazil and Argentina.
- Uncertainty on the Mexican peso leads to neutral Mexico positioning.
- Pressure expected on currencies in Chile and Peru.



Consumption

- Historically low interest rates, moderate inflation and improving unemployment make Brazilian consumer stocks attractive.
- The new Mexican administration's social programmes should support positions in Mexican beverage companies, convenience stores and hypermarkets.
- The portfolio reflects a structural shift to e-commerce at the expense of department stores and shopping malls.



Credit

- The low level of household and corporate indebtedness allows for supportive loan growth and low level of delinquency for the Brazilian bank sector.
- Lower economic activity and expensive valuations have precluded exposure to Chilean banks.
- Emphasis on financial inclusion and improving credit penetration offset policy fears in Mexico.

Outlook

Brazil remains our largest overweight, given our positive expectations for the incoming administration. So far newly elected President Jair Bolsonaro has delivered on his campaign promises, looking to reduce the size of government by initially reducing the number of ministries, naming sector/subject experts to lead cabinets, and pointing to a continuation of the reform process initiated two years ago. Meanwhile, the outlook for upcoming corporate results points to a continuation in the economic recovery, providing strong momentum for growth into 2019. Elsewhere, the cancellation of the NAIM airport project reminded markets of the concerns regarding increasing populism for the incoming administration

in Mexico, reiterating our cautiousness with Mexican equities. We remain underweight in the Andean region due to a combination of unattractive valuation and disappointing growth. Finally, the dramatic sell off in Argentina in 2018 leaves the stocks trading at attractive valuations while interest rates and FX have mostly stabilised providing a foundation for the economy to rebound from recent downturn.

Sam Vecht & Ed Kuczma

BlackRock Investment Management Limited
28 March 2019

Portfolio



B2W - digital retail platform - the company's past investments have allowed for a powerful platform integrating technology, logistics, distribution, customer service and payments, allowing them to maintain a competitive edge in the region.

Ten largest investments

1



2



3



4



5



6



7



8



9



10



Ten largest investments continued

1 ▲ 2017 3rd 

Banco Bradesco

Bank

ADR \$ 25,662,000

Share of portfolio % 9.2

The company is Brazil's second largest private sector bank. Having suffered no major setbacks during the recessionary period from 2015 to mid-2017, we believe Brazil's private banks are well capitalised and ready to benefit from the on-going economic recovery.

2 ► 2017 2nd 


Itaú Unibanco

Bank

ADR \$ 24,993,000

Share of portfolio % 9.0

The company is Brazil's largest private sector bank. Having suffered no major setbacks during the recessionary period from 2015 to mid-2017, we believe Brazil's private banks are well capitalised and ready to benefit from the on-going economic recovery.

3 ▲ 2017 4th 

Petrobrás

Integrated oil company

Preference shares ADR \$ 14,475,000

ADR \$ 10,400,000

Share of portfolio % 8.9

Petrobrás is Brazil's vertically integrated oil company. Since 2016, management has been successful in instituting a transparent pricing policy for gasoline diesel, initiating a divestiture program of non-core assets, and reducing the company's leverage.

4 ▼ 2017 1st 

Vale

Diversified mining company

ADS \$ 24,072,000

Share of portfolio % 8.7

The company is the world's largest and lowest cash cost producer of iron ore and is positioned to benefit from a tight iron ore market and growth in demand from Chinese steel makers (see Chairman's Statement on page 4 for further comment).

5 ► 2017 5th 

América Movil

Telecommunications

ADR \$ 13,386,000

Share of portfolio % 4.8

The company is Latin America's largest telecommunications provider. The company has been benefitting from a more benign regulatory and competitive environment since 2017 - we expect this to continue.

6 ▲ 2017 7th 

Femsa

Retail group

ADR \$ 9,884,000

Share of portfolio % 3.6

The Mexican holding company that provides an investment vehicle to Mexico's domestic retail market via its controlling interest in Coca-Cola's largest independent bottler, Coca-Cola Femsa, Mexico's fastest growing retailing chain, Oxxo, which has over 20,000 convenience stores throughout Mexico and a 12% stake in global brewer Heineken.

7 ▲ 2017 12th 

Lojas Renner

Retailer

Equity \$ 8,750,000

Share of portfolio % 3.1

The company is the largest department stores clothing company in Brazil with over 500 stores across the country.

8 ▲ 2017 10th 


Grupo Financiero Banorte

Bank

Equity \$ 8,487,000

Share of portfolio % 3.1

The company is Mexico's leading domestically-owned bank. Mexico has one of the lowest credit penetration rates in the region, offering Banorte a significant growth driver. The announced merger with Interacciones should be accretive to shareholders starting already in 2018.

9 ▼ 2017 8th 

B3

Financial Services Company

Equity \$ 8,441,000

Share of portfolio % 3.0

The company is one of the world's largest financial market infrastructure providers by market value. The services it offers range from exchange trading, clearing and other post-trade services to registration of over-the-counter (OTC) transactions and of vehicle and real estate loans.

10 ▲ 2017 15th 

Walmart de México y Centroamérica

Retailer

Equity \$ 7,678,000

Share of portfolio % 2.8

The company is the Mexican and Central American division of the supermarket chain Walmart, with over 2,000 retail units across the region.

All percentages reflect the value of the holding as a percentage of total investments. Together, the ten largest investments represent 56.2% of the total investments (ten largest investments as at 31 December 2017: 50.8%).

Portfolio

as at 31 December 2018

	Market value	% of investments
	US\$'000	
Brazil		
Banco Bradesco - ADR	25,662	9.2
Itaú Unibanco - ADR	24,993	9.0
Petrobrás - preference shares - ADR	14,475	8.9
Petrobrás - ADR	10,400	
Vale - ADS	24,072	8.7
Lojas Renner	8,750	3.1
B3	8,441	3.0
Rumo Logística Operada Multimodal	6,314	2.3
Banco do Brasil	6,238	2.2
Localiza Rent a Car	5,353	1.9
Lojas Americanas	5,070	1.8
Gerdau - preference shares	2,484	1.8
Gerdau - ADR	2,438	
BB Seguridade Participações	4,770	1.7
Suzano Papel e Celulose	4,412	1.6
WEG	4,184	1.5
CBD	4,147	1.5
B2W CIA Digital	3,784	1.4
Linx	3,765	1.4
Companhia Energetica de Minas Gerais - preference shares	3,741	1.4
Azul - ADR	3,737	1.3
TIM Participações	1,696	1.2
TIM Participações - ADR	1,687	
MRV Engenharia e Participações	3,186	1.2
Arezzo Industria e Comércio	3,182	1.1
Iguatemi Empresa	2,844	1.0
Magazine Luiza	2,606	1.0
lochpe-Maxion	2,431	0.9
lochpe-Maxion Warrants 20/04/19	30	
Fleury	2,117	0.8
Klabin	1,431	0.6
Klabin 7.25% 15/06/20 convertible bond†	211	
Klabin 2.5% 15/06/22 convertible bond†	130	
Klabin warrants 15/06/20†	-	

Portfolio continued

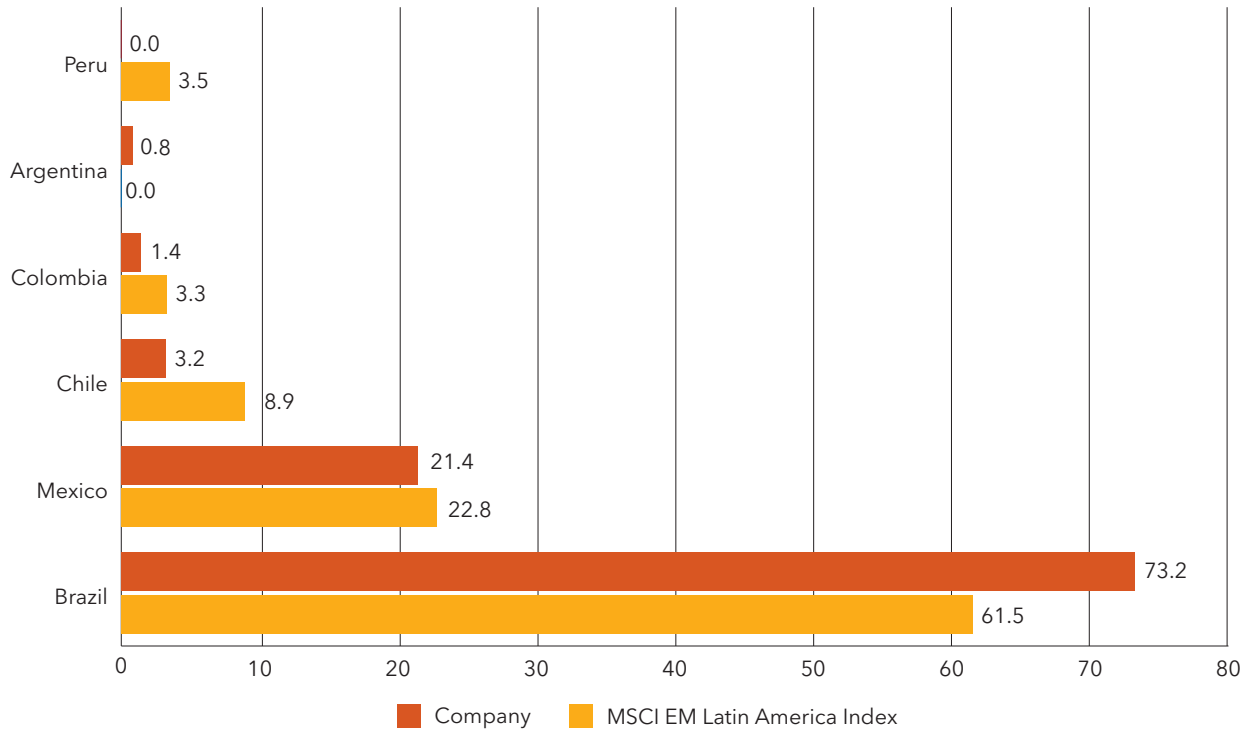
	Market value	% of investments
	US\$'000	
Eneva	1,631	0.6
Companhia de Saneamento	1,428	0.5
Energisa	1,261	0.5
LOG Commercial Properties	335	0.1
Lupatech 6.5% 15/04/18 convertible bond†	-	-
	203,436	73.2
Mexico		
América Movil - ADR	13,386	4.8
Femsa - ADR	9,884	3.6
Grupo Financiero Banorte	8,487	3.1
Walmart de México y Centroamérica	7,678	2.8
Cemex SAB - ADR	6,012	2.1
Arca Continental	3,730	1.3
Banco Del Bajío	2,692	1.0
Grupo Cementos de Chihuahua	2,198	0.8
Corporación Inmobiliaria Vesta	1,843	0.7
Grupo Aeroportuario del Sureste SAB - ADS	1,056	} 0.7
Grupo Aeroportuario del Sureste SAB	1,024	
Administradora Industrial	1,245	0.4
Grupo GICSA	376	0.1
	59,611	21.4
Chile		
Antofagasta	4,638	1.7
S.A.C.I Falabella	4,184	1.5
	8,822	3.2
Colombia		
Bancolombia - ADR	4,002	1.4
	4,002	1.4
Argentina		
Globant	2,253	0.8
	2,253	0.8
Total Investments	278,124	100.0

All investments are in equity shares unless otherwise stated.

† Unlisted securities

The total number of investments held at 31 December 2018 was 56 (31 December 2017: 65). At 31 December 2018 the Company did not hold any equity interests comprising more than 3% of any company's share capital.

Geographical Weighting vs MSCI EM Latin America Index



Source: BlackRock and MSCI

Sector and geographical allocations

	Brazil	Mexico	Chile	Colombia	Argentina	Panama	Peru	2018 Total	2017 Total
	%	%	%	%	%	%	%	%	%
Communication Services	1.2	4.8	-	-	-	-	-	6.0	6.9
Consumer Discretionary	9.6	-	1.5	-	-	-	-	11.1	13.7
Consumer Staples	1.5	7.7	-	-	-	-	-	9.2	15.3
Energy	8.9	-	-	-	-	-	-	8.9	8.7
Financials	26.1	5.3	-	1.4	-	-	-	32.8	30.0
Health Care	0.8	-	-	-	-	-	-	0.8	0.4
Industrials	7.9	0.7	-	-	-	-	-	8.6	5.7
Information Technology	1.4	-	-	-	0.8	-	-	2.2	0.5
Materials	12.6	2.9	1.7	-	-	-	-	17.2	15.3
Real Estate	0.1	-	-	-	-	-	-	0.1	1.3
Utilities	3.0	-	-	-	-	-	-	3.0	2.0
Fixed Income	0.1	-	-	-	-	-	-	0.1	0.2
2018 total investments	73.2	21.4	3.2	1.4	0.8	-	-	100.0	
2017 total investments	64.6	24.6	1.9	0.4	4.2	0.5	3.8		100.0

Governance



In March 2018 Brazilian company Suzano Papel e Celulose won the bid to acquire its larger rival, Fibria Celulose, giving the new combined business 20% of the traded hardwood fibre market. Suzano is the world's second-largest producer of eucalyptus pulp.

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.

The Board

5 scheduled meetings per annum

Six non-executive Directors (NEDs), all independent of the Manager and the Investment Manager

Chairman: Carolan Dobson (since March 2017)

Objectives:

- To determine investment policy, strategy and parameters;
- 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;
- To challenge constructively and scrutinise performance of all outsourced activities.

Audit Committee

2 scheduled meetings per annum

Membership: All NEDs¹

Chairman: Antonio Monteiro de Castro (since November 2010)
Craig Cleland (with effect from 31 March 2019)

Key objectives:

- To oversee financial reporting;
- To consider the adequacy of the control environment; and
- Review and form an opinion on the effectiveness of the external audit process.
- To review the provisions relating to whistleblowing and fraud.

Management Engagement Committee²

1 scheduled meeting per annum

Membership: All NEDs

Chairman: Antonio Monteiro de Castro (since November 2010)
Carolan Dobson (with effect from 31 March 2019)

Key objectives:

- To ensure that the provisions of the management agreement follow industry practice, remain competitive and are in the best interest of shareholders;
- To review the performance of the Manager; and
- To review the performance of other service providers.

¹ Carolan Dobson stepped down as a member of the Audit Committee with effect from 1 January 2019.

² 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.

Governance structure continued

Nomination Committee¹

1 scheduled meeting per annum

Membership: All NEDs

Chairman: Antonio Monteiro de Castro (since November 2010)
Carolán Dobson (with effect from 31 March 2019)

Key objectives:

- To regularly review the Board's structure and composition;
- To be responsible for the Board succession planning; and
- To make recommendations for any new appointments.

Remuneration Committee¹

1 scheduled meeting per annum

Membership: All NEDs

Chairman: Antonio Monteiro de Castro (since November 2010)
Mahrukh Doctor (with effect from 31 March 2019)

Key objectives:

- To be responsible for Directors' remuneration; and
- To set the Company's remuneration policy.

¹ 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, being the Management Engagement Committee, the Nomination Committee and the Remuneration Committee.

Directors' biographies



Carolan Dobson

Chairman

Appointed as a Director on 1 January 2016 and as Chairman on 2 March 2017

is the former head of UK equities at Abbey Asset Managers and former head of investment trusts at Murray Johnstone and therefore brings a wealth of industry experience to the Board. She is currently non-executive chairman of JPMorgan European Smaller Companies Trust plc (retiring July 2019), Brunner Investment Trust plc and Baillie Gifford UK Growth Fund plc and a non-executive director of Woodford Patient Capital Trust plc.

Attendance record:

Board: 4/4

Audit Committee: 2/2¹

Nomination and Management

Engagement Committee: 1/1



Antonio Monteiro de Castro

Senior Independent Director/Audit Committee Chairman

Appointed on 12 November 2007 and retiring on 31 March 2019

was a director of British American Tobacco in Latin America and the Caribbean from 1996 to 2004, where he acquired extensive Latin American experience. From 2004 until his retirement in December 2007, he was BAT's chief operating officer. He is a director of Tupperware and Fundação Getúlio Vargas.

Attendance record:

Board: 4/4

Audit Committee: 2/2

Nomination and Management

Engagement Committee: 1/1

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.

¹ Ms Dobson stepped down as a member of the Audit Committee with effect from 1 January 2019.

Directors' biographies continued



Craig Cleland

Appointed on 1 January 2019 and to be appointed Chairman of the Audit Committee with effect from 31 March 2019

is Head of Corporate Development/Investment Trusts, 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 Invesco Perpetual Select Trust plc and Martin Currie Asia Unconstrained Trust plc and was 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. Prior to that he was a director and senior company secretary at Fleming Investment Trust Management, transferring to JPMorgan Asset Management after Chase Manhattan Bank acquired Robert Fleming Holdings Limited.

Attendance record:

Mr Cleland joined the Board with effect from 1 January 2019 and thus did not attend any of the scheduled meetings for the year to 31 December 2018.



Mahrukh Doctor

Appointed on 17 November 2009 and to be appointed Senior Independent Director and Chairman of the Remuneration Committee with effect from 31 March 2019

is a Reader in political economy at the University of Hull, specialising in Latin America. Previously she was Adjunct Associate Professor at the Johns Hopkins University SAIS Europe in Bologna and Research Fellow at St. Anthony's College and the Centre for Brazilian Studies at the University of Oxford and an economist at the World Bank. She has been the Brazil expert on the Oxford Analytica International Conference Latin America panel since 2002.

Attendance record:

Board: 4/4
Audit Committee: 2/2
Nomination and Management
Engagement Committee: 1/1



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 also a qualified accountant.

Attendance record:

Board: 4/4

Audit Committee: 2/2

Nomination and Management

Engagement Committee: 1/1



Laurence Whitehead

Appointed on 3 December 2003

is a Senior Research Fellow in Politics and Senior Fellow of Nuffield College, Oxford. For over 30 years he has specialised in Latin American politics and economic policy, most recently with particular emphasis on Mexico.

Attendance record:

Board: 4/4

Audit Committee: 2/2

Nomination and Management

Engagement Committee: 1/1

Directors' report

The Directors present the Annual Report and audited Financial Statements of the Company for the year ended 31 December 2018.

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. The Company is governed by the provisions of the European Union (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 91 and 92 and in the notes to the financial statements on pages 74 to 82.

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

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 (OECD) 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.

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 new regulation. The Company's 'Data Privacy Policy' can be found on the Company's website at www.blackrock.co.uk/brla.

Dividends

Details of the dividends paid and payable in respect of the year are set out in the Chairman's Statement on pages 4 to 7 and note 8 on page 70.

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 0.8% of net asset value. The Company does not have any performance fee arrangements in place.

The Manager 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. 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. PNC Financial Services Group, Inc. has a significant economic interest in BlackRock, Inc. PNC Financial Services Group, Inc. is a US public company.

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. 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 (\$279.6 million) as at 31 December 2017 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 2018 amounted to US\$112,000 (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 benefits 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 believes that it is in shareholders' interests as a whole that BFM should continue as Manager of the Company on the existing terms which were last revised in September 2016. 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 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 appointed BNY Mellon Trust & Depository (UK) Limited (BNYMTD or the Depository) in this role with effect from 2 July 2014. However, with effect from 1 November 2017, the role of Depository was transferred, by operation of a novation agreement, from BNYMTD to its parent Company, The Bank of New York Mellon (International) Limited (BNYM or the Depository). The Depository's duties and responsibilities are outlined in the investment fund legislation (as set out in the FCA AIF Rulebook). The main role of the Depository under the AIFM Directive is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring that the Company's assets are valued 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. With effect from 1 January 2019 the Depository receives a fee payable at a rate of 0.0095% of the net assets of the Company (prior to this the fee was 0.0115%). The Company has appointed the Depository in a tripartite agreement, to which the Manager as AIFM is also a signatory. The Depository is also liable for the loss of financial instruments held in custody.

Under the depository agreement, custody services in respect of the Company's assets have been delegated to The Bank of New York Mellon (International) Limited (BNYM). BNYM receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. The depository 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. The fixed fee applies for the three years commencing on 1 July 2017. 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.

Directors' report continued

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. BIM (UK)'s approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BIM (UK) believes that sound corporate governance practices by companies contribute to their long term financial performance and thus to better risk-adjusted returns. BIM (UK)'s proxy voting process is led by its Corporate Governance and Responsible Investment team, located in six offices around the world. In addition to its own professional staff, the Corporate Governance and Responsible Investment team draws upon the expertise of BIM (UK)'s portfolio managers, researchers and other internal and external resources globally.

BIM (UK)'s global corporate governance and engagement principles are published on the website at <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-1engprinciples-global-122011.pdf>. The principles set out BIM (UK)'s views on the overarching features of corporate governance that apply in all markets. For each region, BIM (UK) also publishes market-specific policies, which are updated every year to ensure that they remain relevant.

The voting guidelines are principles-based and not prescriptive because BIM (UK) believes that each voting situation needs to be assessed on its merits. Voting decisions are taken to support the outcome that BIM (UK) believes in their professional judgement will best protect the economic interests of their clients.

During the year under review, the Investment Manager voted on 927 proposals at 90 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 46 management resolutions and abstained from voting on 191 resolutions. Most of the votes against were in respect of proposals which contained insufficient disclosure for the Investment Manager to make an informed decision, or where the Investment Manager did not believe that the proposals were in the best interests of shareholders, or in respect of executive remuneration packages which were considered to be poorly structured.

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 2018 AGM and hence the next resolution will be put to shareholders at the forthcoming AGM in 2020. 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 8 to 15.

Going concern

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company is able to meet all of its liabilities from its assets and the ongoing charges are approximately 1.03% of net assets. The Company has a continuation vote proposed biennially at the AGM with the next vote due to be held at the AGM in 2020.

The Company's longer term viability is considered in the viability statement on pages 14 and 15.

Directors

The Directors of the Company as at 31 December 2018 and their biographies are set out on pages 29 to 31. Details of Directors' interests in the ordinary shares of the Company are set out on page 41 of the Directors' Remuneration Report. All of the Directors held office throughout the year under review with the exception of Mr Cleland who was appointed to the Board with effect from 1 January 2019.

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, Mahrukh Doctor, Laurence Whitehead and Nigel Webber will all retire at the 2019 AGM and being eligible will offer themselves for re-election. Mr Monteiro de Castro will not stand for re-election and will retire from the Board on 31 March 2019. Mr Cleland will stand for election at the AGM for the first time.

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.

There were no contracts subsisting during or at the end of the year 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.

The powers of the Directors are set out in the Corporate Governance Statement on pages 42 to 47.

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 38 to 41. 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 2017, therefore an ordinary resolution to approve the policy will be put to shareholders at the AGM in 2020. Further details are given on pages 93 to 96.

Notifiable interest in the company's voting rights

As at 31 December 2018, 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 Investment Management Company Limited	11,753,376	29.9%
Lazard Asset Management Ltd	4,127,739	10.5%
Standard Life Aberdeen plc	2,299,874	5.9%

Subsequent to the year end, and as at 28 March 2019, 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 Investment Management Company Limited	11,753,376	29.9%
Lazard Asset Management Ltd	4,127,739	10.5%
Standard Life Aberdeen plc	2,359,874	6.0%

No other shareholder has notified an interest of 3% or more in the Company's shares up to 28 March 2019.

Share capital

Full details of the Company's issued share capital are given in note 14 on page 73. Details of the voting rights in the Company's shares as at the date of this report are also given in note 16 to the Notice of Annual General Meeting on page 96. 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. 110,000 ordinary shares were bought back in the year under review at an average price of 443.31 pence per share representing total consideration of £487,637 (US\$659,000). All of the shares bought back were taken into treasury.

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.

Directors' report continued

The current authority to purchase ordinary shares in the market to be held in treasury or for cancellation was granted to the Directors on 30 May 2018 and expires on 15 May 2019. 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.

The current authority to issue new ordinary shares or sell shares from treasury for cash was granted to the Directors on 30 May 2018 and expires on 15 May 2019. The Directors are proposing that their authority to issue new ordinary shares or sell shares from treasury for cash be renewed at the forthcoming AGM.

Treasury shares

At the AGM in 2018 the Company was authorised to purchase its own ordinary shares to be held in treasury for reissue or cancellation at a future date. 110,000 shares were taken into treasury as a result of share buy backs 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.

Global greenhouse gas emissions for the period 1 January 2018 to 31 December 2018

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Articles of association

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

Annual general meeting

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

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\$196,298.10 which is equivalent to 1,962,981 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 2020, unless renewed prior to that date at an earlier general meeting.

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\$196,298.10 which is equivalent to 1,962,981 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 2020, 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 will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares. Purchases of ordinary shares will only be made in the market for cash at prices below the prevailing NAV.

The Directors are seeking authority to purchase up to 5,885,017 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 2020.

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 42 to 47. 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 auditors are 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 Auditors are aware of that information.

Auditors

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and resolutions proposing their reappointment and authorising the Directors to determine their remuneration for the ensuing year will be submitted at the AGM.

The Directors' Report was approved by the Board at its meeting on 28 March 2019.

By order of the Board

SARAH BEYNSBERGER

For and on behalf of

BlackRock Investment Management (UK) Limited

Company Secretary

28 March 2019

Directors' remuneration report

The Board presents the Directors' Remuneration Report for the year ended 31 December 2018 which has been prepared in accordance with Sections 420 - 422 of the Companies Act 2006. The future remuneration policy which is subject to a triennial binding vote is set out in the policy table on page 39.

The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on pages 54 to 59.

Statement of the Chairman

The Board's policy on remuneration is set out in the policy table on page 39. A key element is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience.

Directors' fees are set out in the policy table on page 39. The Board's remuneration was last reviewed in November 2018. Following this review it was agreed that all Directors' fees would be increased by £1,000 per annum, with effect from 1 January 2019. The basis for determining the level of any increase in Directors' remuneration is set out below. Prior to this, Directors' fees were last increased on 1 January 2018. The Board's remuneration is set out in the policy table on the following page.

Remuneration committee

The Remuneration Committee was established as a separate Committee with effect from 5 November 2018. Previously the combined Nomination and Management Engagement Committee, which wholly comprised independent Directors, fulfilled the function of the Remuneration Committee, and considered any change in the Directors' remuneration policy. These duties are now performed by the Remuneration Committee which also wholly comprises Independent Directors.

The names of the members of the Remuneration Committee and of the Nomination and Management Engagement Committee who served throughout the year are set out on pages 29 to 31.

Policy report

In determining Directors' fees, a number of factors were considered, including the level of Directors' remuneration for other investment trusts of a similar size as well as the level and complexity of the Directors' responsibilities. The average rate of inflation during the period since the last fee increase is also taken into consideration.

To ensure fees are set at an appropriate level, the Secretary provides a comparison of the Directors' remuneration 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.

This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary. This review is performed on an annual basis.

The Company has no employees and consequently no consideration is required to be given to employment conditions elsewhere in setting Directors' pay.

No element of the Directors' remuneration is performance related. The Company has not awarded any share options or long term performance incentives to any of the Directors. None of the Directors has a service contract with the Company or receives any non cash benefits or pension entitlements. 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.

Consideration of shareholders' views

A non-binding ordinary resolution to approve the remuneration report is put to members at each AGM, and shareholders have the opportunity to express their views and raise any queries in respect of remuneration policy at this meeting. To date, no shareholders have commented in respect of the remuneration policy.

In accordance with the Companies Act 2006, the Company is required to seek shareholder approval for its remuneration policy on a triennial basis.

At the Company's AGM, held on 30 May 2018, 99.86% of votes cast were in favour of the non-binding resolution to approve the Directors' Remuneration Report for the year ended 31 December 2017.

At the Company's AGM, held on 3 May 2017, 99.59% of the votes cast were in favour of the binding resolution to approve the Remuneration Policy. It is the intention of the Board that the policy on remuneration will continue to apply until the AGM to be held in 2020.

Policy table

Purpose and link to strategy		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.
Description		Current levels of fixed annual fee with effect from 1 January 2019: Chairman - £47,000 Audit Committee Chairman/Senior Independent Director - £36,000 ¹ Directors - £32,000 ¹ All reasonable expenses to be reimbursed.
Maximum and minimum levels		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.
Operation	Fixed fee element	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.
	Discretionary payments	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.
	Taxable benefits	Taxable benefits comprise 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.

¹ As disclosed in the Chairman's Statement on page 6, Mr Monteiro de Castro will step down as a Director and from his role as Chairman of the Audit Committee and Senior Independent Director with effect from 31 March 2019. Dr Doctor will be appointed Senior Independent Director and also Chairman of the Remuneration Committee with effect from the same date and her annual fees will increase from £32,000 to £34,000 to reflect her additional responsibilities. Mr Cleland will be appointed Audit Committee Chairman and his annual fees will increase to £36,000 with effect from 31 March 2019.

Directors' remuneration report continued

Remuneration implementation report

A single figure for the total remuneration of each Director is set out in the table below for the year ended 31 December 2018:

Directors	31 December 2018			31 December 2017		
	Base salary £	Taxable benefits* £	Total £	Base salary £	Taxable benefits* £	Total £
Carolán Dobson ¹ (Chairman)	46,000	3,835	49,835	43,419	4,109	47,528
Antonio Monteiro de Castro	35,000	17,016	52,016	35,000	22,018	57,018
Mahrukh Doctor	31,000	2,996	33,996	31,000	4,103	35,103
Laurence Whitehead	31,000	1,736	32,736	31,000	2,264	33,264
Nigel Webber ²	31,000	240	31,240	23,250	395	23,645
Peter Burnell ³	-	-	-	7,914	1,802	9,716
Michael St Aldwyn ⁴	-	-	-	5,333	207	5,540
Total	174,000	25,823	199,823	176,916	34,898	211,814

¹ Appointed as Chairman 2 March 2017.

² Appointed as a Director on 1 April 2017.

³ Retired as Chairman and as a Director on 2 March 2017.

⁴ Retired as Director on 2 March 2017.

* Taxable benefits relate to travel and subsistence costs.

No discretionary payments were made in the year to 31 December 2018 (2017: £nil).

The information in the table above has been audited. The amounts paid by the Company to the Directors were for services as non-executive Directors.

Relative importance of spend on remuneration

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 with the Company's dividend distributions and net loss on ordinary activities after taxation.

As the Company has no employees, no consideration is required to be given to employment conditions elsewhere in setting Directors' pay.

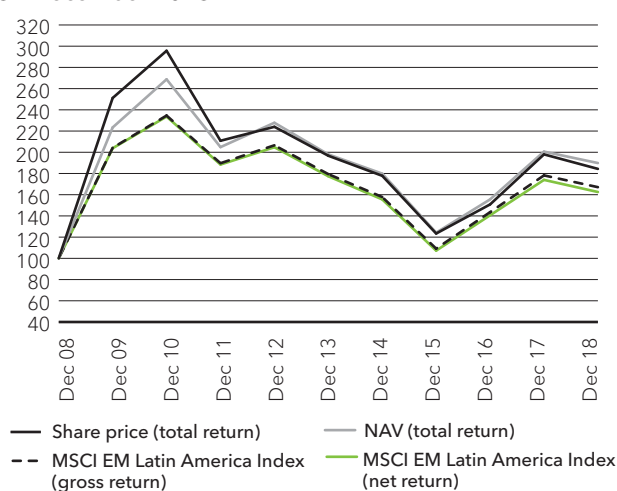
	2018	2017	Change
	US\$'000	US\$'000	US\$'000
Directors' total remuneration	254	287	-33
Dividends paid and payable	9,245	5,118	+4,127
Share buybacks	659	-	+659
Net (loss)/profit on ordinary activities after taxation	(14,877)	63,765	(78,642)

No payments were made in the year to any past Directors (2017: nil).

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. This index is deemed to be the most appropriate as the Company has a Latin American objective.

Performance from 31 December 2008 to 31 December 2018



Total return performance record, rebased to 100 at 31 December 2008.

Sources: BlackRock and Datastream.

Shareholdings

The Board has not adopted a policy that Directors are required to own shares in the Company.

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 share options.

	Ordinary shares		
	28 March 2019	31 December 2018	31 December 2017
Carolan Dobson	4,792	4,792	4,792
Mahrukh Doctor	686	686	686
Antonio Monteiro de Castro	47,000	47,000	47,000
Laurence Whitehead	15,203	15,203	15,203
Nigel Webber ¹	5,000	5,000	5,000
Craig Cleland ²	5,000	n/a	n/a

¹ Appointed as a Director on 1 April 2017.

² Appointed as a Director on 1 January 2019.

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

The information in the above tables has been audited.

Retirement of Directors

Directors are appointed for an initial term covering the period from the date of appointment until the first Annual General Meeting thereafter, at which they are required to stand for election in accordance with the Articles of Association. In accordance with best practice and developing Corporate Governance, Directors now stand for re-election every year at the Annual General Meeting.

By order of the Board

ANTONIO MONTEIRO DE CASTRO

Chairman

Remuneration Committee

28 March 2019

Corporate governance statement

Chairman's introduction

Corporate 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 2016. 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 July 2016, which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

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;
- executive directors' remuneration; and
- the need for an internal audit function as set out on page 45.

For the reasons set out in the AIC Guide, 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 and, in relation to the internal audit function, in view of BlackRock having an internal audit function.

The UK Code is available from the Financial Reporting Council's website at frc.org.uk. The AIC Code is available from the Association of Investment Companies at 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 UK Corporate Governance Code issued by the Financial Reporting Council in 2016 has been updated and the new UK Code will apply for accounting periods beginning on or after 1 January 2019. The AIC Code issued in July 2016 has also been updated and the new AIC Code will also apply for accounting periods beginning on or after 1 January 2019.

The Board considers that the Company will comply with the recommendations of the new AIC Code and the provisions contained within the new UK Code, except for the provisions stated above.

The Board

Board composition

The Board currently consists of six non-executive Directors. This is a higher number than usual and reflects a period of transition. Three of the Directors currently serving on the Board (Mr Monteiro de Castro, Mr Whitehead and Dr Doctor) have been in office for more than nine years. Mr Monteiro de Castro informed the Board last year that it was his intention to step down as a Director of the Company on 31 March 2019, subject to a suitable replacement being identified. Consequently the Board undertook a search and selection process to identify a new Director, and the preferred candidate, Mr Craig Cleland, was appointed to the Board with effect from 1 January 2019. Mr Cleland will stand for election at the forthcoming Annual General Meeting and further details of his background and the biographies of all the Directors can be found on pages 29 to 31. Mr Cleland will also succeed Mr Monteiro de Castro as Chairman of the Audit Committee with effect from 31 March 2019.

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 at the forthcoming AGM with the exception of Mr Monteiro de Castro, who as previously noted will not be seeking re-election. Mr Whitehead had also notified the Board of his intention to step down at the AGM in 2019, subject to suitable succession planning arrangements being in place. However at the beginning of this year the Board

asked him to delay his retirement to the end of 2019 to allow more continuity on the Board as the new portfolio managers settle in.

The Directors' biographies, on pages 29 to 31, 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 29.

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. It is considered that Mahrukh Doctor, Antonio Monteiro de Castro and Laurence Whitehead, who have all served as a Director for over 9 years, continue to be independent in both character and judgement. Notwithstanding this, the Board believes that refreshing the composition of the Board to reduce the average tenure is desirable and the steps being taken to achieve this are set out in the Chairman's Statement on page 7.

With effect from 1 January 2019 and in view of the changes to the UK Corporate Governance Code effective from this date, Ms Dobson no longer acts as a member of the Audit Committee.

Diversity

The Board's policy is to take diversity, including gender diversity, into account during the recruitment and appointment process. As of the date of this report the Board consists of four men and two women. Following the retirement of Mr Monteiro de Castro the Board will consist of three men and two women.

Directors' appointment, retirement and rotation

The rules concerning the appointment, retirement and rotation of Directors are set out in the Directors' Report on page 34.

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).

Antonio Monteiro de Castro, as Senior Independent Director, is pleased to confirm that, following the formal evaluation, the Chairman also 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 or election of the Chairman and each of the Directors apart from Mr Monteiro de Castro, who does not intend to stand for re-election at the forthcoming AGM.

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, are taken into account in establishing the criteria. The services of an external search consultant may be used to identify potential candidates, and in the year under review the Board engaged the services of an executive search agency to identify suitable candidates and assist with the selection process. The Committee meets at least once a year and more regularly if required.

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 Manager, 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 auditors, 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.

Corporate governance statement continued

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 five occasions during the year. The full attendance record is set out on pages 29 to 31.

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 Senior Independent Director 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 pages 32 and 33.

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 33 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 90. 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 34.

Committees of the Board

The Board has appointed a number of committees as set out below and on pages 29 to 31. 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 blackrock.co.uk/brla.

Audit Committee

The Audit Committee, which is currently chaired by Antonio Monteiro de Castro, comprises the whole Board. Ms Dobson was a member of the Committee up to 1 January 2019 when she stepped down to comply with changes to the UK Corporate Governance Code effective from that date. With effect from 31 March 2019 when Mr Monteiro de Castro will retire, Mr Cleland will take on the role of Audit Committee Chairman.

Further details are provided in the Report of the Audit Committee on pages 48 to 51.

Nomination Committee

The Nomination Committee was established as a separate committee on 5 November 2018 (previously the Committee was part of a joint Nomination and Management Engagement Committee). The Committee is currently chaired by Antonio Monteiro de Castro, and consists of the Chairman of the Committee, Mahrukh Doctor, Carolan Dobson, Laurence Whitehead, Nigel Webber and Craig Cleland (with effect from 1 January 2019). It is intended that Carolan Dobson will replace Mr Monteiro de Castro as Chairman of the Committee upon his retirement. Further details are provided on page 28.

Management Engagement Committee

The Management Engagement Committee was established as a separate committee on 5 November 2018 (previously the Committee was part of a joint Nomination and Management Engagement Committee). The Management Engagement Committee is currently chaired by Antonio Monteiro de Castro, and consists of the Chairman of the Committee, Mahrukh Doctor, Carolan Dobson, Laurence Whitehead, Nigel Webber and Craig Cleland (with effect from 1 January 2019). It is intended that Carolan Dobson will replace Mr Monteiro de Castro as Chairman of the Committee upon his retirement. Further details are provided on page 27.

Remuneration Committee

The Remuneration Committee was established as a separate committee on 5 November 2018 (previously the duties of the Committee were performed by Nomination and Management Engagement Committee). The Remuneration Committee is currently chaired by Mr Monteiro de Castro, and consists of the Chairman of the Committee, Mahrukh Doctor, Carolan Dobson, Laurence Whitehead, Nigel Webber and Craig Cleland (with effect from 1 January 2019). Mahrukh Doctor will replace Mr Monteiro de Castro as Chairman of the Committee upon his retirement. Further details are provided on page 28.

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 annual and quarterly Service Organisation Control (SOC 1) reports respectively from BlackRock and The Bank of New York Mellon (International) Limited on the internal controls of their respective 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

Corporate governance statement continued

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 52, the Independent Auditor's Report on pages 54 to 59, and the Statement of Going Concern on page 34.

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. The Board believes that 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 Company invests primarily on financial grounds to meet its stated objectives.

BlackRock is a signatory to the United Nations Principles on Responsible Investing and a member of both the Financial Accounting Standards Board (FASB) Task Force on Climate-Related Financial Disclosures and the Sustainability Accounting Standards Board (SASB). BlackRock was also represented on the 32 member, industry-led Financial Stability Task Force on Climate-related Financial Disclosures (TCFD). It is BlackRock's belief that enhanced, meaningful disclosures are an important step towards building understanding of the impact of climate risks on individual companies, sectors, and investment strategies. Given climate risk is a systemic issue, we believe disclosure standards should be developed and implemented at the market-level. We are therefore supportive of the need for greater transparency and disclosure on climate related issues.

The Manager is a Tier 1 signatory to the UK Stewardship Code, which among other things, sets out the responsibilities of institutional shareholders to monitor their investee companies. The Manager's compliance with the UK Stewardship Code is publicly available on the BlackRock website: <https://www.blackrock.com/corporate/en-us/literature/fact-sheet/blk-responsible-investment-statementoncompliance-uk-stewardshipcode.pdf>. The Manager's approach to Responsible Investment is detailed on the website at <https://www.blackrock.com/corporate/en-us/literature/fact-sheet/blk-responsible-investment-guidelines-emea.pdf>.

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 ordinary shareholders have the opportunity to attend and vote at the AGM. The Notice of Annual General Meeting sets out the business of the meeting and any item not of an entirely routine nature is explained in the Directors' Report. The annual report which contains the Notice of Annual General Meeting and related papers are sent to shareholders 20 business days' before the meeting. At the half year stage, a half yearly report, containing updated information in a more abbreviated form, is also sent out to all shareholders. Updated information is also available on the Manager's website at blackrock.co.uk/brla. 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 blackrock.co.uk/brla shortly after the meeting. In accordance with provision E.2.2 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 Senior Independent Director and 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 90 or by sending an email to 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 85 to 87, which provides an overview of useful information available to shareholders.

The Company's Annual Report and Financial Statements are also published on blackrock.co.uk/brla, which is the website maintained by the Company's Manager. The work undertaken by the Auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditors accept 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.

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

With effect from 1 January 2018, the European Union's PRIIPs Regulation came into force and requires that anyone manufacturing, advising on, or selling a PRIIP to a retail investor in the EEA 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 PRIIPs manufacturer, to prepare a key information document ('KID') in respect of the Company. This KID must be made available, free of charge, to EEA 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.co.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 32 to 37 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
28 March 2019

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 2018. This will be my last report as the Chairman of the Committee as it is my intention to retire from the Board on 31 March 2019. Mr Craig Cleland will replace me as Committee Chairman with effect from this date.

Composition

The Audit Committee comprises all the Directors including the Chairman of the Company; 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 29 to 31.

Performance evaluation

Details of the evaluation of the Audit Committee are set out in the Corporate Governance Statement on page 44.

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 Auditors' 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 blackrock.co.uk/brla.

The Audit Committee meets at least twice 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 Auditors' report on the annual financial statements;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external Auditors;
- reviewing and recommending to the Board for approval the audit and non-audit fees payable to the external Auditors and the terms of their engagement;
- reviewing and approving the external Auditors' 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 Auditors;
- 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.

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.co.uk/brla. There were no non-audit services provided by the Auditor to the Company in the year to 31 December 2018 (2017: services provided related to a review of the performance calculations for the two years to 31 December 2017 used to determine if the tender mechanism would be triggered. The Auditors received a fee of US\$8,000 for this work).

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 at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit 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.

Significant issue	How the issue was addressed
The accuracy of the valuation of the investment portfolio	The Board reviews detailed portfolio valuations at each of its quarterly meetings and receives confirmation from the Investment 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 risk of misappropriation of assets and unsecured ownership of investments	The Depository is responsible for financial restitution for the loss of financial investments held in custody. The Depository reports to the Committee twice a year. The Committee reviews reports from its service providers on key controls over the assets of the Company. 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.
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	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.

As the provision of portfolio valuation, fund accounting and administration services is delegated to BIM (UK), which sub-delegates fund accounting to BNYM, and the provision of depository 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 auditors.

Auditors and audit tenure

The Company's current Auditors, PricewaterhouseCoopers LLP, have acted in this role since the launch of the Company in 1990. The appointment of the Auditor is reviewed each year and the audit partner changes at least

every five years. Parwinder Purewal has been the audit partner since 2014 and will therefore hand this role over to Chris Meyrick for next year's audit.

The Audit Committee also considers the risks associated with audit firms withdrawing from the market and the relationship with the Company's Auditors.

The new EU regulations on mandatory auditor rotation require the appointment of a new auditor every ten years, although this can be extended up to ten additional years if tenders are carried out at the decade mark or another audit firm is appointed to do a joint audit. The Company will have to review alternative audit service providers in 2020. The regulations also prohibit certain non-audit consulting services and caps the amount of additional fees Auditors can charge their clients.

Report of the audit committee continued

There are no contractual obligations that restrict the Company's choice of Auditors. There were no fees paid to the Auditors in respect of non-audit services during the year (2017: US\$8,000).

The Auditors have indicated their willingness to continue in office and resolutions proposing their reappointment and authorising the Directors to determine their 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 Auditors with the Audit Committee;
- How the Auditors support 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 Auditors are 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 opportunity to meet with the Audit Committee without representatives of the Manager being present. The effectiveness of the Board and the Manager in 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 values 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 Board and the Manager's approach to the value of independent audit and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the Auditors and the Audit Committee.

To form a conclusion with regard to the independence of the external Auditors, the Audit Committee considers whether the skills and experience of the auditors make them a suitable supplier of any non-audit services and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of any such services. On an annual basis, PricewaterhouseCoopers LLP reviews the independence of its relationship with the Company and reports to the Audit Committee, providing details of any other relationship 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 auditors, including information on the rotation of audit partners and staff, the level of fees that the Company pays in proportion to the overall fee income of the firm, and the level of related fees, details of any relationships between the audit firm and its staff and the Company as well as an overall confirmation from the Auditors of their independence and objectivity.

As a result of their review, the Audit Committee has concluded that the external audit has been conducted effectively and also that PricewaterhouseCoopers LLP is independent of the Company.

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 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;
- The existence of satisfactory Service Organisation Control (SOC 1) reports that have been reviewed and reported on by external auditors to verify the effectiveness of the internal controls of the Manager, Custodian and Fund Accountants.

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 52.

ANTONIO MONTEIRO DE CASTRO

Chairman
Audit Committee
28 March 2019

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 that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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:

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- 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 Investment 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 29 to 31, 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 2016 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 48 to 51. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 December 2018, 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

28 March 2019

Financial statements



Budget airline operator Azul benefitted from stronger than expected traffic volumes and oil price weakness later in the period. Azul is the largest airline in Brazil by number of departures and destinations.

Independent auditor's report

to the members of BlackRock Latin American Investment Trust plc

Report on the audit of the Financial Statements

Opinion

In our opinion, BlackRock Latin American Investment Trust plc's Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its net loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Income Statement, the Statement of Cash Flows, and the Statement of Changes in Equity for the year then ended; and the notes to the Financial Statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We have provided no non-audit services to the Company in the period from 1 January 2018 to 31 December 2018.

Our audit approach

Overview

Materiality	• Overall materiality: \$2.6 million (2017: \$2.8 million), based on 1% of net assets.
Audit scope	<ul style="list-style-type: none">• The Company is a standalone Investment Trust Company and engages BlackRock Fund Managers Limited (the "Manager") to manage its assets.• We conducted our audit of the Financial Statements using information from The Bank of New York Mellon (International) Limited (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.• We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.• We obtained an understanding of the control environment in place at both the Manager and the Administrator, and adopted a fully substantive testing approach using reports obtained from the Administrator.
Key audit matters	<ul style="list-style-type: none">• Valuation and existence of investments.• Accuracy, occurrence and completeness of dividend income.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010 (see page 13 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the Financial Statements. We also considered those laws and regulations that have a direct impact on the preparation of the Financial Statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains)

or to increase net asset value, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Manager and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Testing the Company's compliance with section 1158 of the Corporation Tax Act 2010 in the current year;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, specifically all manual journal entries posted by the administrator during the preparation of the Financial Statements;
- Understanding the operating effectiveness of the Administrator and Management's internal controls designed to prevent and detect irregularities;
- Reviewing relevant meeting minutes, including those of the Audit Committee; and,
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of immaterial journal entries.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we would become aware of it. Also, 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.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation and existence of investments</p> <p>Refer to page 49 (<i>Report of the Audit Committee</i>), page 65 (<i>Accounting Policies</i>) and page 72 (<i>Notes to the Financial Statements</i>).</p> <p>The investment portfolio at the year-end comprised listed equity investments valued at \$277.8m and unlisted debt investments valued at \$0.3m.</p> <p>We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the Financial Statements.</p>	<p>We tested the valuation of the equity investments by agreeing the prices used in the valuation to independent third party sources and by recalculating expected valuations using fair value pricing instructions.</p> <p>We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation.</p> <p>No material issues were identified.</p>

Independent auditor's report continued

Key audit matter	How our audit addressed the key audit matter
<p>Accuracy, occurrence and completeness of dividend income</p> <p>Refer to page 49 (<i>Report of the Audit Committee</i>), page 64 (<i>Accounting Policies</i>) and page 66 (<i>Notes to the Financial Statements</i>).</p> <p>We focused on the accuracy, occurrence and completeness of dividend income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover.</p> <p>We also focused on the accounting policy for income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.</p>	<p>We assessed the accounting policy for dividend income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy.</p> <p>We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data.</p> <p>To test for completeness, we tested that for investment holdings in the portfolio, all dividends recorded in the year had been declared in the market, and that all dividends declared in the market by investment holdings had been recorded.</p> <p>To test for occurrence, we confirmed that all dividends recorded had occurred in the market, and audited cash reconciliations to identify any unreconciled dividend cash payments.</p> <p>We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions.</p> <p>No material issues were identified.</p>
<p>How we tailored the audit scope</p> <p>We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.</p> <p>The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records.</p> <p>We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant control reports issued by the independent service auditor of</p>	<p>the Manager and the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the Financial Statements.</p> <p>Materiality</p> <p>The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the Financial Statements as a whole.</p> <p>Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:</p>
Overall materiality	\$2.6 million (2017: \$2.8 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$128,000 (2017: \$140,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements and the directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the Financial Statements.	We have nothing material to add or to draw attention to. 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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's business and the wider economy.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the Financial Statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the Financial Statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

The directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 14 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.

Independent auditor's report continued

- The directors' explanation on pages 14 and 15 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they 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, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit. (*Listing Rules*)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 51, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.
- The section of the Annual Report on pages 48 to 51 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (*CA06*)

Responsibilities for the Financial Statements and the audit

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 52, the Directors are responsible for the preparation of the Financial Statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; 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.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors in 1990 to audit the Financial Statements for the period ended 31 December 1990 and subsequent financial periods. The period of total uninterrupted engagement is 29 years, covering the years ended 31 December 1990 to 31 December 2018.

Parwinder Purewal (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 March 2019

Income statement

for the year ended 31 December 2018

	Notes	Revenue 2018	Revenue 2017	Capital 2018	Capital 2017	Total 2018	Total 2017
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
(Losses)/gains on investments held at fair value through profit or loss	10	-	-	(18,800)	60,641	(18,800)	60,641
Gains/(losses) on foreign exchange		-	-	103	(94)	103	(94)
Income from investments held at fair value through profit or loss	3	8,017	6,975	-	-	8,017	6,975
Other income	3	1	-	-	-	1	-
Total income		8,018	6,975	(18,697)	60,547	(10,679)	67,522
Expenses							
Investment management fees	4	(523)	(530)	(1,568)	(1,589)	(2,091)	(2,119)
Other operating expenses	5	(688)	(766)	(56)	(86)	(744)	(852)
Total operating expenses		(1,211)	(1,296)	(1,624)	(1,675)	(2,835)	(2,971)
Net profit/(loss) on ordinary activities before finance costs and taxation		6,807	5,679	(20,321)	58,872	(13,514)	64,551
Finance costs	6	(167)	(79)	(503)	(236)	(670)	(315)
Net profit/(loss) on ordinary activities before taxation		6,640	5,600	(20,824)	58,636	(14,184)	64,236
Taxation	7	(693)	(471)	-	-	(693)	(471)
Net profit/(loss) on ordinary activities after taxation		5,947	5,129	(20,824)	58,636	(14,877)	63,765
Earnings/(loss) per ordinary share (US\$ cents)	9	15.13	13.03	(52.98)	148.93	(37.85)	161.96

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital columns 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 64 to 83 form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2018

	Notes	Called up share capital	Share premium account	Capital redemption reserve	Non-distributable reserve	Capital reserves	Revenue reserves	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
For the year ended 31 December 2018								
At 31 December 2017		4,144	11,719	4,843	4,356	240,131	14,397	279,590
Total comprehensive income:								
Net (loss)/profit for the year		-	-	-	-	(20,824)	5,947	(14,877)
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased into treasury		-	-	-	-	(654)	-	(654)
Share purchase costs		-	-	-	-	(5)	-	(5)
Dividends paid*	8	-	-	-	-	(1,585)	(7,224)	(8,809)
At 31 December 2018		4,144	11,719	4,843	4,356	217,063	13,120	255,245
For the year ended 31 December 2017								
At 31 December 2016		4,144	11,719	4,843	4,356	181,495	15,173	221,730
Total comprehensive income:								
Net profit for the year		-	-	-	-	58,636	5,129	63,765
Transactions with owners, recorded directly to equity:								
Dividends paid**	8	-	-	-	-	-	(5,905)	(5,905)
At 31 December 2017		4,144	11,719	4,843	4,356	240,131	14,397	279,590

* Final dividend of 7.00 cents per share for the year ended 31 December 2017, declared on 13 March 2018 and paid on 6 June 2018; first interim dividend of 7.57 cents per share for the year ended 31 December 2018, declared on 3 July 2018 and paid on 23 August 2018; second interim dividend of 7.85 cents per share for the year ended 31 December 2018, declared on 2 October 2018 and paid on 9 November 2018.

** Final dividend of 9.00 cents per share for the year ended 31 December 2016, declared on 9 March 2017 and paid on 12 May 2017. Interim dividend of 6.00 cents for the year ended 31 December 2017, declared on 27 September 2017 and paid on 30 October 2017.

The notes on pages 64 to 83 form part of these financial statements.

Balance sheet

as at 31 December 2018

	Notes	2018 US\$'000	2017 US\$'000
Fixed assets			
Investments held at fair value through profit or loss	10	278,124	303,628
Current assets			
Debtors	11	3,680	1,658
Cash and cash equivalents		137	20
		3,817	1,678
Creditors - amounts falling due within one year			
Bank overdraft		(25,593)	(23,702)
Other creditors	12	(841)	(1,752)
		(26,434)	(25,454)
Net current liabilities		(22,617)	(23,776)
Total assets less current liabilities		255,507	279,852
Creditors - amounts falling due after more than one year			
Non current tax liability	13	(238)	(238)
Non-equity redeemable shares	13	(24)	(24)
		(262)	(262)
Net assets		255,245	279,590
Capital and reserves			
Called up share capital	14	4,144	4,144
Share premium account	15	11,719	11,719
Capital redemption reserve	15	4,843	4,843
Non-distributable reserve	15	4,356	4,356
Capital reserves	15	217,063	240,131
Revenue reserves	15	13,120	14,397
Total shareholders' funds		255,245	279,590
Net asset value per ordinary share (US\$ cents)	9	650.15	710.17

The financial statements on pages 60 to 83 were approved and authorised for issue by the Board of Directors on 28 March 2019 and signed on its behalf by Carolan Dobson, Chairman.

BlackRock Latin American Investment Trust plc
Registered in England, No. 2479975

The notes on pages 64 to 83 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2018

	2018	2017
	US\$'000	US\$'000
Operating activities		
Net (loss)/profit on ordinary activities before taxation	(14,184)	64,236
Add back finance costs	670	315
Losses/(gains) on investments held at fair value through profit or loss	18,800	(60,641)
Net (profit)/loss on foreign exchange	(103)	94
Sales of investments held at fair value through profit or loss	129,248	110,490
Purchases of investments held at fair value through profit or loss	(124,526)	(125,099)
Increase in other debtors	(151)	(22)
(Decrease)/increase in other creditors	(800)	452
Taxation on investment income	(693)	(471)
Net cash generated from/(used in) operating activities	8,261	(10,646)
Financing activities		
Interest paid	(670)	(315)
Share purchase costs paid	(5)	-
Ordinary shares purchased into treasury	(654)	-
Dividends paid	(8,809)	(5,905)
Net cash used in financing activities	(10,138)	(6,220)
Decrease in cash and cash equivalents	(1,877)	(16,866)
Cash and cash equivalents at the start of the year	(23,682)	(6,722)
Effect of foreign exchange rate changes	103	(94)
Cash and cash equivalents at end of year	(25,456)	(23,682)
Comprised of:		
Cash at bank	137	20
Bank overdraft	(25,593)	(23,702)
	(25,456)	(23,682)

The notes on pages 64 to 83 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2018

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 November 2014 and updated in January 2017, and the provisions of the Companies Act 2006.

The Company's Articles of Association require that an ordinary resolution be put to the Company's shareholders to approve the continuation of the Company on a biennial basis. The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore consider the going concern assumption to be appropriate. The last resolution was put to shareholders at the 2018 AGM and the next such resolution will be put to shareholders at the AGM in 2020. (See pages 9 and 10 for further details.) The Directors have no reason to believe that this resolution will not be passed.

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 most related to the primary economic environment in which the Company operates. All values are rounded to the nearest thousand 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 and circumstances of each 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 on an accruals basis. Underwriting commission is recognised when the issue underwritten closes.

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 unless the availability of accurate accrual information is limited in which case a cash receipts basis is used.

Options may be purchased or written over securities held in the portfolio for generating or protecting capital returns, or for generating or maintaining revenue returns. Where the purpose of the option is the generation of income, the premium is treated as a revenue item. Where the purpose of the option is the maintenance of capital, the premium is treated as a capital item. Options are held at fair value based on the bid/offer prices of the options written to which the Company is exposed. The value of the option is subsequently marked to market to reflect the fair value of the option based on traded prices.

Option premium income is recognised as revenue evenly over the life of the option contract and included in the revenue column of the Income Statement unless the option has been written for the maintenance and enhancement of the Company's investment portfolio and represents an incidental part of a larger capital transaction, in which case any premia arising are allocated to the capital column of the Income Statement. Where the premium is taken to revenue, an appropriate amount is shown as capital return such that the total return reflects the overall change in the fair value of the option. When an option is exercised the gain or loss is accounted for as a capital gain or loss. Any cost on closing out an option is transferred to revenue along with any remaining unamortised premium.

(e) Expenses

All expenses, including finance costs, are accounted for on an accruals basis. Expenses have been charged wholly to the revenue column 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 72;
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated;
- the investment management fee and finance costs have been allocated 75% to the capital column and 25% to the revenue column 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 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 tax 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 designated 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.

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.

Unquoted investments are valued by the Directors at fair value using International Private Equity and Venture Capital Valuation Guidelines. This policy applies to unquoted fixed asset investments held by the Company.

(h) Debtors

Debtors include sales for future settlement, other debtors and pre-payments 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 settlements, interest payable, share buy back costs and accruals in the ordinary course of business. Creditors are classified as creditors - amounts due within one year if payment is due within one year or less. If not, they are presented as creditors - amounts due after more than one year.

Notes to the financial statements continued

2. Accounting policies continued

(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.

(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 nominate 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, and non-monetary assets held at fair value are translated into US dollars at the rates

of exchange ruling at the balance sheet date. Profits and losses thereon are recognised in the capital column of the Income Statement and taken to the capital reserve.

(m) Share repurchases

Shares repurchased and held in treasury – the full cost of the repurchase is charged to the capital reserve. Where treasury shares are subsequently reissued, any surplus is taken to the share premium account.

(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 rate 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

	2018	2017
	US\$'000	US\$'000
Investment income:		
Overseas listed dividends	6,640	6,016
Overseas listed REIT distributions	154	62
Overseas listed special dividends	787	168
Overseas listed stock dividends	-	668
UK listed dividends	220	-
Fixed interest income	202	111
Amortisation of fixed interest investments	14	(50)
	8,017	6,975
Other income:		
Deposit interest	1	-
Total	8,018	6,975

Dividends and interest received in cash during the period amounted to US\$7,827,000 and US\$209,000 (2017: US\$6,748,000 and US\$283,000).

Special dividends of US\$234,000 have been recognised in capital in 2018 (2017: US\$554,000).

4. Investment management fees

	2018			2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Investment management fees	523	1,568	2,091	530	1,589	2,119

Under the terms of the investment management agreement with BFM, BFM is entitled to a fee of 0.80% per annum on the Net Asset Value (NAV).

The investment management fee is allocated 75% to the capital column and 25% to the revenue column of the Income Statement.

5. Other operating expenses

	2018	2017
	US\$'000	US\$'000
Allocated to revenue:		
Custody fee	59	64
Depository fees*	31	29
Auditor's remuneration:		
- Audit fees	40	40
- Non-audit fees**	-	8
Registrar's fees	34	38
Directors' emoluments***	254	287
Marketing fees	112	120
Postage and printing fees	34	37
Directors Insurance	30	8
Broker fees	65	53
Other administration costs	29	82
	688	766
Allocated to capital:		
Custody transaction charges	56	86
	744	852
The Company's ongoing charges, calculated as a percentage of average shareholders' funds and using operating expenses and excluding transaction costs, finance costs and taxation were:	1.03%	1.11%

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

** Non-audit fees relate to services provided by the auditors to review performance calculations for the two years ended 31 December 2017 used to determine if the tender mechanism would be triggered.

*** Further information on Directors' emoluments can be found in the Directors' Remuneration Report on pages 38 to 41.

Expenses of US\$56,000 (2017: US\$86,000) charged to the capital column of the Income Statement relate to transaction costs charged by the custodian on the purchase and sale of investments and charges on Brazilian foreign exchange transactions.

The Company has no employees.

Notes to the financial statements continued

6. Finance costs

	2018			2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Interest on bank overdraft	167	503	670	79	236	315

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

7. Taxation

(a) Analysis of charge in year

	2018			2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Current taxation						
Corporation tax	563	(563)	-	340	(340)	-
Double taxation relief	(563)	563	-	(340)	340	-
Exchange loss/(gain) not taxable	9	-	9	(5)	-	(5)
	9	-	9	(5)	-	(5)
Overseas tax	684	-	684	476	-	476
Total tax charge (note 7b)	693	-	693	471	-	471

(b) Factors affecting current tax charge for the year

The taxation assessed for the year is higher than the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018			2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Net profit/(loss) on ordinary activities before taxation	6,640	(20,824)	(14,184)	5,600	58,636	64,236
Net profit/(loss) on ordinary activities multiplied by standard rate of 19.00% (2017: 19.25%)	1,262	(3,957)	(2,695)	1,078	11,285	12,363
Effects of:						
Capital losses/(gains) not taxable	-	3,572	3,572	-	(11,671)	(11,671)
Exchange loss/(gain) not taxable	9	(20)	(11)	(5)	18	13
Relief for overseas tax	(563)	436	(127)	(340)	250	(90)
Income not subject to corporation tax	(699)	-	(699)	(738)	-	(738)
Overseas tax suffered	684	-	684	476	-	476
Movement in management expenses not utilised/recognised	-	(52)	(52)	-	53	53
Non-trade loan relationship deficit not utilised/recognised	-	10	10	-	49	49
Disallowed expenses	-	11	11	-	16	16
Total tax charge (note 7(a))	693	-	693	471	-	471

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profits for the prior year were taxed at an effective rate of 19.25%.

(c) Capital gains tax liability

	2018			2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Non current tax liability						
Balance brought forward	-	238	238	-	238	238
Charge for the year	-	-	-	-	-	-
Balance carried forward	-	238	238	-	238	238

	2018			2017		
	Revenue	Capital	Total	Revenue	Capital	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Provision consists of:						
Capital gains tax on realised gains from Peruvian securities	-	238	238	-	238	238
	-	238	238	-	238	238

Notes to the financial statements continued

7. Taxation continued

At 31 December 2018 the Company had net surplus management expenses of US\$nil (2017: US\$273,000) and a non-trade loan relationship deficit of US\$305,000 (2017: US\$254,000). 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 2018 is US\$52,000 (2017: US\$90,000).

8. Dividends

			2018	2017
Dividends paid on equity shares	Record date	Payment date	US\$'000	US\$'000
2016 Final dividend of 9.00 cents	24 March 2017	12 May 2017	-	3,543
2017 Interim dividend of 6.00 cents	6 October 2017	30 October 2017	-	2,362
2017 Final dividend of 7.00 cents	27 April 2018	6 June 2018	2,756	-
2018 First interim dividend of 7.57 cents	13 July 2018	23 August 2018	2,972	-
2018 Second interim dividend of 7.85 cents	12 October 2018	9 November 2018	3,081	-
			8,809	5,905

On 30 May 2018, shareholders approved a resolution to amend the Company's dividend policy 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. Therefore for the year ended 31 December 2018, the third quarterly dividend under this new policy was calculated based on the Company's cum-income US Dollar NAV at 31 December 2018 (being the last working day of the quarter).

The Company's cum-income US Dollar NAV at 31 December 2018 was 650.15 US cents per share, and the Directors have declared a third quarterly interim dividend of 8.13 cents per share. The dividend was paid on 8 February 2019 to holders of ordinary shares on the register at the close of business on 11 January 2019.

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 2018, meet the relevant requirements as set out in this legislation.

	2018	2017
Dividends paid or proposed on equity shares:	US\$'000	US\$'000
First interim paid of 7.57 cents (2017: 6.00 cents)	2,972	2,362
Second interim paid of 7.85 cents (2017: N/A)	3,081	n/a
Third interim proposed of 8.13 cents (2017: N/A)*	3,192	n/a
2017 final paid of 7.00 cents	n/a	2,756
	9,245	5,118

* Based upon 39,259,620 ordinary shares in issue at 11 January 2019.

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

9. Earnings and net asset value per ordinary share

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

	2018	2017
Net revenue profit attributable to ordinary shareholders (US\$'000)	5,947	5,129
Net capital (loss)/profit attributable to ordinary shareholders (US\$'000)	(20,824)	58,636
Total (loss)/profit attributable to ordinary shareholders (US\$'000)	(14,877)	63,765
Total shareholders' funds (US\$'000)	255,245	279,590
Earnings per share		
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	39,302,016	39,369,620
The actual number of ordinary shares in issue at the year end on which the net asset value was calculated was:	39,259,620	39,369,620
The number of ordinary shares in issue, including treasury shares at the year end was:	41,441,282	41,441,282
Calculated on weighted average number of ordinary shares		
Revenue profit (US\$ cents)	15.13	13.03
Capital (loss)/profit (US\$ cents)	(52.98)	148.93
Total (loss)/profit (US\$ cents)	(37.85)	161.96
	As at 31 December 2018	As at 31 December 2017
Net asset value per ordinary share (US\$ cents)	650.15	710.17
Ordinary share price (US\$ cents) ¹	557.20	622.29

There were no dilutive securities at the year end.

¹ Based on an exchange rate of \$1.2736 to £1 at 31 December 2018 and \$1.3528 to £1 at 31 December 2017.

Notes to the financial statements continued

10. Investments held at fair value through profit or loss

	2018	2017
	US\$'000	US\$'000
Overseas listed investments	277,783	301,804
Overseas unlisted investments	341	1,824
Valuation of investments at 31 December	278,124	303,628
Valuation brought forward	303,628	228,264
Investment holding (gains)/losses	(56,381)	1,015
Opening cost of investments and derivatives	247,247	229,279
Additions at cost	124,415	125,210
Disposals at cost	(127,715)	(107,242)
Cost carried forward	243,947	247,247
Closing investment holding gains	34,177	56,381
Closing valuation of investments	278,124	303,628

Transaction costs of US\$161,000 (2017: US\$145,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to US\$141,000 (2017: US\$169,000). All transaction costs have been included within capital reserves.

Gains/(losses) on investments held at fair value through profit or loss

	2018	2017
	US\$'000	US\$'000
Realised gains on sales	3,404	3,245
Movement in investment holding gains	(22,204)	57,396
	(18,800)	60,641

11. Debtors

	2018	2017
	US\$'000	US\$'000
Sales for future settlement	1,871	-
Prepayments and accrued income	1,809	1,658
	3,680	1,658

12. Creditors - amounts falling due within one year

	2018	2017
	US\$'000	US\$'000
Purchases for future settlement	-	111
Other payables	841	1,641
	841	1,752

13. Creditors - amounts falling due after more than one year

	2018	2017
	US\$'000	US\$'000
Non current tax liability	238	238
Non-equity redeemable shares	24	24
	262	262

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	Treasury shares	Total shares	Nominal value
	number	number		US\$'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 10 cents each				
At 31 December 2017	39,369,620	2,071,662	41,441,282	4,144
Shares purchased into treasury	(110,000)	110,000	-	-
At 31 December 2018	39,259,620	2,181,662	41,441,282	4,144

During the period to 31 December 2018, 110,000 ordinary shares were purchased and transferred to treasury at a total cost of US\$659,000 (2017: no ordinary shares were repurchased or cancelled during the year).

Notes to the financial statements continued

15. Reserves

	Share premium account	Capital redemption reserve	Non-distributable reserve	Distributable Reserves		
				Capital reserves arising on investments sold*	Capital reserves arising on revaluation of investments held *	Revenue reserves*
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 31 December 2017	11,719	4,843	4,356	183,696	56,435	14,397
Movement during the year:						
Total Comprehensive Income:						
Ordinary shares purchased into treasury	-	-	-	(654)	-	-
Share purchase costs	-	-	-	(5)	-	-
Net profit/(loss) for the year	-	-	-	1,407	(22,231)	5,947
Dividends paid during the year from revenue	-	-	-	-	-	(7,224)
Dividends paid during the year from capital	-	-	-	(1,585)	-	-
At 31 December 2018	11,719	4,843	4,356	182,859	34,204	13,120

* Represents the Company's distributable reserves.

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 blackrock.co.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 42 to 47 and in the Statement of Director's Responsibilities on page 52, 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 blackrock.co.uk/brla.

The AIFM is responsible for monitoring the 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 and tracks the actual risk management practices being deployed across the Company. By breaking down the components of the process, RQA have 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.

Value at 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 2018 and 31 December 2017 (based on a 99% confidence level) was 4.27% and 2.81%, respectively.

(i) Market risk arising from other price risk

Exposure to other price risk

Other price risk is the risk that the fair value of 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.

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 2018 on its equity and fixed interest investments was US\$278,124,000 (2017: US\$303,628,000).

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 minimised which is in line with the investment objectives of the Company.

Notes to the financial statements continued

16. Risk management policies and procedures continued

(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 2018 and 31 December 2017 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.

	2018				2017			
	Brazilian Real	Mexican Peso	Sterling	Chilean Peso	Brazilian Real	Mexican Peso	Chilean Peso	Other
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Debtors (due from brokers, prepayments and accrued income)	598	-	181	-	1,470	-	-	188
Creditors (due to brokers and other payables)	-	-	(319)	-	(111)	-	-	(728)
Cash and cash equivalents	7	-	130	-	3	-	-	17
Total foreign currency exposure on net monetary items	605	-	(8)	-	1,362	-	-	(523)
Investments at fair value through profit or loss that are equities or fixed interest	95,974	29,273	4,638	4,184	96,132	40,531	5,709	1,072
Total net foreign currency exposure	96,579	29,273	4,630	4,184	97,494	40,531	5,709	549

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.

The exposure at 31 December 2018 and 31 December 2017 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.

	2018			2017		
	Within one year	More than one year	Total	Within one year	More than one year	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Exposure to fixed interest rates:						
- Fixed interest investments	-	341	341	-	1,824	1,824
Exposure to floating interest rates:						
Cash and cash equivalents	137	-	137	20	-	20
- Bank overdraft	(25,593)	-	(25,593)	(23,702)	-	(23,702)
Total exposure to interest rates	(25,456)	341	(25,115)	(23,682)	1,824	(21,858)

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 0.00% and 2.80% per annum (2017: 0.00% and 2.03% per annum).

(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 investments and through the risk that issuers of debt instruments default on their commitments.

BlackRock's RQA Counterparty & Concentration Risk Team (RQA CCR) completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures and the collateral management process.

There were no past due or impaired assets as of 31 December 2018 (31 December 2017: nil).

Notes to the financial statements continued

16. Risk management policies and procedures continued

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

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 2018: A (2017: A). 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 may cause the Company's rights with respect to its investments held by the Depository to be delayed or limited. The maximum exposure to this risk at 31 December 2018 is the total value of equity and fixed interest investments held with the Depository and cash and cash equivalents in the Balance Sheet.

In accordance with the requirements of the depository agreement, the Depository is required to ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the equity and fixed interest investments of the Company. Thus in the event of insolvency or bankruptcy of the Depository, the Company's equity and fixed interest assets are segregated and this reduces counterparty credit risk.

The Company's investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNYM) as the Company's custodian. Bankruptcy or insolvency of the custodian may also cause the Company's rights with respect to securities held by the custodian to be delayed or limited.

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.

Cash held as security by the counterparty to financial derivative contracts is subject to the credit risk of the counterparty.

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** US\$'000	Collateral held** US\$'000	Total exposure to all other counterparties** US\$'000	Lowest credit rating of any one counterparty*
31 December 2018	2	1,871	-	137	BB-
31 December 2017	1	20	-	-	AA-

* Standard & Poor's ratings.

** Calculated on a net exposure basis.

Cash is subject to counterparty credit risk as the Company's access to its cash could be delayed should the counterparties become insolvent or bankrupt.

The Company may also be exposed to counterparty risk should there be any rehypothecation of pledged collateral. Rehypothecation refers to the practice by banks and brokers of using, for their own purposes, assets that have been posted as collateral by their clients; clients who permit rehypothecation of their collateral may be compensated either through a lower cost of borrowing or a rebate on fees. Collateral is received/paid where the client service agreement states that there should be collateral movements agreed with the counterparty, where there is a requirement for a mark-to-market process or collateralisation to ensure that the Company is protected against any counterparty default.

Debtors

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

The counterparties included in debtors are the same counterparties discussed previously under counterparty credit risk and 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 2018 and 31 December 2017 was as follows:

	2018	2017
	US\$'000	US\$'000
Debtors (amounts due from brokers, prepayments and accrued income)	3,680	1,658
Cash and cash equivalents	137	20
	3,817	1,678

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. RQA CCR are responsible for the risk management of the Company, with duties comprising of identifying, monitoring and managing risk, including counterparty credit risk. RQA CCR are supported in this role by the Investment Manager.

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 migration criteria designed to reduce the risk to the Company of default;
- the Company's listed investments are held on its behalf by BNYM as the Company's custodian (as sub-delegated by the Depositary). Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Board monitors the Company's risk by reviewing the custodian's internal control reports;
- the creditworthiness of financial institutions with whom cash is held is reviewed regularly by the RQA CCR team;
- all transactions in quoted securities are settled on a payment against delivery basis using approved brokers. 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 purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meet its obligation. The RQA CCR team review 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 auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the custodian's control processes;
- the Manager's internal control report which includes a report by the Manager's auditor. 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

This 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 overdraft facility for up to US\$40 million from BNYM which it utilises for short term liquidity purposes and to finance the acquisition of investments. As at 31 December 2018 \$25.6 million of this overdraft had been utilised (2017: \$23.7 million). Interest is payable at a rate per annum equal to LIBOR plus 1.0%.

Notes to the financial statements continued

16. Risk management policies and procedures continued

Liquidity risk exposure

The remaining undiscounted gross cash outflows of the financial liabilities as at 31 December 2018 and 31 December 2017, based on the earliest date on which payment can be required, were as follows:

	2018		2017	
	3 months or less	More than 1 year	3 months or less	More than 1 year
	US\$'000	US\$'000	US\$'000	US\$'000
Bank overdraft	(25,593)	-	(23,702)	-
Other creditors	(841)	-	(1,752)	-
Non current tax liability	-	(238)	-	(238)
	(26,434)	(238)	(25,454)	(238)

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 Portfolio Managers 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 page 65.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The fair value hierarchy has the following levels:

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

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

Level 2 - Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less 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. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager.

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 2018	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Equity investments	277,783	-	-	277,783
Fixed interest investments	-	341	-	341
Total	277,783	341	-	278,124

Financial assets at fair value through profit or loss as at 31 December 2017	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Equity investments	301,804	-	-	301,804
Fixed interest investments	-	485	1,339	1,824
Total	301,804	485	1,339	303,628

A reconciliation of fair value measurement in Level 3 is set out below.

Level 3 Financial assets at fair value through profit or loss at 31 December 2018	2018	2017
	US\$'000	US\$'000
Opening fair value	1,339	1,398
Fixed interest converted to equity and transferred to Level 1	(1,471)	-
Total gains/(losses) included in (losses)/gains on investments in the Income Statement:		
- assets disposed during the year	132	-
- assets held at the end of the year	-	(59)
Closing balance	-	1,339

Notes to the financial statements continued

16. Risk management policies and procedures continued

The Level 3 investments in the table above for 2017 relate to the Hypera Pharma 11.3% 15/10/18 convertible bond and Klabin 8% 08/01/19 convertible bond. During the period, the Klabin 8% 08/01/19 convertible bond was converted to equity and consequentially transferred to Level 1 and the Hypera Pharma bond matured. The Company held no Level 3 securities as at 31 December 2018 (2017: 2).

For exchange listed equity investments the quoted price is the bid price.

The unquoted fixed asset investments, as shown in Level 3 for the year ended 31 December 2017 were valued based on the Directors' best estimate based on latest information in line with the principles of the International Private and Venture Capital Valuation Guidelines.

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 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 8 and 9 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 2018 was US\$255,245,000 (2017: US\$279,590,000) comprised of equity, capital and reserves.

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 Manager and Investment Manager

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 pages 32 and 33.

The investment management fee is levied quarterly, based on 0.80% per annum of the net asset value on the last day of each month.

The investment management fee due for the year ended 31 December 2018 amounted to US\$2,091,000 (2017: US\$2,119,000), as disclosed in note 4 to the Financial Statements on page 67. At the year end, an amount of US\$520,000 was outstanding in respect of these fees (2017: US\$1,150,000).


In addition to the above services BlackRock has provided the Company with marketing services. The total fees paid or payable for these services for the year ended 31 December 2018 amounted to US\$112,000 excluding VAT (2017: US\$120,000). Marketing fees of US\$114,000 (2017: US\$112,000) were outstanding at 31 December 2018.

19. Related party disclosure

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 38 to 41. At 31 December 2018, an amount of US\$nil (2017: US\$nil) was outstanding in respect of Directors' fees.

20. Contingent liabilities

There were no contingent liabilities at 31 December 2018 (2017: US\$nil).

The image features a high-angle, aerial view of a densely packed urban landscape, likely a major city in Latin America. The buildings are a mix of heights and architectural styles, creating a complex, textured appearance. The sky is a pale, hazy blue. In the top right corner, there is a solid blue rectangular area containing the text 'Additional information' in white, sans-serif font. The overall composition is clean and professional, typical of a financial or investment report.

Additional information

The dramatic sell off in Argentina in 2018 leaves the stocks trading at attractive valuations. Interest rates and FX have mostly stabilized providing a foundation for the economy to rebound. We see significant opportunities in the country going forward.

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:

March

Annual results announced.

March

Annual Report and Financial Statements published.

May

Annual General Meeting.

September

Half yearly figures to 30 June announced, and half yearly financial report published.

Dividend timetable

	Announcement date	Pay date
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 blackrock.co.uk/brla.

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic codes for the Company's shares are:

	Ordinary shares
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 to sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service.

For existing shareholders the Company's registrar, Computershare Investor Services PLC, has introduced internet and telephone share dealing services. The telephone share dealing service is available on 0370 703 0084. To access the internet share dealing service log on to www.computershare.trade. To use these services, you will need your shareholder reference number, which is detailed on your certificate. To purchase this investment, you must have read the Key Information Document before the trade can be executed. Computershare can email or post this to you.

Internet dealing - The fee for this service is 1% of the value of each sale or purchase of shares (subject to a minimum of £30). Stamp duty of 0.5% is payable on purchases.

Telephone dealing - The fee for this service will be 1% of the value of the transaction plus £35. Stamp duty of 0.5% is payable on purchases.

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.

Shareholder information continued

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. 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 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;
- 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 blackrock.co.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 blackrock.co.uk/brla and shareholders can check details of their holdings on Computershare's website at 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.

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

From April 2018 the annual tax-free allowance on dividend income across an individual's entire share portfolio is £2,000. 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.

New individual savings accounts (NISAs)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion in an ISA. In the 2018/2019 tax year, investors will be able to

invest up to £20,000 in New Individual Savings Accounts (NISAs) 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. 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

Analysis of ordinary shareholders

at 31 December 2018

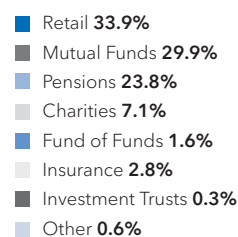
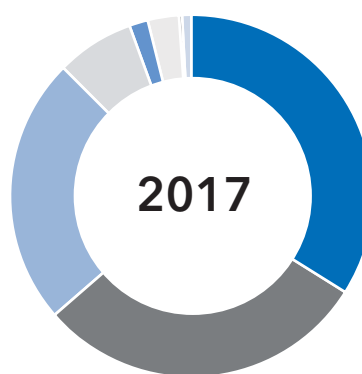
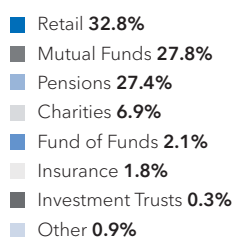
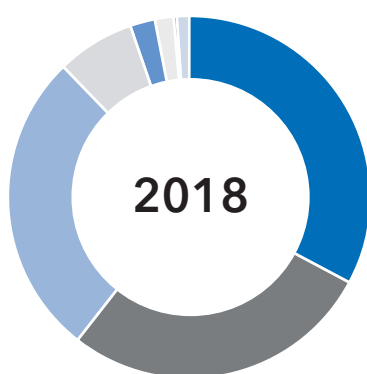
By type of holder

	Number of shares 2018	% of total 2018	% of total 2017	Number of holders 2018	% of total 2018	% of total 2017
Direct private investors	843,203	2.1	2.3	456	52.4	50.4
Banks and nominee companies	38,140,015	97.2	97.0	388	44.5	45.8
Others	276,402	0.7	0.7	27	3.1	3.8
	39,259,620	100.0	100.0	871	100.0	100.0

By size of holding

	Number of shares 2018	% of total 2018	% of total 2017	Number of holders 2018	% of total 2018	% of total 2017
1 - 1,000	176,752	0.4	0.5	375	43.1	43.9
1,001 - 5,000	633,074	1.6	1.8	275	31.6	31.9
5,001 - 10,000	457,958	1.2	1.3	64	7.3	7.5
10,001 - 100,000	4,354,414	11.1	10.4	119	13.7	12.4
100,001 - 500,000	5,961,559	15.2	14.4	24	2.8	2.6
500,001 - 1,000,000	4,243,662	10.8	6.5	6	0.7	0.6
Over 1,000,000	23,432,201	59.7	65.1	8	0.8	1.1
	39,259,620	100.0	100.0	871	100.0	100.0

By style of owner



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	Premium/ (discount) %	Revenue Return per ordinary share cents	Dividends per ordinary share cents	Effective gearing ¹ %	Ongoing charges ² %
2009	443,410	1,011.5	1,037.5	2.6	18.57	15.00	8.5	1.4
2010	524,501	1,196.4	1,200.1	0.3	28.62	24.00	11.8	1.2
2011	391,550	893.1	836.9	(6.3)	35.39	30.00	9.4	1.3
2012	399,713	964.7	861.5	(10.7)	26.50	30.00	8.8	1.2
2013	315,345	801.0 ³	719.3	(10.2)	24.83	30.00	2.0 ³	1.1
2014	276,423	702.1	624.5	(11.1)	31.46	30.00	(2.4)	1.2
2015	180,943	459.6	408.2	(11.2)	24.10	21.00	(3.1)	1.1
2016	221,730	563.2	486.5	(13.6)	17.89	15.00	2.1	1.2
2017	279,590	710.2	622.3	(12.4)	13.03	13.00	7.8	1.1
2018	255,245	650.2	557.2	(14.3)	15.13	23.55	9.8	1.0

¹ 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.

² Based on average net assets for the year. Effective from 2011, the ongoing charges ratio is calculated in accordance with the AIC recommended methodology.

³ Convertible bonds were repaid, redeemed or converted in 2013.

Management & 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^{2,4}
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Alternative Investment Fund Manager³

BlackRock Fund Managers Limited²
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Depository

The Bank of New York Mellon (International) Limited^{1,2}
One Canada Square
London E14 5AL

Custodian and Banker

The Bank of New York Mellon (International) Limited²
One Canada Square
London E14 5AL

Registrar

Computershare Investor Services plc²
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1112

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Stockbrokers

Cenkos Securities plc²
6-8 Tokenhouse Yard
London EC2R 7AS

Solicitors

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

¹ From 1 November 2017.

² Authorised and regulated by the Financial Conduct Authority.

³ BlackRock Fund Managers Limited (BFM) was appointed as the Alternative Fund Manager on 2 July 2014. BlackRock Investment Management (UK) Limited continues to act as the Investment Manager of the Company under a delegation agreement with BFM.

⁴ 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.

AIFMD disclosures

Report on remuneration

The Alternative Investment Fund Managers' Directive (the AIFMD), requires certain disclosures to be made with regard to the remuneration policy of the Company's AIFM.

Details of the BlackRock AIFM Remuneration Policy are disclosed on the Company's website at blackrock.co.uk/brla and became applicable to the Manager on 1 January 2015, being the beginning of the first financial year of BlackRock following the Manager's authorisation as an AIFM.

Quantitative remuneration disclosure

Disclosures in accordance with FUND 3.3.5, Article 22(2)e and 22(2)f of the AIFMD and Article 107 of the Delegated Regulation are disclosed on the website at blackrock.co.uk/brla.

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 2018	Gross leverage as at 31 December 2018
Leverage ratio	1.19	1.10

Other risk disclosures

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 16 to the notes to the financial statements on pages 74 to 82.

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 blackrock.co.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.

SARAH BEYNSBERGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
28 March 2019

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.

SARAH BEYNSBERGER

For and on behalf of

BlackRock Investment Management (UK) Limited

Company Secretary

28 March 2019

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 15 May 2019 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).

Resolution 2 is an advisory vote on the Directors' Remuneration Report, excluding any content relating to the proposed remuneration policy as set out in the policy table on page 39. The Company is required to seek approval for the remuneration policy every three years; the remuneration policy was last approved at the AGM in May 2017 and will apply until it is put to a shareholder vote at the AGM in 2020 (unless amended by the Company in a general meeting at an earlier date).

Ordinary business

1. To receive the report of the Directors and the financial statements for the year ended 31 December 2018, together with the report of the Auditors thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2018.
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 elect Craig Cleland as a Director.
6. To re-elect Mahrukh Doctor as a Director.
7. To re-elect Nigel Webber as a Director.
8. To re-elect Laurence Whitehead as a Director.
9. To reappoint PricewaterhouseCoopers LLP as Auditors of the Company until the conclusion of the next AGM of the Company.
10. To authorise the Audit Committee to determine the Auditors' remuneration.

Special business

Ordinary resolution

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\$196,298.10, (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 2020 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 2020, 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\$196,298.10 (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

Notice of annual general meeting continued

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 5,885,017 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 2020 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

SARAH BEYNSBERGER

For and on behalf of

BlackRock Investment Management (UK) Limited

Company Secretary

28 March 2019

Registered Office:

12 Throgmorton Avenue

London EC2N 2DL

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 13 May 2019 (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. 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 13 May 2019 (being 48 hours before the time of the meeting excluding Saturdays, Sundays and Bank Holidays).
3. 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.
4. 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.
5. 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.
6. Only shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days prior to the time 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 6.00 p.m. two days prior to the time 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.
7. 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.
8. 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 13 May 2019 (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. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
9. 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 13 May 2019 (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.
10. 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 per cent. 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.
11. 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

Notice of annual general meeting continued

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.

12. 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 auditors' 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.

13. 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 auditors 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.

14. 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 3 April 2019, 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.

15. 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 blackrock.co.uk/brla.

16. As at the date of this report, the Company's issued share capital comprised 39,259,620 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 39,259,620.

17. 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.

Glossary

Net asset value per share ("NAV")

This is the value of the Company's assets attributable to one ordinary share. 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 2018 equity shareholders' funds were worth US\$255,245,000; there were 39,259,620 ordinary shares in issue (as set out in note 9 of the notes to the financial statements on page 71); the NAV was therefore 650.15 US cents per share.

Total 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.

As at 31 December 2018, total shareholders' funds less the current year revenue return amounted to US\$249,298,000 and there were 39,259,620 ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 635.00 US cents per share.

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

Net asset value and share price return per share with dividends reinvested¹

This is the theoretical return on shareholders' funds per share, reflecting the change in value of the NAV per share assuming that dividends paid to shareholders were reinvested at the first opportunity. The measure is also known as 'total return' and this information enables investors to make performance comparisons between investment trusts with different dividend policies. The dividend reinvestment calculation 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 the performance record on page 3 for the inputs to the calculation).

¹ Alternative Performance Measures.

NAV return per share with dividends reinvested	Page	31 December 2018	31 December 2017
Closing NAV per share (US cents)	3	650.15	710.17
Add back interim dividends for the year ended 31 December 2018 (US cents)	3	22.42	15.00
Effect of dividend reinvestment (US cents)		(0.58)	1.15
Adjusted closing NAV (US cents)		671.99	726.32 (a)
Opening NAV per share (US cents)	3	710.17	563.20 (b)
NAV return with dividends reinvested (c = ((a - b)/b)) (%)		(5.4)	29.0 (c)

Share price return per share with dividends reinvested	Page	31 December 2018	31 December 2017
Closing share price (US cents) ¹	3	557.20	622.29
Add back interim dividends for the year ended 31 December 2018 (US cents)	3	22.42	15.00
Effect of dividend reinvestment (US cents)		(0.31)	1.41
Adjusted closing share price (US cents)		579.31	638.70 (a)
Opening share price per share (US cents) ¹	3	622.29	486.52 (b)
Share price return with dividends reinvested (c = ((a - b)/b)) (%)		(6.9)	31.3 (c)

¹ Based on an exchange rate of \$1.2736 to £1 at 31 December 2018 and \$1.3528 to £1 at 31 December 2017.

Discount

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it 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. For example, if the share price was 90 cents and the NAV 100 cents, the

Glossary continued

discount would be 10%. (Please see note 9 of the financial statements on page 71 for the audited inputs to the calculation at 31 December 2018 and 2017).

Premium

A premium occurs when the share price is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 100 cents and the NAV 90 cents, the premium would be 11.1%. (Please see note 9 of the financial statements on page 71 for the audited inputs to the calculation at 31 December 2018 and 2017).

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

Leverage

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

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

Leverage ratio = exposure: net asset value

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

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, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments (as set out in note 5 of the notes to the financial statements on

page 67). Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

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

Ongoing charges calculation	Page	31	31
		December 2018	December 2017
		US\$'000	US\$'000
Management fee	67	2,091	2,119
Other operating expenses	67	688	766
Total management fee and other operating expenses		2,779	2,885 (a)
Average net assets in the year		269,363	259,866 (b)
Ongoing charges (c = a/d)		1.03%	1.11% (c)

Gearing

The Company may from time-to-time utilise gearing. Gearing works by magnifying the company’s performance. If a company ‘gears up’ and then markets rise and the 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.

As at 31 December 2018 the Company’s gearing was 108.9%, as calculated in accordance with AIC Guidelines which require gearing to be calculated as total assets of the Company less cash and cash equivalents held divided by total shareholders’ funds. In accordance with AIC Guidance, total assets is calculated as total net assets of the company plus borrowings. Cash and cash equivalents are further defined by the AIC as net current assets or net current liabilities (as relevant). At 31 December 2018 the Company had total assets of \$280,838,000, bank overdraft of \$25,593,000, cash and cash equivalents of \$2,976,000 and shareholders’ funds of \$255,245,000.

The calculation of gearing under the AIC definition is therefore as follows:

Net gearing calculation	Page	31	31	
		December 2018	December 2017	
		US\$'000	US\$'000	
Net assets	62	255,245	279,590	(a)
Borrowings	62	(25,593)	(23,702)	(b)
Total assets (a - b)		280,838	303,292	(c)
Current assets ¹	62	3,817	1,678	(d)
Current liabilities (excluding borrowings)	62	(841)	(1,752)	(e)
Cash and cash equivalents (d + e)		2,976	(74)	(f)
Gearing ratio (g = ((c - f)/a × 100)		108.9	108.5	(g)

¹ Includes cash at bank.

The audited inputs for this calculation can be found in the Balance Sheet on page 62.

Share fraud warning

Be ScamSmart



Investment scams are designed to look like genuine investments



Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at www.fca.org.uk/consumers. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at www.fca.org.uk/scamsmart

Remember: if it sounds too good to be true, it probably is!

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