BlackRock

BlackRock Latin American Investment Trust plc

Annual Report and Financial Statements 31 December 2020

Financial highlights

596.42c
NAV per ordinary share
–14.5%[2,3]

$234.1m
Net assets
–18.5%[6]

552.93c[1]
Ordinary share price
–9.3%[2,3]

14.86c
Revenue profit per ordinary share
–17.9%

23.06c
Total dividends
–33.9%[5]

4.2%[2,4]
Dividend yield

Percentage comparisons are year on year against 31 December 2019.

1 Mid-market price.
2 Alternative Performance Measures. See Glossary on pages 110 to 113.
3 All calculations in US Dollars with dividends reinvested.
4 Yield calculated based on 4 quarterly dividends for the year ended 31 December 2020 of 23.06 cents per share and the share price as at 31 December 2020 of 552.93 cents.
5 Dividends declared in respect of the financial year to 31 December 2020 of 23.06 cents per share compared to dividends declared in respect of the financial year to 31 December 2019 of 34.89 cents per share (see page 88 for more details).
6 The movement reflects the change in net asset value between 31 December 2019 and 31 December 2020 and has not been adjusted for dividend reinvestment.

At the end of the year under review, Chile was our largest country overweight. The government's coordinated domestic fiscal and monetary stimulus response to the COVID-19 pandemic is one of the largest in the region. The cover of this report shows the city of Santiago, bordered by the Andes and Chilean Coastal mountain ranges. The vineyards opposite are in the Casablanca Valley, 75km to the northwest of the capital.

Why BlackRock Latin American Investment Trust plc?

Investment objective

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

Investment approach

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

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The Association of Investment Companies

A member of the Association of Investment Companies

Details about the Company are available on the website at www.blackrock.com/uk/brla

Contents

Performance record

	As at 31 December 2020	As at 31 December 2019	Change %
Net assets (US$'000)	234,151	287,444	−18.5
Net asset value per ordinary share (US$ cents)	596.42c	732.15c	−18.5
– with dividends reinvested[1]			−14.5
Ordinary share price (mid-market) (US$ cents)[2]	552.93c	643.17c	−14.0
– with dividends reinvested[1]			−9.3
Ordinary share price (mid-market) (pence)	404.50p	485.50p	−16.7
– with dividends reinvested[1]			−12.1
Discount[1]	7.3%	12.2%	n/a
MSCI EM Latin America Index (Net return, on a US Dollar basis)[3]	481.16	558.16	−13.8

	For the year ended 31 December 2020	For the year ended 31 December 2019	Change %
Revenue			
Net profit after taxation (US$'000)	5,834	7,106	−17.9
Revenue profit per ordinary share (US$ cents)	14.86	18.10	−17.9
Dividends per ordinary share (US$ cents)			
Quarter to 31 March	4.59	8.56	−46.4
Quarter to 30 June	5.57	9.15	−39.1
Quarter to 30 September	5.45	8.03	−32.1
Quarter to 31 December	7.45	9.15	−18.6
Total dividends paid and payable (US$ cents)	**23.06**	**34.89**	**−33.9**

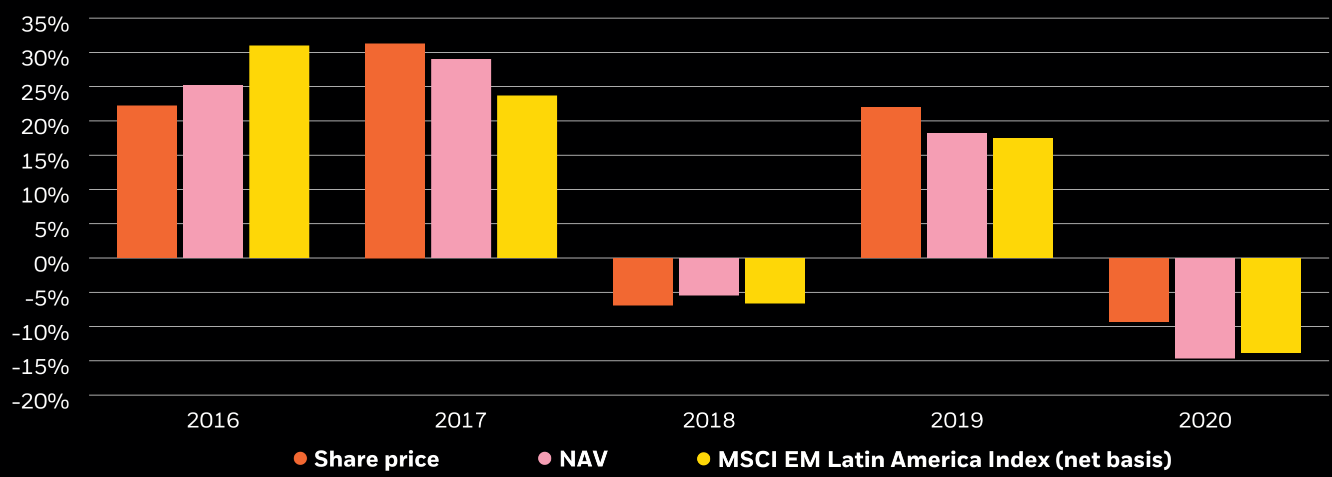
Source: BlackRock.

[1] Alternative Performance Measures, see Glossary on pages 110 to 113.

[2] Based on an exchange rate of US$1.3669 to £1 at 31 December 2020 and US$1.3248 to £1 at 31 December 2019.

[3] 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.

Annual performance for the five years to 31 December 2020



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

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

Chairman's Statement

Dear Shareholder

Carolan Dobson
Chairman

I am pleased to present the Annual Report to shareholders for the year ended 31 December 2020.

Review of 2020

Latin American stock markets had a promising start to the year but were severely impacted by the COVID-19 pandemic as it escalated through the period under review. As significantly lower levels of global economic activity sharply affected the commodity prices that generate much of Latin America's economic wealth, the benchmark index (the MSCI EM Latin America Index (net return)) dropped sharply over the first half of the year. The Latin American region was also hit hard by the severity of the pandemic due to poor healthcare infrastructure and the significant fiscal deficits in many countries which reduced their ability to increase spending to ameliorate some of the worst of the economic effects. The Latin American stock markets recovered in the second half of the year aided by the significant fiscal and monetary response from governments around the world which raised expectations of global economic growth and the development of effective vaccines to combat the pandemic; however, overall the Company's NAV ended the year down by 14.5%, a slight underperformance of the benchmark index which fell by 13.8%. The share price fell by 9.3% over the same period (all calculations with dividends reinvested on a US Dollar basis).

Brazil and Colombia were the worst performing equity markets in the region over the year. The Brazilian stock market fell by 19.0% as high levels of government debt reduced the authorities' scope for making the very large stimulus measures taken in the developed world. Colombian markets were also down by 19.0% over the year; the impact of the pandemic was exacerbated by falling oil prices which drove up the country's fiscal deficit. Markets in Mexico and Chile fared better and were relative outperformers, falling by just 1.9% and 5.6% respectively over the period. All figures are on a net total return basis. Additional information on the main contributors to and detractors from performance for the period under review is given in the Investment Manager's report on pages 11 to 16.

Throughout the COVID-19 outbreak, the Board has had to adjust its mode of operation to minimise the risk the virus

The Company has declared dividends totaling 23.06 cents per share in respect of the year ended 31 December 2020 representing a yield of 4.2%[3]

has posed to the health and wellbeing of those working on the management and administration of the Company. The Board has continued to meet regularly and since March 2020 all scheduled meetings have been held by video conference and the Board has been pleased by the continuing high standard of support it is receiving from our Manager and its other third-party suppliers in these difficult working conditions. The Board has worked closely with its Manager to ensure that the Company's operations have not been adversely impacted, that BlackRock and key service providers have established business continuity plans and a good level of service has continued to be maintained. Unfortunately, however, the arrangements for last year's Annual General Meeting were disrupted in response to the COVID-19 pandemic and, with the current restrictions in place, this may well be the case again for the forthcoming Annual General Meeting. The proposed Annual General Meeting arrangements are set out on page 8.

Performance

Over the year ended 31 December 2020 the Company's Net Asset Value (NAV) fell by 14.5%[1] in US Dollar terms compared to a fall in the benchmark of 13.8%[2]. In Sterling terms the NAV fell by 17.2%[1] over the same period and the benchmark in sterling terms fell by 16.2%[2]. The share price fell by 9.3%[1] in US Dollar terms (12.1%[1] in Sterling terms).

Details of the factors affecting performance are set out in the Investment Manager's Report. Key aspects of performance attribution for the year are set out in the chart below.

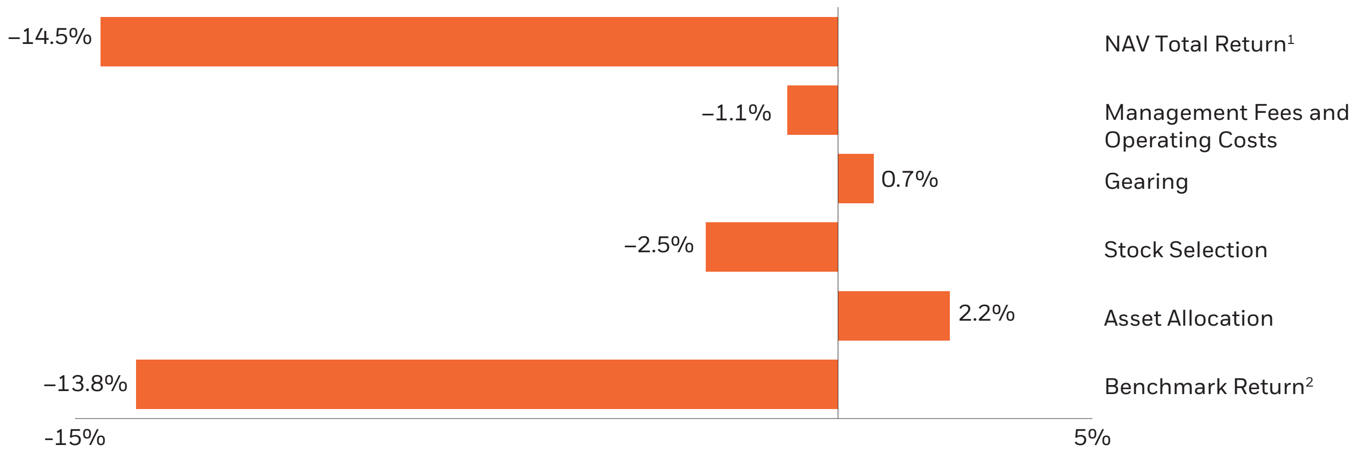
Gearing

The Board's view is that 105% of NAV is the neutral level of gearing over the longer term and that gearing should be used actively in an approximate range of plus or minus 10% around this as measured at the time that gearing is instigated. These current parameters sit within the Company's gearing policy, as set out in the investment policy in the Annual Report and Financial Statements, 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 Board is pleased to note that despite the high level of uncertainty over the year that the Managers have been bold and used gearing actively with a low of 104.1% as at 29 February 2020 and a high at 114.2% in October 2020. Average gearing for the year to 31 December 2020 was 107.7%.

Revenue return and dividends

Total revenue return for the year was 14.86 cents per share (2019: 18.10 cents per share). The decrease of 17.9% was largely due to a lower level of dividends received in the year as the impact of

Contribution to total return for the year ended 31 December 2020



The performance attribution is based on a Brinson Fachler daily transactions-based methodology and is in line with Global Investment Performance Standards (GIPS) recommendations. Source: BNY Mellon.

1 Alternative Performance Measures. Further details of the calculation of performance with dividends reinvested are given in the Glossary on pages 111 to 112.

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

COVID-19 on revenues hit portfolio companies' revenue streams.

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

The Company has declared interim dividends totaling 23.06 cents per share in respect of the year ended 31 December 2020 (2019: 34.89 cents per share) as detailed in the table below; this represented a yield of 4.2% based on the Company's share price at 31 December 2020.

The dividends paid and declared by the Company in 2020 have been funded from current year revenue and brought forward revenue reserves. As at 31 December 2020, a balance of US$3.0 million remained in revenue reserves, which is sufficient to cover approximately one quarterly dividend payment at the most recently declared dividend rate of 7.45 cents per share. Dividends will be funded out of capital reserves to the extent that current year revenue and revenue reserves are insufficient. The Board believes that this removes pressure from the investment managers to seek a higher income yield from the underlying portfolio itself which could detract from total returns. The Board also believes the Company's dividend policy will enhance demand for the Company's shares and help to narrow the Company's discount, whilst maintaining the portfolio's ability to generate attractive total returns.

It is promising to note that since the dividend policy was introduced in July 2018, the Company's discount has narrowed from 14.9% as at 1 July 2018 to 7.3% as at 31 December 2020.

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 2020 the cum–income discount on the ordinary shares in Sterling terms has averaged 9.9% and ranged between 2.0% and 16.5%.

The Board tries to reduce discount 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 to be put to the Company's AGM in 2022 is approved, where either of the following conditions have been met:

(i) the annualised total NAV return of the Company does not exceed the annualised benchmark index (being the MSCI EM Latin America Index) US Dollar (net return) by more than 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.

In respect of the above conditions, the Company's annualised total NAV return on a US Dollar basis for the 36 months from 1 January 2018 to 31 December 2020 was -1.49%[1], outperforming the annualised benchmark return for the

Since the current dividend policy was introduced in July 2018, the Company's discount has narrowed from 14.9% to 7.3%.

Dividends declared in respect of the year ended 31 December 2020

	Dividend	Pay date
Quarter to 31 March 2020	4.59 cents	20 May 2020
Quarter to 30 June 2020	5.57 cents	11 August 2020
Quarter to 30 September 2020	5.45 cents	9 November 2020
Quarter to 31 December 2020	7.45 cents	8 February 2021
Total	**23.06 cents**	

same period of -1.83% by 0.34%[1]. The cum-income discount of the Company's ordinary shares has averaged 12.2%[1] for this period and ranged from a discount of 2.0%[1] to 20.6%[1], ending on a discount of 7.3%[1] at 31 December 2020. On these metrics a tender would be triggered if the annualised NAV performance relative to the benchmark and the average discount calculations for the three years to 31 December 2020 remain unchanged over the forthcoming year to 31 December 2021.

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 page 44.

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 making share purchases where appropriate to manage the discount. The Company has not bought back any shares during the financial year ended 31 December 2020 and up to the date of publication of this report (no shares were bought back in the year to 31 December 2019).

ESG and Socially Responsible Investment

As a Board we believe that good Environmental, Social and Governance (ESG) behaviour by the companies we invest in is critical to the long-term financial success of our Company and are very encouraged that ESG issues are also increasingly at the forefront of investors' minds. The Latin American economies are large producers to the world of vital food, timber, minerals and oil. These are all areas that are at the forefront of modern concerns about climate change, biodiversity and proportionate and sustainable use of land and ocean resources. The Board is aware that there is significant room for improvement in terms of disclosure and adherence to global best practices for many corporates throughout the Latin American region, and also that as a whole the region lags global peers when it comes to ESG best practices. The Board receives regular reporting from the portfolio managers on ESG matters and extensive analysis of our portfolio's ESG footprint and actively engages with the Manager to discuss when significant engagement is required with the management teams of our Company's portfolio holdings. The portfolio managers are supported by the extensive ESG resources within BlackRock and devote a considerable amount of time to understanding the ESG risks and opportunities facing companies and industries in the portfolio. Whilst the Company does not exclude investment in stocks purely on ESG criteria, ESG analytics are fully integrated into the investment process when weighing up the risk and reward benefits of investment decisions. The Board believes that communication and engagement with portfolio companies can lead to better outcomes for shareholders and the environment than merely excluding investment in certain areas. It is encouraged by the progress made through BlackRock's company engagement to encourage sound corporate governance frameworks that promote strong leadership by boards of directors and good management practices contributing to a better outcome for all stakeholders. More information in respect of our approach to ESG can be found on pages 25 to 27.

Annual General Meeting

The Company's Annual General Meeting will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Wednesday, 19 May 2021 at 12.00 noon. Details of the business of the meeting are set out in the Notice of Meeting on pages 116 to 119 of this Annual Report. At the time of writing, various guidances have been issued by the UK, Scottish and Welsh governments respectively, regarding measures to reduce the transmission of COVID-19 in the UK. These measures are, and will continue to be, subject to periodic amendment and currently impose rules on social distancing and limitations on, among other things, public gatherings.

Accordingly, in view of this guidance, the Board is changing the format of the AGM this year to follow the minimum legal requirements for an AGM. Only the formal business set out in the Notice will be considered, with no live presentation by the Investment Manager. A presentation from the Investment Manager will be made available on the Company's website following the conclusion of the AGM. In line with this guidance, shareholders are strongly discouraged from attending the meeting and indeed entry will be refused if current UK Government guidance is unchanged. As shareholders will not be able to attend the Annual General Meeting, the Board strongly encourages all shareholders to exercise their votes by completing and returning their proxy forms in accordance with the notes to the Notice of Meeting contained in the Company's Annual Report for the year ended 31 December 2020. If there are any changes to the arrangements for the Annual General Meeting as a result of changes to government guidance, the Company will update shareholders through the Company's website and, if appropriate, through an announcement on the London Stock Exchange. The Board of course welcomes questions from shareholders and, given the format and prevailing circumstances, shareholders are asked to submit any questions they may have to the Board in advance of the AGM. The Board or the Investment Manager will respond by email or letter to all questions received. Shareholders may submit questions to the Board before 17 May 2021 by email

[1] Alternative Performance Measures. Further details of the calculation of performance with dividends reinvested are given in the Glossary in the Annual Report and Financial Statements on page 111 and 112.

at: cosec@blackrock.com. The Board would like to thank shareholders for their understanding and co-operation at this difficult time and look forward to meeting you at some safer stage in future.

Outlook

As COVID-19 continues to dominate the global economy, successful management of infection rates and the roll out of vaccines will dictate how well markets recover across the globe.
In addition to pandemic-related risks to recovery, the economic growth of China and the impact on global commodity prices will be an important factor for investors in the Latin American region.
In the US, President Biden's fiscal policy and reforms should prove positive for the United States' trading partners in Latin America, most notably Mexico.
Our portfolio managers continue to monitor political developments in Latin America that could affect the sound operation of economies.

Overall, the portfolio managers believe that higher external growth from US and China, buoyant commodity prices and a liquidity boost from supportive fiscal policies in developed markets are attractive tailwinds that should set the stage for a resurgence in Latin American equities over the coming year.

Carolan Dobson
Chairman
26 March 2021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Investment manager's report

Sam Vecht **Ed Kuczma**

Market Overview

Coming into 2020 on the heels of strong gains for Latin American performance in 2019, investor sentiment on global equities was riding high. However, before long risk assets were jolted by the dual onslaught of the COVID-19 outbreak and an oil price war. Global equities sunk into a bear market over the course of a three week period on concerns of an acute slowdown in economic activity, given the implementation of widespread regional and national lockdowns (encompassing more than one-third of humanity) to contain the spread of the pandemic. By way of illustration, the MSCI World Index lost over a third of its value between 12 February and 23 March 2020. The carnage witnessed in global equity markets finally ended on 23 March 2020, on cues of an unprecedented policy panic the world over. Over the course of the year, global policymakers ramped up quantitative easing profusely, with approximately US$22 trillion of policy stimulus announced since the onset of the pandemic, including US$14 trillion of fiscal stimulus, and 190 interest rate cuts across the globe over the course of the year.

Latin America in general was ill prepared to deal with the severity of the pandemic as the majority of countries in the region had to face obstacles regarding poor healthcare infrastructure and restrictive fiscal deficits. Halfway through 2020, a combination of strong currency depreciation and underperforming equity markets made Latin America one of the worst performing asset classes in global markets. As the year progressed, economic mobility started to increase, sentiment started to improve and a liquidity-driven rally boosted equity returns. Dire economic forecasts at the onset of the pandemic proved to be overly pessimistic and equity markets benefitted from sequential improvements in activity and

Brazilian integrated oil and gas company Petrobrás was the portfolio's largest holding at the end of the year under review. The company's 2021 to 2025 Strategic Plan focuses exploration and production on deep and ultra deep water, where it has shown a competitive edge in recent years. Its P68 floating production, storage and offloading unit operates 230km off the Brazilian coast in waters more than 2km deep.

PHOTO COURTESY OF PETROBRAS

We believe the earnings outlook for Latin America within the global context is robust and attractive, especially given the region's large exposure to cyclical sectors such as financials, energy and materials that should benefit most as economies reopen.

economic surprises that helped to fuel a recovery in markets. After a brief period of consolidation ahead of US Presidential elections in September and October, that coincided with the COVID-19 second wave in Europe, Latin American equities spiked in November to their best monthly performance seen in decades, triggered by the announcement of preliminary COVID-19 vaccine results and the passage of the US election overhang. Despite a strong second half rally, Latin American equities posted a negative return of 13.8%[1] in 2020, underperforming Emerging Markets (return of 18.3%) and Developed Markets (return of 15.9%).

After ending 2019 as the top performing countries in the region, Brazil and Colombia were the weakest equity markets in Latin America for 2020. Brazil's performance was impacted by a strong depreciation in the local currency given challenging fiscal dynamics and high government indebtedness that were exacerbated during the crisis due to the amount of stimulus administered to help the economy. Similarly, Colombia declined as a result of a poor fiscal situation that was weakened further by falling oil prices (fuel exports and royalties are important contributors to government revenues). Mexico was a relative outperformer in the region on the back of a still-positive real interest rate as persistent inflation defied Banxico's appetite for further cuts and thanks to 2020 fiscal deficit being the strongest in the region. Chile rose later in the year and reversed some of its losses on the back of its relatively successful control of the pandemic, household income support from pension withdrawals and strong performance of copper prices.

Portfolio Review

The Company posted a negative return of 14.5%[1,2] in its NAV in US Dollar terms for the year ending 31 December 2020. These returns underperformed the negative return of 13.8%[1] of the MSCI Emerging Markets Latin America Index (net) over the same time period.

At the country level, the portfolio overweight to Mexico was the dominant driver to relative returns; however, security selection in Brazil detracted most over the period.

At the stock level, an off-benchmark position in **Ternium**, the leading steel company in Latin America, was the top contributor as the stock benefitted from rising steel prices in North America. The company has been investing in a significant new growth platform for

[1] All calculations in US Dollars with dividends reinvested.

[2] Alternative Performance Measures, see Glossary on pages 110 to 113.

Mexico and continues to emerge as a relative winner having taken share from weaker domestic competition in 2020. An overweight in **Via Varejo**, a Brazilian retail company, also added to the portfolio on a relative basis, as the stock rose benefitting from the turnaround of the firm's e-commerce platform under the new management and a relentless effort to carry on a digital transformation agenda. Conversely, the fact that the portfolio did not hold **Magazine Luiza**, one of the largest Brazilian online retail companies, was the top detractor from relative returns as the stock rose in line with other online retailers, which benefitted from COVID-19 related lockdowns. An overweight position in **Banco do Brasil** weighed on relative performance during the period as the stock declined on the back of interest rate cuts and fears of increasing delinquency amongst borrowers as the Brazilian economy faced pressure from the global pandemic. From a sector perspective, the portfolio's overweight stance in Materials and Healthcare were considerable contributors to performance during the year. Conversely, holdings in the Real Estate sector were notable detractors given weakened activity, rent holidays and increasing vacancy.

Portfolio Positioning

During times of elevated volatility and market stress, it is important to focus on the long-term investment horizon, adhere to disciplined fundamental analysis from a bottom-up perspective and be ready to respond to dislocations in the market as opportunities present themselves. Hence, over the year we notably managed our Brazilian exposure and have been taking advantage of depressed valuations to build out exposure in high conviction names.

Early in the year, we initiated a position in Brazil's **Suzano Papel e Celulose**, one of the largest pulp and paper exporters in the world. Following a material sell off throughout 2018 and 2019, pulp prices, which peaked in 2018, languished at trough levels for close to a year, far longer than the typical 3-4 months that we have witnessed historically. Pulp prices averaged close to trough levels for most of 2020, well below the marginal cost of production, as the industry remained oversupplied due to weak printing and writing paper demand from the pandemic. We had been arguing that pulp prices were unsustainably low, and that price hikes were likely as the supply demand balance tightened in the second half of the year, but the magnitude and speed of the rebound has surprised us. We expect prices to

Argentinian steel producer Ternium was the portfolio's top contributor. The company benefitted from rising steel prices in North America.

continue increasing given the improvement in pulp demand (from ongoing tissue consumption and improvement in paper and writing demand), higher paper prices globally, a weak US Dollar, and normalized inventory levels. Given the high conviction gained in our pulp price recovery thesis, we also took the opportunity to add to Chilean pulp producer, **Empresas CMPC**, given attractive valuations and improving outlook on the business cycle. Throughout the year the Company added Chilean materials company **Sociedad Química y Minera de Chile (SQM)**. The outlook for SQM and global lithium peers remains favourable in 2021 on the prospects of a recovery in electronic vehicle sales and the improvement of spot lithium carbonate prices in China, which troughed in mid 2020 and have since rebounded nicely. We believe SQM is uniquely positioned relative to most of its lithium peers given its lower cost of production, ongoing capacity expansions and strong outlook for other business such as fertilizers and iodine. We funded these purchases by reducing exposure to Brazilian banks by trimming holdings of **Itaú Unibanco** and **Banco do Brasil** as we believed mounting headwinds in terms of NIM (Net Interest Margin) pressure due from interest rate cuts, rising potential of defaults on loans and strong competition from disruptive fintechs should diminish returns for incumbent banks going forward.

The portfolio ended 2020 with our largest country overweights being Mexico and Chile. Mexican equities look attractive from a valuation standpoint and could benefit from the re-opening phase and the proximity to the US. The potential for additional stimulus is relevant to the degree that any stimulus spending in the US spills over into Mexico via both countries' various direct and indirect economic linkages; in a sense, Mexico gets stimulus it does not have to pay for. We like Chilean equities because of the country's coordinated domestic fiscal and monetary stimulus package (one of the biggest in the region) which should counteract the negative economic impact of the COVID-19 pandemic. Additionally, our expectations of policy continuity should support the ongoing rebound in domestic economic activity, leading to improved support for moderate Presidential candidates in the November 2021 election. We reduced our exposure to Brazil throughout 2020 and enter 2021 with a slight overweight. We believe the Brazilian equity market should benefit materially from the ongoing global reflation trade because of the high exposure to commodities and financials. However, the Bolsonaro administration is struggling to steer Brazil back to fiscal sustainability as a severe second wave of the COVID-19 pandemic has triggered economic shutdowns and forced Brazil's Congress to approve an US$8 billion emergency aid package in March 2021. Whilst considerably smaller than the US$50 billion stimulus passed at the beginning of the crisis last year, the spending will add to Brazil's growing debt pile. In addition, political risks may start to emerge as investors pay more attention to the 2022 Presidential election given we will have poor visibility on economic policy beyond the election in an environment of fragile fiscal accounts. In terms of underweights, the Company continues to have no exposure to markets such as Peru and Colombia. We expect heightened regulatory noise ahead of the Peruvian Presidential election in April of this year which should weigh on the main investible sectors in the country. While we expect economic recovery in Colombia to rebound strongly in 2021, we see valuations in the equity market as rich on a relative basis. At the sector level, we are overweight materials and real estate, and underweight consumer staples and utilities.

The four "C"s of Latin America portfolio construction

Commodities

- **Positive Pulp & Paper** as higher prices are anticipated due to: 1) strong softwood futures performance; 2) restocking demand; 3) lower availability (maintenance downtimes and container shipping shortage); and 4) USD weakness.
- **Bullish on Mexican Cement Producers** which benefit from strong US demand for housing and infrastructure.
- **Strong Outlook on Lithium demand** as supply concerns from downstream companies have begun to resurface as electric vehicles continue to gain popularity and more OEMs announce their EV plans.
- **Neutral outlook for Oil Producers**

Currencies

- **Positive Chile and Peru** on expected CLP and PEN appreciation due to improving trade terms and high commodity prices.
- **Cautious on Brazil** given higher political uncertainty ahead of 2022 elections and high fiscal deficit. Negatives are partially offset by views of higher interest rates going forward.
- **Neutral Mexico** amid policy uncertainty and impact it could have on MXN.
- **Negative Colombia** based on rising fiscal deficit and need for tax reform.

Consumption

- **Positive Brazil** as record low interest rates and subdued inflation leads to greater disposable income.
- **More optimistic on Chile consumption** as country outperforms on vaccination and ability to reopen economy.
- Portfolio reflects **shift to e-commerce** at the expense of traditional retailers.

Credit

- **Brazilian banks** supported by rate hikes and low household and corporate indebtedness.
- Emphasis on financial inclusion and improving credit penetration offset policy concerns in **Mexico**.
- Political uncertainty and expensive valuations warrant no exposure to **Peruvian banks**.

Environmental, Social and Governance (ESG) issues

As society grows increasingly aware of climate risks, the need for biodiversity and the proportionate use of natural resources, the global emphasis on ESG continues to intensify and sustainability is increasingly at the forefront of decision making for governments and regulators. As portfolio managers we devote a considerable amount of time to understanding the ESG risks and opportunities facing companies and industries in the portfolio and ESG analytics are fully integrated into the investment process, it should be noted that there is a great deal of improvement that needs to be made in terms of disclosure and adherence to global best practices for corporates throughout the region. In our opinion, the Latin American region lags global peers when it comes to ESG best practices and we believe BlackRock's communication and engagement with companies can lead to better outcomes for all stakeholders. As portfolio managers, we work very closely with and are supported by the extensive ESG resources at BlackRock which include BlackRock's Investment Stewardship Team, Sustainable Investing Team and the Risk & Quantitative Analysis Team. We aim to engage with the directors and management of the companies that we invest in to advocate for sound corporate governance and sustainable business practices that result in long-term value creation for shareholders. More information in respect of BlackRock's approach as a firm to ESG and shareholder engagement is given on pages 25 to 27.

Outlook

Key drivers for Latin American equities in 2021 will include the speed of global vaccine rollout, along with how individual countries are able to contain additional waves and variants of the virus. Since the end of last year we have started to see the market rotate and prepare for the re-opening of trade. Yet we are just starting to see pressure on re-opening as the inoculation process that started at the onset of 2021 may run short of vaccines with a blurry outlook for new supply amid diplomatic discussions and lack of coordination amongst distributing entities in many countries. In addition, we are starting to see states announce that the re-opening process initiated toward the end of the third quarter of 2020 is receding with the spike in the number of COVID-19 cases and rapidly increasing occupancy levels of ICUs. In our view, successful COVID-19 management matters for the continuation of the positive corporate earnings revision trend seen in the second half of 2020 and will help determine the direction of fiscal recovery in the region. While some countries in Latin America are ahead of other emerging nations in the vaccination programme, the numbers are likely to continue to be somewhat underwhelming in the early stages, especially if we compare them to developed markets. We are expecting a more meaningful percentage of the population in Latin America to be vaccinated in the second half of 2021 as new vaccines get approved.

Outside of COVID-19 related risk to recovery, the economic growth of China and the impact it will have on global commodity prices will continue to play an important role for investors in the region given Latin America's abundance of natural resources. Furthermore, the current global environment of accommodative monetary and fiscal support provides a supportive backdrop for investors' appetite for investing in Latin American equities. Finally, we continue to keep a close watch on political developments across the region as a number of critical issues were left unanswered in 2020 and we look forward to seeing how these events unfold in 2021.

With noticeable political changes in the United States we believe that President Biden's fiscal policy and reforms will help to accelerate US GDP growth, providing positive tailwinds for the United States' trading partners in Latin America, most notably Mexico. The success and pace of reform in Brazil remains an unanswered issue and we have become concerned with the lack of momentum on the reform agenda in 2020 given the understandable shift in focus for the country to deal with the impact that COVID-19 has had on Brazilian economy and society. Volatility in Brazilian markets has been on the rise in February and March as investors assess policy responses from the government related to fuel pricing and emergency aid connected to the COVID-19 pandemic. Policy credibility was questioned as February's dismissal of the CEO of Petrobrás led to investor concerns that the hasty appointment of a new CEO might signal a potential shift away from market-friendly policies. In addition, the Senate is scheduled to vote on the emergency constitutional amendment related to government aid to individuals in March. This amendment aims to give legal support to a new round of cash transfers this year, in exchange for some medium-term adjustments to the fiscal accounts. Policy concerns escalated ahead of rumours that the additional government aid would also include proposals to further circumvent the budgetary spending cap which prompted a local market sell-off with the USD/BRL exchange rate reaching almost 5.80 at one point in early March.

However, events subsequently took a more positive turn as the government's economic team managed to avoid including any measures to further circumvent the spending cap beyond the already-expected emergency aid. This relative improvement in the balance of risks immediately led to a market rally, as both the government and Congress chose a more credible fiscal option than that discussed ahead of voting on the amendment. The Senate then approved the emergency bill in a swift vote with more dilution of the proposed fiscal adjustment mechanisms, but limiting the emergency aid expenditure this year to BRL 44 billion (0.6% of GDP) and keeping additional cash transfer programme expenditure within the limits of the spending cap.

Following the market stress at the end of February, we believe that last week's events were another reminder of how Brazil's fiscal policy is on thin ice as the pandemic worsens and the spending cap becomes more binding amid a high level of debt. This policy instability is one reason we have been more cautious on Brazilian equities despite fourth quarter results coming in stronger than expected. In addition, recent COVID-19 trends have been a headwind to near-term economic recovery as positive cases and hospitalizations have risen following the increased mobility and social gatherings surrounding the annual Carnival holiday.

In our view, the risk is that the rising pressures in the country (from the increase in policy uncertainty, the worsening of the COVID-19 pandemic, and the jump in input prices) all combine to have a significantly detrimental effect on the Brazilian economy. The government's bias appears to be toward looser fiscal policy, although this pressure has been contained by the negative market reaction which has forced politicians to compromise on a more prudent fiscal solution. However, in the future we believe that there is a risk that the government may be put in a more difficult position as the 2022 general election approaches. In this tail-risk scenario, the country could face a protracted period of low growth and elevated inflation.

In Colombia, we see headwinds to the currency stemming from the potential downgrade of the country's sovereign rating by global debt rating agencies. Colombia's ability to avoid such actions will be dependent on the country's execution in delivering a revenue positive tax reform and how the economy recovers from an extended pandemic and downturn without deep structural damage.

Peru faces an uncertain presidential election in April 2021 and despite being so close to the election, uncertainty remains elevated, as there is no clear leader in the race. The election outcome remains open as the latest polls show that more than a third of the population remains undecided. Moreover, the populist bias of the main candidates as well as the fragmentation of the political system could make uncertainty persist beyond the election. These factors could limit Peru's capacity to benefit from a better external backdrop.

Looking ahead, we believe the earnings outlook for Latin America within the global context is robust and attractive, especially given the region's large exposure to cyclical sectors such as financials, energy and materials that should benefit most as economies re-open. Illustrating this, earnings momentum in Latin America at the end of 2020 and early stages of 2021 has been firmly positive, led by Brazil where forward earnings estimates have been revised up considerably over the past 3 months. Yet in terms of valuations, Latin American markets trade at a meaningful discount to Emerging Markets and Asia. In addition, higher external growth from the US and China, buoyant commodity prices and ample liquidity from accommodative monetary and fiscal policy in developed markets are attractive tailwinds that make us optimistic on Latin American equities going forward.

Sam Vecht and Ed Kuczma
BlackRock Investment Management (UK) Limited
26 March 2021

Portfolio

Brazil’s Suzano Papel e Celulose is one of the largest pulp and paper exporters in the world. Pulp prices have rebounded rapidly and significantly from levels impacted by the pandemic for much of 2020.

PHOTO COURTESY OF SUZANO PAPEL E CELULOSE


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Ten largest investments

1 Petrobrás (2019: 1st)

Energy

Market Value – American depositary receipt (ADR): US$15,194,000
Market Value – Preference Shares ADR: US$8,011,000
Share of investments: 9.2%

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

2 Banco Bradesco (2019: 3rd)

Financials

Market Value – ADR: US$21,239,000
Share of investments: 8.5%

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

3 Vale (2019: 4th)

Materials

Market Value – American depositary share (ADS): US$20,348,000
Share of investments: 8.1%

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

4 B3 (2019: 19th)

Financials

Market Value – Ordinary Shares: US$12,390,000
Share of investments: 4.9%

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

5 América Movil (2019: 5th)

Communication Services

Market Value – ADR: US$10,492,000
Share of investments: 4.2%

is the leading provider of integrated telecommunications services in Latin America, with wireless and fixed-line presence in Latin America, the US, and Central and Eastern Europe. The company has the largest wireless subscriber base in the world outside of China and India.

6 Grupo México (2019: n/a)

Materials

Market Value – Ordinary Shares: US$9,441,000
Share of investments: 3.8%

is a Mexican conglomerate that operates through various divisions. It is the leading copper producer in Mexico and one of the largest copper producers in the world.

7 Walmart de México y Centroamérica (2019: 8th)

Consumer Staples

Market Value – Ordinary Shares: US$8,841,000
Share of investments: 3.5%

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

8 Suzano Papel e Celulose (2019: 22nd)

Materials

Market Value – Ordinary Shares: US$8,251,000
Share of investments: 3.3%

is a Brazilian pulp company and the largest pulp and paper company in Ibero America. The company operates through two segments: paper and pulp. Its business units include forestry, cellulose, paper, biotechnology, Eucafluff, tissue and lignin. The company produces hardwood pulp from eucalyptus, coated and uncoated paper, paperboard and tissue paper, as well as electricity.

9 Sociedad Química y Minera de Chile (2019: n/a)

Materials

Market Value – ADR: US$8,076,000
Share of investments: 3.2%

is a Chilean chemical company and a supplier of plant nutrients, iodine, lithium and industrial chemicals. It is the world's biggest lithium producer.

10 Cemex (2019: 14th)

Materials

Market Value – ADR: US$7,762,000
Share of investments: 3.1%

is a Mexican multinational building materials company and is one of the world's largest global building materials companies. It manufactures and distributes cement, ready-mix concrete and aggregates in more than 50 countries.

All percentages reflect the value of the holding as a percentage of total investments. Together, the ten largest investments represent 51.8% of the total investments (ten largest investments as at 31 December 2019: 47.8%).

Portfolio of investments

as at 31 December 2020

	Market value US$'000	% of investments
Brazil		
Petrobrás – ADR	15,194	9.2
Petrobrás – preference shares ADR	8,011	
Banco Bradesco – ADR	21,239	8.5
Vale – ADS	20,348	8.1
B3	12,390	4.9
Suzano Papel e Celulose	8,251	3.3
Banco do Brasil	7,126	2.8
Notre Dame Intermedica Participações	6,374	2.5
Afya	5,475	2.2
BB Seguridade Participações	5,126	2.1
Banco BTG Pactual – units[1]	5,106	2.0
Lojas Americanas – preference shares	3,726	2.0
Lojas Americanas	1,172	
Rumo Logística Operadora Multimodal	4,417	1.8
CIA Locacao America	4,361	1.7
Cyrela Brazil Realty	4,287	1.7
Centrais Eletricas	2,644	1.7
Centrais Eletricas – preference shares	1,616	
Via Varejo	4,057	1.6
Gol Linhas Aéreas – ADS	3,053	1.2
Itaú Unibanco – ADR	2,877	1.2
Fleury	2,857	1.1
Pagseguro Digital	2,745	1.1
Vasta Platform	2,325	0.9
Movida Participações	2,294	0.9
B2W CIA Digital	1,075	0.4
Klabin 2.5% 15/06/22 convertible bond[2]	81	–
	158,227	**62.9**

	Market value US$'000	% of investments
Mexico		
América Movil – ADR	10,492	4.2
Grupo México	9,441	3.8
Walmart de México y Centroamérica	8,841	3.5
Cemex – ADR	7,762	3.1
Grupo Financiero Banorte	6,354	2.5
Fibra Uno Administracion – REIT	6,007	2.4
Grupo Aeroportuario del Pacifico – ADS	4,273	2.3
Grupo Aeroportuario del Pacifico	1,559	
Grupo Televisa – ADR	5,460	2.2
Corporación Inmobiliaria Vesta	3,566	1.4
	63,755	**25.4**
Chile		
Sociedad Química y Minera de Chile – ADR	8,076	3.2
Empresas CMPC	6,047	2.4
Banco Santander-Chile – ADR	4,135	1.7
Banco de Chile	3,561	1.4
	21,819	**8.7**
Argentina		
Ternium – ADR	5,383	2.1
Globant	2,241	0.9
	7,624	**3.0**
Total Investments	**251,425**	**100.0**

All investments are in equity shares unless otherwise stated.

1 Composite Units include 1 ordinary share and 4 preference shares.

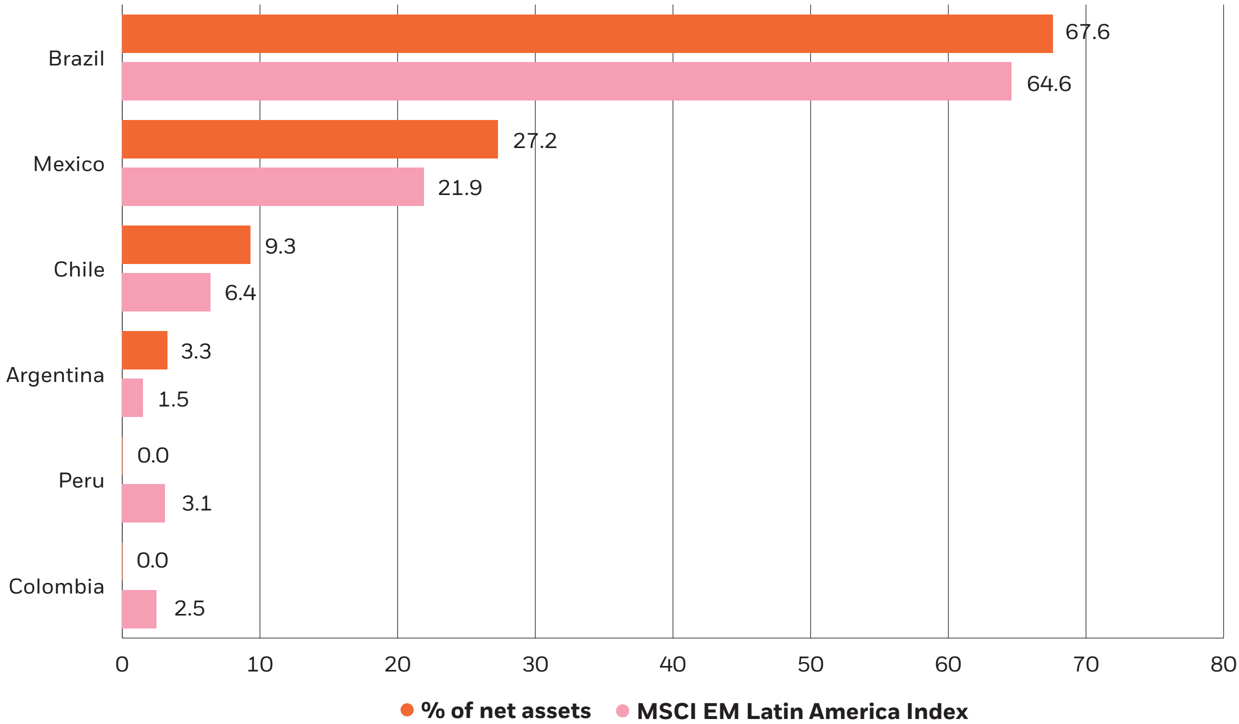
2 Unlisted securities.

The total number of investments held at 31 December 2020 was 43 (31 December 2019: 49). At 31 December 2020, the Company did not hold any equity interests comprising more than 3% of any company's share capital (31 December 2019: nil).

Portfolio analysis

as at 31 December 2020

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



Sources: BlackRock and MSCI.

Sector and geographical allocations

	Brazil %	Mexico %	Chile %	Argentina %	Colombia %	Peru %	Net other liabilities %	2020 Total %	2019 Total %
Communication Services	–	6.8	–	–	–	–	–	6.8	4.7
Consumer Discretionary	9.5	–	–	–	–	–	–	9.5	10.3
Consumer Staples	–	3.8	–	–	–	–	–	3.8	13.2
Energy	9.9	–	–	–	–	–	–	9.9	13.0
Financials	23.0	2.7	3.3	–	–	–	–	29.0	26.6
Health Care	3.9	–	–	–	–	–	–	3.9	3.2
Industrials	6.0	2.5	–	–	–	–	–	8.5	10.3
Information Technology	1.2	–	–	1.0	–	–	–	2.2	1.3
Materials	12.3	7.3	6.0	2.3	–	–	–	27.9	14.6
Real Estate	–	4.1	–	–	–	–	–	4.1	3.3
Utilities	1.8	–	–	–	–	–	–	1.8	4.0
Fixed Income	–	–	–	–	–	–	–	–	0.1
Net other liabilities	–	–	–	–	–	–	(7.4)	(7.4)	(4.6)
2020 total investments	**67.6**	**27.2**	**9.3**	**3.3**	**–**	**–**	**(7.4)**	**100.0**	**–**
2019 total investments	70.5	24.0	0.9	4.3	3.5	1.4	(4.6)	–	100.0

Source: BlackRock.

Environmental, Social and Governance approach

The Board's approach

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

The importance and challenges of considering ESG when investing in the Latin American Sector

Environmental	Social	Corporate Governance
Some of the companies forming the largest components of the Company's benchmark index are oil and mining companies. The oil and gas exploration company Petrobrás represents 7.5% of the benchmark at 31 December 2020, and the Brazilian mining company Vale represents nearly 10.0%. Digging mines and drilling for oil will inevitably have an impact on the local environment. Key is how companies manage this process ensuring the benefits are appropriately shared amongst all stakeholders. In addition to the human cost, the value wiped off the market capitalisation of companies, such as Vale, after the Brumadinho dam collapse, highlights the key role that ESG has on share price performance. BlackRock believes that there is significant intersection between many of the topics that it discusses with companies and aspects of those UN Sustainable Development Goals in which the private sector has a role to play. BlackRock prefers direct dialogue with companies on complex issues such as climate risk and other environmental issues risks. Where it has concerns that are not addressed by engagements, BlackRock stands ready to vote against management, including against corporate directors (and in favour of certain types of shareholder proposals) should companies fail to demonstrate material progress against specific measures.	The Board believes it is vital that companies maintain their social licence to operate. By this, the Board means that companies consider and aim to adhere to best practice in respect of the treatment of their employees, stakeholders, local communities and the national government. The portfolio management team's site visits to investee companies, in conjunction with BlackRock's Business Investment Stewardship's engagement with these companies, provide the team with valuable insight into these issues which often cannot be properly understood from company reports.	As with all companies, good corporate governance is critical for natural resources companies. In conjunction with the BlackRock Investment Stewardship team, the portfolio management team actively engage with companies on a wide range of governance issues including board independence, executive compensation, shareholder protection and timely disclosure.

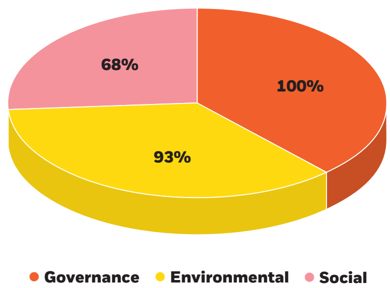
BlackRock Latin American Investment Trust plc – engagement with portfolio companies in 2020

Given the Board's belief in the importance of engagement and communication with portfolio companies, they receive regular updates from the Manager in respect of activity undertaken for the year under review. The Board notes that over the year to 31 December 2020, 40 total company engagements were held with the management teams of 17 portfolio companies representing 63% of the portfolio by value at 31 December 2020. To put this into context, there were 43 companies in the BlackRock Latin American Investment Trust plc's portfolio at 31 December 2020 (31 December 2019: 49). Additional information is set out in the table and charts below in respect of the volume of engagement activity for BlackRock globally and the Company specifically as well as the key engagement themes for the meetings held in respect of the Company's portfolio holdings.

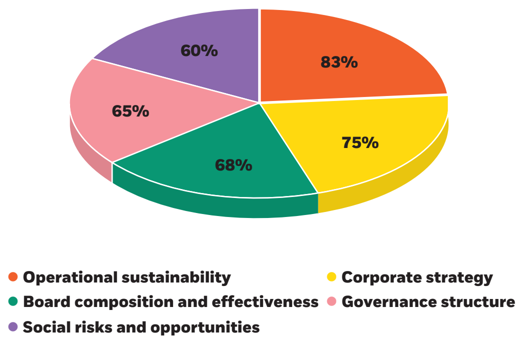
	BlackRock Latin American Investment Trust plc (year to 31.12.2020)
Number of engagements held	40
Number of companies met	17
% of equity investments covered	63%[1]
Shareholder meetings voted at	74
Number of proposals voted on	701
Number of director appointments voted on	196
Number of directors where re-election was opposed	19

[1] Calculated based on company valuations at 31 December 2020 as a proportion of the Company's gross portfolio value at 31 December 2020.

Engagement Themes*[1]



Top Five Engagement Topics*[1]



* Information is in respect of the 40 engagements held in the year to 31 December 2020 with the management of BlackRock Latin American Investment Trust plc portfolio holdings. Engagements include multiple company meetings during the year with the same company. Most engagement conversations cover multiple topics and are based on BIS's voting guidelines and engagement priorities which can be found at https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-priorities

[1] Source: ISS Proxy Exchange and BlackRock Investment Stewardship.

BlackRock's approach to sustainable investing

In BlackRock, the Board has appointed a Manager that has impressive breadth and scale when it comes to shareholder engagement: globally BlackRock held 3,040 engagements with 2,020 companies based in 54 markets for the year to 30 June 2020[1]. As well as the advantages afforded by its sheer scale, the Board believes that BlackRock is well placed as Manager to fulfil these requirements due to the integration of ESG into its investment processes, the emphasis it places on sustainability, its collaborative approach in its investment stewardship activities and its position in the industry as one of the largest suppliers of sustainable investment products in the global market.

Sustainability is BlackRock's standard for investing, based on the investment conviction that integrating sustainability can help investors build more resilient portfolios and achieve better long-term, risk-adjusted returns. BlackRock believes that climate change is a defining factor in companies' long-term prospects and that it will have a significant and lasting impact on economic growth and prosperity. BlackRock believes that climate risk equates to investment risk and this will drive a profound reassessment of risk and asset values as investors seek to react to the impact of climate policy changes. This in turn is likely to drive a significant reallocation of capital away from traditional carbon intensive industries over the next decade. More information in respect of the actions taken by BlackRock in 2020 on making sustainability the new standard for investing can be found at www.blackrock.com/corporate/literature/publication/our-2020-sustainability-actions.pdf.

In terms of its own reporting, BlackRock believes that the Sustainability Accounting Standards Board (SASB) provides a clear set of standards for reporting sustainability information

[1] Source: ISS Proxy Exchange and BlackRock Investment Stewardship, as of 8 June 2020.

across a wide range of issues, from labour practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the Task Force on Climate-related Financial Disclosures (TCFD) provides a valuable framework. BlackRock's own SASB-aligned disclosure is available on its website at www.blackrock.com/corporate/literature/ continuous-disclosure-and-important-information/ blackrock-2019-sasb-disclosure.pdf. More information on BlackRock's policies on Corporate Sustainability can be found on BlackRock's website at www.blackrock.com/corporate/sustainability.

A detailed summary of the BlackRock Investment Stewardship (BIS) Team's approach to sustainability and stewardship activities during 2020 is set out in the BIS 2020 Annual Report which can be found at https://www.blackrock.com/corporate/literature/publication/blk-annual-stewardship-report-2020.pdf. BlackRock is committed to transparency in terms of disclosure on its engagement with companies and voting rationales. More details about BlackRock Investment Stewardship can be found on BlackRock's website at www. blackrock.com/corporate/about-us/investment-stewardship. More information on BIS's Global Principles and market-specific voting guidelines is set out in the 2021 BIS Stewardship Expectations report which can be found at https://www. blackrock.com/corporate/literature/publication/our-2021- stewardship-expectations.pdf.


d'AMICO

Governance

Grupo México was the largest addition to the portfolio in the year under review. The Mexican conglomerate, the fourth largest company in the country, comprises mining, transportation, infrastructure and community foundation divisions.

PHOTO COURTESY OF GRUPO MEXICO

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
4 scheduled meetings per annum

Five 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; and
- To challenge constructively and scrutinise performance of all outsourced activities.

Audit Committee
2 scheduled meetings per annum

Membership: Craig Cleland, Mahrukh Doctor, Laurie Meister, Nigel Webber[1]

Chairman: Craig Cleland (since 31 March 2019)

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

Management Engagement Committee[2]
1 scheduled meeting per annum

Membership: All NEDs

Chairman: 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.

Nomination Committee[2]
1 scheduled meeting per annum

Membership: All NEDs

Chairman: Carolan Dobson (since 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 Committee[2]
1 scheduled meeting per annum

Membership: All NEDs

Chairman: Mahrukh Doctor (since 31 March 2019)

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

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

[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.

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 The Brunner Investment Trust plc and Baillie Gifford UK Growth Fund plc.

Attendance record:
Board: 4/4
Audit Committee: n/a[1]
Nomination Committee: 1/1
Management Engagement Committee: 1/1
Remuneration Committee: 1/1

Craig Cleland
Appointed on 1 January 2019 and appointed as Chairman of the Audit Committee on 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 Select Trust plc and was previously a director of Martin Currie Asia Unconstrained Trust plc. He worked previously at JPMorgan Asset Management (UK) Limited, latterly as Managing Director, and led their technical groups in the investment trust business. He also worked with the AIC Technical Committee on SORP and taxation changes in connection with this role. 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:
Board: 4/4
Audit Committee: 2/2
Nomination Committee: 1/1
Management Engagement Committee: 1/1
Remuneration Committee: 1/1

Mahrukh Doctor
Appointed on 17 November 2009 and appointed as 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.

Attendance record:
Board: 4/4
Audit Committee: 2/2
Nomination Committee: 1/1
Management Engagement Committee: 1/1
Remuneration Committee: 1/1

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

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 Committee: 1/1
Management Engagement Committee: 1/1
Remuneration Committee: 1/1

Laurie Meister
Appointed on 1 February 2020

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

Attendance record:
Board: 4/4
Audit Committee: 2/2
Nomination Committee: 1/1
Management Engagement Committee: 1/1
Remuneration 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.

Strategic report

The Directors present the Strategic Report of the Company for the year ended 31 December 2020.

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 Registrar, 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 46 and 47.

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% of the index weighting for each of those countries. For all other Latin American countries the limit is plus or minus 10% of the index weighting. 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. No options contracts were entered into by the Company in the year under review.

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

Strategic report
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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.

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

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

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

Stakeholders			
Shareholders	**Manager and Investment Manager**	**Other key service providers**	**Investee companies**
Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering good working relationships with shareholders and on understanding the views of shareholders in order to incorporate them into the Board's strategy and objectives in delivering long-term growth and income.	The Board's main working relationship is with the Manager, who is responsible for the Company's portfolio management (including asset allocation, stock and sector selection) and risk management, as well as ancillary functions such as administration, secretarial, accounting and marketing services. The Manager has sub-delegated portfolio management to the Investment Manager. Successful management of shareholders' assets by the	In order for the Company to function as an investment trust with a listing on the premium segment of the official list of the FCA and trade on the London Stock Exchange's (LSE) main market for listed securities, the Board relies on a diverse range of advisors for support in meeting relevant obligations and safeguarding the Company's assets. For this reason the Board considers the Company's Custodian, Depositary, Registrar and	Portfolio holdings are ultimately shareholders' assets, and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship arrangements and receives regular feedback from the Manager in respect of meetings with the management of investee companies.

Stakeholders			
Shareholders	**Manager and Investment Manager**	**Other key service providers**	**Investee companies**
	Investment Manager is critical for the Company to successfully deliver its investment strategy and meet its objective. The Company is also reliant on the Manager as AIFM to provide support in meeting relevant regulatory obligations under the AIFMD and other relevant legislation.	Broker to be stakeholders. The Board maintains regular contact with its key external providers and receives regular reporting from them through the Board and Committee meetings, as well as outside of the regular meeting cycle.	

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

Area of Engagement	Issue	Engagement	Impact
Investment mandate and objective	The Board is committed to promoting the role and success of the Company in delivering on its investment mandate to shareholders over the long term. However, the Board recognises that securities within the Company's investment remit may involve significant additional risk due to the political volatility and environmental, social and governance concerns facing many of the countries in the Company's investment universe. These ESG issues should be a key focus of our Manager's research. More than ever consideration of sustainable investment is a key part of the investment process and must be factored in when making investment decisions. The Board also has responsibility to shareholders to ensure that the Company's portfolio of assets is invested in line with the stated investment objective and in a way that ensures an appropriate balance between spread of risk and portfolio returns.	The Board believes that responsible investment and sustainability are important to the longer-term delivery of growth in capital and income and has worked very closely with the Manager throughout the year to regularly review the Company's performance, investment strategy and underlying policies, and to understand how ESG considerations are integrated into the investment process. The Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as its engagement with investee companies to encourage the adoption of sustainable business practices which support long-term value creation, are kept under review by the Board. The Manager reports to the Board in respect of its consideration of ESG factors and how these are integrated into the investment process; a summary of BlackRock's approach to ESG and sustainability is set out on pages 25 to 27. The Board discussed ESG concerns in respect of specific portfolio companies with the Manager, including the investment rationale for holding companies with poor ESG ratings and the engagement being entered into with management teams to address the underlying issues driving these ratings.	The portfolio activities undertaken by the Manager, can be found in the Investment Manager's Report on pages 11 to 16.

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Area of Engagement	Issue	Engagement	Impact
Dividend target	A key element of the Board's overall strategy to reduce the discount at which the Company's shares trade is the Company's dividend policy whereby the Company pays a regular quarterly dividend equivalent to 1.25% of the Company's US Dollar NAV at the end of each calendar quarter. The Board believes this policy which produced a dividend yield of 4.2% (based on the share price of 552.93 cents per share at 31 December 2020, equivalent to the Sterling price of 404.50 pence per share translated into US cents at the rate prevailing at 31 December 2020 of US$1.37 to £1.00), enhances demand for the Company's shares, which will help to narrow the Company's discount over time. These dividends are funded out of capital reserves to the extent that current year revenue and revenue reserves are insufficient; the Board believes that this removes pressure from the investment managers to seek a higher income yield from the underlying portfolio itself which could detract from total returns but keep the dividend policy and its impact on total return under review.	The Manager reports total return performance statistics to the Board on a regular basis, along with the portfolio yield and the impact of the dividend policy on brought forward distributable reserves. The Board reviews the Company's discount on a regular basis and holds regular discussions with the Manager and the Company's broker regarding the discount level. The Manager provides the Board with feedback and key performance statistics regarding the success of the Company's marketing initiatives which include messaging to highlight the quarterly dividends. The Board also reviews feedback from shareholders in respect of the level of dividend. Notwithstanding the issues posed by the COVID-19 pandemic, in normal operating conditions, shareholders may attend the Company's Annual General Meeting where formal questions may be put to the Board.	Since the dividend policy was introduced in July 2018, the Company's discount has narrowed from 12.2% as at 31 December 2019 to 7.3% as at 31 December 2020. At 24 March 2021 the discount stood at 6.5%. Of total dividends of US$9,054,000 paid out in the year, US$3,220,000 has been paid out of brought forward revenue reserves with US$5,834,000 paid out of current year revenue. The Company's portfolio managers (Sam Vecht and/or Ed Kuczma) attended twenty professional investor/analyst meetings, holding discussions with over thirty-two different financial professional offices over the year to promote the Company and raise the profile in terms of the investment strategy, including the dividend policy.
Discount management	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. To this end, the Board has put in place 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 where either a performance target or an average discount target is not met (see page 36 for more details).	The Board monitors the tender trigger targets described on page 44 on a regular basis in conjunction with the Manager. The Manager provides regular performance updates and detailed performance attribution.	The Company's average discount for the period from 1 January 2018 to 31 December 2020 was 12.2%[1] compared to the tender discount target of 12%[1]. The Company's annualised NAV performance of −1.49% for the same period outperformed (for the tender not to be triggered, the NAV must outperform the benchmark by more than 1% on an annualised basis over the four years to 31 December 2021) the benchmark, which fell by 1.83% on an annualised basis over the same period, by 0.34%[1] compared to a threshold of 1.00%. On this basis the tender would have been implemented if the tender trigger date had fallen on 31 December 2020. However, the Company's discount has narrowed significantly over the year under review, from 12.2% at 31 December 2019 to 7.3% at 31 December 2020. As at 24 March 2021 the discount was 6.5%.

[1] Alternative Performance Measures, see Glossary on pages 110 to 113.

Area of Engagement	Issue	Engagement	Impact
Service levels of third party providers	The Board acknowledges the importance of ensuring that the Company's principal suppliers are providing a suitable level of service: including the Manager in respect of investment performance and delivering on the Company's investment mandate; the Custodian and Depositary in respect of their duties towards safeguarding the Company's assets; the Registrar in its maintenance of the Company's share register and dealing with investor queries and the Company's Brokers in respect of the provision of advice and acting as a market maker for the Company's shares.	The Manager reports to the Board on the Company's performance on a regular basis. The Board carries out a robust annual evaluation of the Manager's performance, their commitment and available resources. The Board performs an annual review of the service levels of all third party service providers and concludes on their suitability to continue in their role. The Board receives regular updates from the AIFM, Depositary, Registrar and Brokers on an ongoing basis. In light of the challenges presented by the ongoing COVID-19 pandemic to the operation of business across the globe, the Board has worked closely with the Manager to gain comfort that relevant business continuity plans continue to operate effectively for all of the Company's service providers.	All performance evaluations were performed on a timely basis and the Board concluded that all third party service providers, including the Manager, Custodian, Depositary and Fund Administrator were operating effectively and providing a good level of service. The Board has received updates in respect of business continuity planning from the Company's Manager, Custodian, Depositary, Fund Administrator, Brokers, Registrar and printers, and is confident that arrangements are in place to ensure that a good level of service will continue to be provided despite the impact of the COVID-19 pandemic.
Board composition	The Board is committed to ensuring that its own composition brings an appropriate balance of knowledge, experience and skills, and that it is compliant with best corporate governance practice under the new UK Code, including guidance on tenure and the composition of the Board's committees.	The Board regularly reviews succession planning arrangements. The Nomination Committee has agreed the selection criteria and the method of selection, recruitment and appointment. Board diversity, including gender, is taken into account when establishing recruitment criteria. The services of an external search consultant, Cornforth Consulting Limited, were used in the year to identify potential candidates. All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions in respect of the 2020 evaluation process are given on page 61). All Directors stand for re-election by shareholders annually. Shareholders may attend the AGM and raise any queries in respect of Board composition or individual Directors in person, or may contact the Company Secretary or the Chairman using the details provided on page 104 if they wish to raise any issues.	Ms Laurie Meister joined the Board with effect from 1 February 2020. From this date the Board was comprised of three women and two men. Ms Meister's biography is set out on page 32. Details of each Director's contribution to the success and promotion of the Company are set out in the Directors' Report on pages 51 to 52. The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in 2020. Details for the proxy voting results in favour and against individual Directors' re-election at the 2020 AGM are given on the Company's website at www.blackrock.com/uk/brla.

Area of Engagement	Issue	Engagement	Impact
Shareholders	Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy.	The Board is committed to maintaining open channels of communication and to engage with shareholders. Notwithstanding the challenges posed by the COVID-19 pandemic, in normal operating circumstances the Company welcomes and encourages attendance and participation from shareholders at its Annual General Meetings. Shareholders therefore have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. The Annual Report and Half Yearly Financial Report are available on the BlackRock website and are also circulated to shareholders either in printed copy or via electronic communications. In addition, regular updates on performance, monthly factsheets, the daily NAV and other information are also published on the website at www.blackrock.com/uk/brla. The Board also works closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with shareholders in respect of the investment mandate and objective. Unlike trading companies, one-to-one shareholder meetings usually take the form of a meeting with the portfolio managers as opposed to members of the Board. As well as attending regular investor meetings the portfolio managers hold regular discussions with wealth management desks and offices to build on the case for, and understanding of, long-term investment opportunities in Latin America. The Manager also coordinates public relations activity, including meetings between the portfolio managers and relevant industry publications to set out their vision for the portfolio strategy and outlook for the region. The Manager releases monthly portfolio updates to the market to ensure that investors are kept up to date in respect of performance and other portfolio developments, and maintains a website on behalf of the Company that contains relevant information in respect of the Company's investment mandate and objective. If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time. The Chairman is available to meet directly with shareholders periodically to understand their views on governance and the Company's performance where they wish to do so. She may be contacted via the Company Secretary whose details are given on page 104.	The Board values any feedback and questions from shareholders ahead of and during Annual General Meetings in order to gain an understanding of their views and will take action when and as appropriate. Feedback and questions will also help the Company evolve its reporting, aiming to make reports more transparent and understandable. Feedback from all substantive meetings between the Investment Manager and shareholders will be shared with the Board. The Directors will also receive updates from the Company's broker on any feedback from shareholders, as well as share trading activity, share price performance and an update from the Investment Manager. The portfolio managers attended a number of professional investor meetings throughout the year (held remotely by videoconference where required due to the impact of COVID-19), and held discussions with a range of wealth management desks and offices in respect of the Company during the year under review. Virtual roadshows were held with investors in Dublin, Glasgow, Edinburgh and the Isle of Man. The Manager also held group webcasts in the year to provide investors with portfolio updates and give them the opportunity to discuss any issues with the portfolio managers. Investors gave positive feedback in respect of the portfolio managers' active approach in increasing the level of stock specific risk in a more concentrated portfolio and taking a proactive approach to gearing. Investors were also impressed by Mr Vecht's track record and Mr Kuczma's expertise in the Latin American region. Investors were concerned over the volatility of the Latin American region and market liquidity. 38 articles about the Company were published in the year under review focusing on the Company's profile and the case for long-term investment opportunities in Latin America. These included 12 pieces of national coverage, 18 pieces of intermediary coverage and 8 pieces of consumer investment coverage.

Performance

Details of the Company's performance are set out in the Chairman's Statement on page 6.

The Investment Manager's Report on pages 11 to 16 forms part of this Strategic Report and includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

Portfolio analysis

A detailed analysis of the investments and the sector and geographical allocations is provided on pages 22 to 24.

Results and dividends

The results for the Company are set out in the Income Statement on page 79. The total loss for the year on ordinary activities, after taxation, was US$43,572,000 (2019: profit of US$45,496,000) of which the revenue profit amounted to US$5,834,000 (2019: US$7,106,000), and the capital loss amounted to US$49,406,000 (2019: profit of US$38,390,000).

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 totaling 23.06 cents per share under this policy in respect of the year ended 31 December 2020 as detailed in the table below.

	Dividend	Pay date
Quarter to 31 March 2020	4.59 cents	20 May 2020
Quarter to 30 June 2020	5.57 cents	11 August 2020
Quarter to 30 September 2020	5.45 cents	9 November 2020
Quarter to 31 December 2020	7.45 cents	8 February 2021
Total	**23.06 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 7.

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 on page 40.

NAV, share price and index performance

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

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

Information on the Company's performance is given in the performance record on page 4 and the Chairman's Statement and Investment Manager's Report on pages 5 to 9 and 11 to 16 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 2020, the Company's share price to NAV traded in the range of a discount of 2.0% to 16.5% on a cum-income basis.

Further details setting out how the discount or premium at which the Company's shares trade is calculated are included in the Glossary on pages 110 and 111 .

Ongoing charges

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

The ongoing charges are based on actual costs incurred in the year as being the best estimate of future costs. The Board reviews the ongoing charges and monitors the expenses incurred by the Company on an ongoing basis against a peer group of Latin American open and closed end funds.

A definition setting out in detail how the ongoing charges ratio is calculated is included in the Glossary on pages 110 to 113.

Composition of shareholder register

The Board is mindful of the importance of a diversified shareholder register and the need to make the Company's shares attractive to long-term investors; it is therefore the Board's aim to increase the diversity of the shareholder register over time. The Board monitors the retail element of the register, which is defined for these purposes as wealth managers, Independent Financial Advisors (IFAs) and direct private investors. On this basis the Company's share register currently comprises 35.1% retail investors; the Board will monitor this with the aim of growing the retail element of the register over time.

The table below sets out the key KPIs for the Company. As indicated in footnote 2 to the table, some of these KPIs fall within the definition of 'Alternative Performance Measures' (APMs) under guidance issued by the European Securities and Markets Authority (ESMA) and additional information explaining how these are calculated is set out in the Glossary on pages 110 to 113.

Key Performance Indicators	Year ended 31 December 2020	Year ended 31 December 2019
Net asset value total return[1,2]	–14.5%	18.2%
Share price total return[1,2]	–9.3%	22.0%
Benchmark total return (net)[1]	–13.8%	17.5%
Discount to net asset value[2]	7.3%	12.2%
Revenue return per share (cents)	14.86	18.10
Ongoing charges[2,3]	1.14%	1.13%
Retail element of share register	35.1%	32.2%

[1] Calculated in US Dollar terms with dividends reinvested.

[2] Alternative Performance Measures, see Glossary on pages 110 to 113.

[3] Ongoing charges represent the management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered and taxation as a % of average daily 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 identify, assess and monitor the principal and emerging risks. A core element of this process is the Company's risk register. This identifies the risks facing the Company and assesses the likelihood and potential impact of each risk and the quality of controls operating to mitigate it. A residual risk rating is then calculated for each risk based on the outcome of the assessment. This approach allows the effect of any mitigating procedures to be reflected in the final assessment.

The risk register is regularly reviewed and the risks reassessed. The risk environment in which the Company operates is also monitored and regularly appraised. New risks are also added to the register as they are identified which ensures that the document continues to be an effective risk management tool. The COVID-19 pandemic has given rise to unprecedented challenges for businesses across the globe and the Board has taken into consideration the risks posed to the Company by the crisis and incorporated these into the Company's risk register.

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

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

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

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

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

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

Principal Risk	Mitigation/Control
Counterparty	
Potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.	Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties. 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.
Investment performance	
Returns achieved are reliant primarily upon the performance of the portfolio. The Board is responsible for: • deciding the investment strategy to fulfil the Company's objective; and • for monitoring the performance of the Investment Manager and the implementation of the investment strategy. An inappropriate investment strategy may lead to: • poor performance compared to the benchmark index and the Company's peer group; • a widening discount to NAV; • a loss of capital; and • dissatisfied shareholders.	To manage this risk the Board: • regularly reviews the Company's investment mandate and long-term strategy; • has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on; • receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure, gearing and any changes in gearing and the rationale for the composition of the investment portfolio; and • monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with factors specific to particular sectors, based on the diversification requirements inherent in the investment policy.

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Principal Risk	Mitigation/Control
Income/dividend	
The Company's dividend policy is to pay dividends based on 1.25% of the US Dollar net asset value at each quarter end. Under this policy, a portion of the dividend is likely to be paid out of capital reserves, and over time this might erode the capital base of the Company, with a consequential impact on longer-term total returns. The rate at which this may occur and the degree to which dividends are funded from capital are also dependent upon the level of dividends and other income earned from the portfolio. Income returns from the portfolio are dependent, among other things, upon the Company successfully pursuing its investment policy. Any change in the tax treatment of dividends or interest received by the Company, including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests, may reduce the level of dividends received by shareholders.	The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting. The Company has the ability to make dividend distributions out of capital reserves as well as revenue reserves to support any dividend target. These reserves totalled US$209.1m at 31 December 2020. The Board is mindful of the balance of shareholder returns between income and capital and monitors the impact of the Company's dividend on the Company's capital base and the impact over time on total return. Any changes to the Company's dividend policy are communicated to the market on a timely basis and shareholder approval will be sought for significant changes.
Legal and regulatory compliance	
The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments. Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. In such event the investment returns of the Company may be adversely affected. Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010. Amongst other relevant laws and regulations, the Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive, the UK Listing Rules and Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.	The Investment Manager monitors investment movements and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting. Compliance with the accounting rules affecting investment trusts is carefully and regularly monitored. The Company Secretary and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulations. 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. 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.

Principal Risk	Mitigation/Control
Operational	
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 Depositary 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. There is a risk that a major disaster, such as floods, fire, a global pandemic or terrorist activity, renders the Company's service providers unable to conduct business at normal operating capacity and effectiveness. Failure by any service provider to carry out its obligations to the Company could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position.	Due diligence is undertaken before contracts are entered into with third party service providers. Thereafter, the performance of the provider is subject to regular review and reported to the Board. Most third party service providers produce Service Organisation Control (SOC 1) reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit Committee for their review. The Company's assets are subject to a strict liability regime and in the event of a loss of financial assets held in custody, the Depositary must return assets of an identical type or the corresponding amount, unless able to demonstrate the loss was a result of an event beyond its reasonable control. The Board reviews the overall performance of the Manager, Investment Manager and all other third party service providers and compliance with the Investment Management Agreement on a regular basis. The Board also considers the business continuity arrangements of the Company's key service providers on an ongoing basis and reviews these as part of their review of the Company's risk register. In respect of the risks posed by the COVID-19 pandemic in terms of the ability of service providers to function effectively, the Board have received reports from key service providers (the Manager, the Depositary, the Custodian, the Fund Administrator, the Broker, the Registrar and the printers) setting out the measures that they have put in place to address the crisis in addition to their existing business continuity framework. Having considered these arrangements and reviewed the level of service over the course of the year as the pandemic has evolved, the Board is confident that a good level of service will continue to be maintained.
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, or as a result of a global economic crisis such as the COVID-19 pandemic. 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. Corruption also remains a significant issue across the Latin American investment universe and the effects of corruption could have a material adverse effect on the Company's performance. Accounting, auditing and financial reporting standards and practices and disclosure requirements applicable to many companies in Latin American countries may be less rigorous than in other markets. As a result, there may be less information available publicly to investors in these securities, and such information as is available is often less reliable.	The Board considers asset allocation, stock selection, unquoted investments, if any, and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager. The Board also recognises the benefits of a closed end fund structure in extremely volatile markets such as those experienced during the COVID-19 pandemic. Unlike open ended counterparts, closed end funds are not obliged to sell down portfolio holdings at low valuations to meet liquidity requirements for redemptions. During times of elevated volatility and market stress, the ability of a closed end fund structure to remain invested for the long term enables the portfolio managers to adhere to disciplined fundamental analysis from a bottom-up perspective and be ready to respond to dislocations in the market as opportunities present themselves.
Financial	
The Company's investment activities expose it to a variety of financial risks that include interest rate, currency and liquidity risk.	Details of these risks are disclosed in note 16 to the financial statements, together with a summary of the policies for managing these risks.

Strategic report
continued

Principal Risk	Mitigation/Control
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.	The Board focuses significant time on communicating directly with the major shareholders and reviewing marketing strategy and initiatives. All investment trust marketing documents are subject to appropriate review and authorisation.

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 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months referred to by the 'Going Concern' guidelines. The Board recognises that it is obliged to propose a biennial continuation vote, with the next vote at the AGM to be held in May 2022, 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 is unknown at the present time. In addition, the Board is cognisant of the uncertainty surrounding the potential duration of the COVID-19 pandemic and its impact on the global economy and the prospects for many of the Company's portfolio holdings. Notwithstanding these uncertainties, given the factors stated below, the Board expects the Company to continue for the foreseeable future and has therefore conducted this review for the period up to the AGM in 2024, being a period of three years from the date of approval of this report. The Board considers three years to be an appropriate time horizon, being the period generally used to assess potential investments.

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

- the tender mechanism put in place by the Board in 2018 provides investors with liquidity through the ability to tender up to 24.99% of the issued share capital of the Company in 2022 if certain discount and performance targets are not met. Shareholders voted in favour of continuation at the June 2020 AGM, which the Board believes was a clear indication that shareholders were supportive of the continuation of the Company in return for the liquidity provided by the tender mechanism. The Board has had no indication that shareholder views have changed in this regard;

- the Company has a relatively liquid portfolio (as at 31 December 2020, 100% of the portfolio was estimated as being capable of being liquidated within 14 days with 95% capable of being liquidated within 3 days);

- the Company's expenses and liabilities are relatively stable and represent a very small percentage of net assets 1.14% for the year ended 31 December 2020;

- the Board has reviewed the Company's revenue and expense forecasts in light of the COVID-19 pandemic and its anticipated impact on dividend income and market valuations. The Board is comfortable that the Company's business model remains viable and that the Company has sufficient resources to meet all liabilities as they fall due for the period under review;

- the Company's business model should remain attractive for much longer than the period up to the AGM in 2024, unless there is a significant economic or regulatory change;

- to the extent that the tender offer proceeds in 2022 and is fully subscribed, the Company would remain a viable size and would retain a liquid portfolio with ongoing expenses and liabilities still representing a very small percentage of net assets;

- the Company has a US$40 million bank overdraft facility in place to meet liquidity requirements, subject to a maximum restriction of 30% of net asset value. As at 31 December 2020, US$17.2 million of this facility had been utilised, leaving an unutilised liquidity margin of US$22.8 million. As at 24 March 2021, this facility had an unutilised margin of US$21.5 million for the Company to draw on for liquidity purposes;

- the Board keeps the Company's principal risks and uncertainties as set out above under review, and is confident that the Company has appropriate controls and processes in place to manage these and to maintain its operating model, even given the global economic challenges posed by COVID-19;

- the ongoing relevance of the Company's investment objective, business model and investment policy in the current environment (in particular the Company's closed end structure which provides intraday liquidity to investors and the ability for the portfolio managers to invest over a longer-term time horizon than many open-ended peers);

- the Board has reviewed the operational resilience of the Company and its key service providers (the Manager, Depositary, Custodian, Fund Administrator, Registrar and Broker) (including a review of their business continuity plans in respect of COVID-19) and have concluded that all service providers are able to provide a good level of service for the foreseeable future; and

- the level of demand for the Company's shares.

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

- the operational robustness of key service providers and their ability to continue to provide a good level of service for the foreseeable future;

- the effectiveness of business continuity plans in place for the Company and key service providers in particular in respect of COVID-19;

- 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 62.

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 2020, all of whom held office throughout the year, are set out in the governance structure and Directors' biographies on pages 30 to 32.

As at the date of this report, the Board consists of two men and three women.

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

The Chairman's Statement on pages 5 to 9, along with the Investment Manager's Report and portfolio analysis on pages 11 to 24 form part of the Strategic Report.

The Strategic Report was approved by the Board at its meeting on 26 March 2021.

By order of the Board

SARAH BEYNSBERGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
26 March 2021

Directors' report

The Directors present the Annual Report and audited Financial Statements of the Company for the year ended 31 December 2020.

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 page 108 and in the notes to the financial statements on pages 83 to 99.

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

Facilitating retail investments

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

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

The Common Reporting Standard

Tax legislation under the Organisation for Economic Co-operation and Development (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.

Shareholder Rights Directive II

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

GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018. The Board has sought and received assurances from its third party service providers that they have taken appropriate steps to ensure compliance with the new regulation. The Company's 'Data Privacy Policy' can be found on the Company's website at www.blackrock.com/uk/brla.

Dividends

Details of the dividends paid and payable in respect of the year are set out in the Chairman's Statement on page 7 and note 8 on page 88.

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. During the period, PNC Financial Services Group, Inc. (PNC) was a substantial shareholder in BlackRock, Inc. PNC did not provide any services to the Company during the financial years ended 31 December 2020 and 2019. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock, Inc.

The Company contributes to a focused investment trust sales and marketing initiative operated by BIM (UK) on behalf of the investment trusts under its management. In 2020, 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 ($287.4 million) as at 31 December 2019 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 2020 amounted to US$122,000 (excluding VAT). The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

Appointment of the manager

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

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. The Board believes that it is in shareholders' interests as a whole that BFM should continue as Manager of the Company on the existing terms which were last reviewed in November 2020. The terms of the investment management agreement were last changed in September 2016.

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.

Depositary and custodian

The Company has appointed The Bank of New York Mellon (International) Limited (BNYM or the Depositary) as its Depositary. The Depositary's duties and responsibilities are outlined in the investment fund legislation (as set out in the FCA AIF Rulebook). The main role of the Depositary 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 Depositary is also responsible for enquiring into the conduct of the AIFM in each annual accounting period. With effect from 1 January 2019 the Depositary received 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 Depositary in a tripartite agreement, to which the Manager as AIFM is also a signatory. The Depositary is also liable for the loss of financial instruments held in custody.

Under the depositary 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 depositary agreement is subject to 90 days' notice of termination by any party.

Registrar

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

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

Change of control

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

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/about-us/investment-stewardship#guidelines. 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 725 proposals at 79 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 42 management resolutions and abstained from voting on 43 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 2020 AGM and hence the next resolution will be put to shareholders at the forthcoming AGM in 2022. 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 40 to 44.

Going concern

As described in the viability statement on pages 44 and 45 of the Annual Report, the Board is mindful of uncertainties facing the Company, notably the potential tender in 2022 and the uncertainty surrounding the potential duration of the COVID-19 pandemic and its impact on the global economy. As a result of their review, the Directors are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements and is financially sound, and that the Company and its key third party service providers have in place appropriate business continuity plans and will be able to maintain service levels through the COVID-19 pandemic. 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 for the year to 31 December 2020 were 1.14% of average net assets.

The Company's longer term viability is considered in the viability statement on pages 44 and 45.

Directors

The Directors of the Company as at 31 December 2020 and their biographies are set out on pages 31 to 32. Details of Directors' interests in the ordinary shares of the Company are set out on page 56 of the Directors' Remuneration Report. All of the Directors in office at the date at this report held office throughout the year under review apart from Ms Meister who joined the Board on 1 February 2020.

All appointments to the Board and re-elections of Directors are carried out in accordance with the Companies Act and the Company's Articles of Association. In accordance with best practice and developing Corporate Governance, Directors now stand for re-election on an annual basis. Accordingly, Carolan Dobson, Craig Cleland, Mahrukh Doctor, Laurie Meister and Nigel Webber will all retire at the 2021 AGM and being eligible will offer themselves for re-election.

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 60 to 64.

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 54 to 56. 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 June 2020, therefore an ordinary resolution to approve the policy will next be put to shareholders at the AGM in 2023. Further details are given on pages 57 to 58.

Notifiable interest in the Company's voting rights

As at 31 December 2020, 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	10,489,893	26.71%
Lazard Asset Management Ltd	5,498,165	14.00%
Standard Life Aberdeen plc	3,028,333	7.71%

Subsequent to the year end, and as at 24 March 2021, 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	10,489,893	26.71%
Lazard Asset Management Ltd	5,498,165	14.00%
Standard Life Aberdeen plc	3,028,333	7.71%

No other shareholder has notified an interest of 3% or more in the Company's shares up to 24 March 2021.

Share capital

Full details of the Company's issued share capital are given in note 14 on page 90. Details of the voting rights in the Company's shares as at the date of this report are also given in note 18 to the Notice of Annual General Meeting on page 119. The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights of the ordinary shares or on the transfer of the ordinary shares. There are no shares which carry specific rights with regard to the control of the Company.

Share issues and share repurchases

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

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

Directors' report
continued

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

The current authority to purchase ordinary shares in the market to be held in treasury or for cancellation was granted to the Directors on 29 June 2020 and expires at the date of the 2021 AGM. The Directors are proposing that their authority to purchase ordinary shares in the market to be held in treasury or for cancellation be renewed at the forthcoming AGM.

The current authority to issue new ordinary shares or sell shares from treasury for cash was granted to the Directors on 29 June 2020 and expires with effect from the next AGM in 2021. 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 2020 the Company was authorised to purchase its own ordinary shares to be held in treasury for reissue or cancellation at a future date. There was no change in the amount of ordinary shares held in treasury during the year.

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

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

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

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

This is a SECR statement on the Company's annual energy consumption and GHG emissions for the financial year 1 January 2020 to 31 December 2020 and the prior year, 2019. The Company does not own, lease or operate any assets, and has no direct employees. Therefore, there are zero emissions associated or attributed to the entity (Table 1) and no underlying global energy consumption (Table 2). In addition, there are no energy efficiency action measures taken over the reporting year. This is the Company's first SECR statement.

The Company used the main requirements of the GHG Protocol Corporate Standard (revised edition) as a basis to report on any GHG emissions in tonnes of carbon dioxide equivalent (tCO_2e), which expresses multiple greenhouse gases in terms of carbon dioxide based on their global warming potential (including methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride). Emissions considered relate to activities for which the Company is responsible and included as applicable: combustion of any fuel and operation of its facilities; and annual emissions from the purchase of electricity, heat, steam or cooling by the Company for its own use.

TABLE 1. 2020 BLACKROCK LATIN AMERICAN INVESTMENT TRUST PLC GHG EMISSIONS

GHG Emissions (tCO_2e)[2]	2020 (market-based)	2020 (location based)	2019 (market-based)	2019 (location based)
Scope 1[3] – Combustion of fuels and fugitive emissions of refrigerant gases	0	0	0	0
Scope 2[4] – Electricity, heat, steam, and cooling purchased for landlord shared services and own use	0	0	0	0
Scopes 1 + 2 – Mandatory carbon footprint disclosure	0	0	0	0
Scope 1+2 – Mandatory intensity ratio: emissions per total revenue (tCO_2e/$100m)	0	0	0	0

TABLE 2: 2020 BLACKROCK LATIN AMERICAN INVESTMENT TRUST PLC ENERGY USE

Consumption Source	Scope	2020 Consumption Value	Unit	2019 Consumption Value	Unit
Natural Gas	Scope 1	0	kWh	0	kWh
Diesel Fuel	Scope 1	0	kWh	0	kWh
Private Aviation (Jet Fuel)	Scope 1	0	kWh	0	kWh
Refrigerants	Scope 1	0	lbs	0	lbs
Electricity	Scope 2	0	kWh	0	kWh

BlackRock acts as investment manager to the Company. Therefore, for full transparency, BlackRock's global Scope 1 and 2 emissions can be found in its 2020 Carbon Disclosure Project (CDP) submission: https://www.cdp.net/en/responses/1875

1 GHG emissions and energy consumption statement pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the **SECR Regulations**).
2 Tonnes of carbon dioxide equivalent.
3 Scope 1 emissions are direct GHG emissions from activities owned or controlled by an organisation.
4 Scope 2 emissions are indirect emissions associated with an organisation's consumption of purchased electricity, heat, steam and cooling. These emissions occur as a consequence of an organisation's activities at sources which the organisation does not own or control.

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 for the election and re-election of Directors

The biographies of the Directors are set out on pages 31 to 32 and are incorporated into this report by reference. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are set out below. All the Directors in office at the date of this report apart from Ms Meister held office throughout the year. All Directors will stand for re-election by shareholders at the meeting in accordance with the requirements of the UK Code. Ms Meister joined the Board in February 2020.

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

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

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

Resolution 6 relates to the re-election of Dr Doctor who was appointed on 17 November 2009 and has a wealth of expertise in the field of Latin American (especially Brazilian) political economy, with a focus on trade and industrial policy. She has a wide ranging knowledge of the Company and the sector and her experience makes her well placed to monitor the Company's performance and to constructively challenge the portfolio managers' investment decisions where appropriate. Dr Doctor has also acted as the Company's Senior Independent Director and Chairman of the Remuneration Committee with effect from 31 March 2019.

Directors' report

continued

Resolution 7 relates to the re-election of Mr Webber who was appointed on 1 April 2017. Mr Webber has many years of experience in the investment and asset management business, and was previously Global Chief Investment Officer for HSBC Private Banking Group; he brings in-depth knowledge, expertise and experience in investment matters (including experience relating to the Latin American region) to his role on the Board. Mr Webber is also a qualified Chartered Accountant and brings this skill set to his role as a member of the Company's Audit Committee.

Resolution 8 relates to the re-election of Ms Meister who was appointed on 1 February 2020. She brings in-depth and extensive financial markets experience to her role, with twenty eight of her thirty-two years in the sector dedicated to having led and developed Latin American equity and capital markets businesses and other emerging markets.

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

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 2022, 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 2022, unless renewed prior to that date at an earlier general meeting.

Resolution 13 Authority to buy back shares:

The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors believe that the ability to buy back shares has significant advantages for both the Company and its shareholders. The buy back authority provides the Board with a mechanism to balance the supply of shares with prevailing demand, with a view to bringing these into balance. The Board's aim with share buy backs is to narrow the discount at which the shares trade to NAV to ensure that the share price is a close as possible to NAV thus preserving shareholder value. The Board's intention is only to buy shares back at a discount to NAV, and hence any buy backs undertaken will enhance shareholder value as the repurchase will result in a greater proportion of assets becoming attributable to fewer shares. In addition, share buy backs may help to deter short term investors who are seeking to exploit the discount and achieve instant returns (rather than reflecting a long-term view of the prospects of the Company); hence the ability to operate a buy back authority is in the long term interests of shareholders. Whilst there have been no buy backs for the year to 31 December 2020 or in 2021 (up to the date of this report), this is a reflection of historic market conditions and should not be used as an indication of the frequency and impact that any share buy backs would have on the future share rating of the Company.

In particular, the Board notes that 2020 was an unprecedented year, with global markets plummeting in March and April 2020 as the COVID-19 pandemic took hold. This extreme market volatility created challenges for many investment companies in determining appropriate intraday pricing levels for buy back transactions which reduced share buy back activity for many companies across the closed end fund sector. The Board continues to monitor the market and, in conjunction with the Company's broker, gives consideration to the possibility of buying back shares as required. The Board believes that the buy back authority is an important mechanism on the Company's tool kit to manage the Company's share rating in the interests of all shareholders, and recommends that shareholders vote in favour of this resolution.

The Directors are seeking authority to purchase up to 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 2022.

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 59 to 64. 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.

Independent Auditors

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

The Directors' Report was approved by the Board at its meeting on 26 March 2021.

By order of the Board

SARAH BEYNSBERGER
For and on behalf of
BlackRock Investment Management (UK) Limited Company Secretary
26 March 2021

Directors' remuneration report

The Board presents the Directors' Remuneration Report for the year ended 31 December 2020 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 on page 58.

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 72 to 78.

Statement of the Chairman

A key driver of the remuneration policy is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience to promote the long-term success of the Company whilst also reflecting the time commitment and responsibilities of the role. The basis for determining the level of any increase in the Directors' remuneration is set out in the Directors' Remuneration Policy on page 57.

The Board's remuneration was last reviewed in November 2020. Following this review it was agreed that no change would be made to the level of Directors' fees at the present time. Directors' fees were last increased on 1 January 2020. Directors' fees are set out in the policy table on page 58. No discretionary fees have been paid to Directors during the year or since inception and the payment of such fees is expected to be a rare occurrence, only necessary in exceptional circumstances. Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken and why it was deemed necessary to pay such additional remuneration.

Remuneration Committee

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

Implementation of the Remuneration Policy in the year 2020

The Directors intend that the future Remuneration Policy will be implemented as set out on pages 55 and 56. The Directors' remuneration policy on pages 57 and 58 and the future policy table on page 58 form part of this report. The Directors do not receive any performance related remuneration or incentives. Discretionary payments are permitted under the policy; however such discretionary payments would only be considered in exceptional circumstances.

Remuneration/service contracts

The maximum remuneration of the Directors is determined within the limits of the Company's Articles and currently amounts in aggregate to £250,000. No element of the Directors' remuneration is performance related. None of the Directors are entitled to receive from the Company:

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

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

Remuneration implementation report

A single figure for total remuneration of each Director is set out in the table below for the year ended 31 December 2020. The information in the table below has been audited.

Directors	Year ended 31 December 2020 Fees £	Taxable benefits[1] £	Total £	Year ended 31 December 2019 Fees £	Taxable benefits[1] £	Total £
Carolan Dobson (Chairman)	47,800	–	47,800	47,000	4,077	51,077
Craig Cleland[2] (Audit Committee Chairman)	36,700	–	36,700	35,000	1,226	36,226
Mahrukh Doctor (Remuneration Committee Chairman)	34,600	153	34,753	33,500	4,711	38,211
Laurie Meister[3]	27,241	–	27,241	–	–	–
Nigel Webber	32,600	–	32,600	32,000	485	32,485
Laurence Whitehead[4]	–	–	–	32,000	1,777	33,777
Antonio Monteiro de Castro[5]	–	–	–	9,000	3,457	12,457
Total	**178,941**	**153**	**179,094**	**188,500**	**15,733**	**204,233**

1 Taxable benefits relates to travel and subsistence costs.
2 Mr Cleland joined the Board on 1 January 2019 and became Chairman of the Audit Committee on 31 March 2019.
3 Ms Meister joined the Board with effect from 1 February 2020.
4 Mr Whitehead retired from the Board on 31 December 2019.
5 Mr Monteiro de Castro retired as a Director and as Chairman of the Audit Committee on 31 March 2019.

No discretionary payments were made in the year to 31 December 2020 (2019: £nil).

The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 December 2020, fees of £15,358 (2019: £15,358) were outstanding to Directors in respect of their annual fees.

Relative importance of spend on pay

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

	2020 US$'000	2019 US$'000	Change US$'000
Directors' total remuneration	245	271	(26)
Total dividends paid and payable	9,054	13,697	(4,643)
Net (loss)/profit on ordinary activities after taxation	(43,572)	45,496	(89,068)

Five year change comparison

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

	31 December 2020 £	31 December 2015 £	Change %
Chairman	47,800	45,000	+6.2
Audit Committee Chairman	36,700	34,000	+7.9
Remuneration Committee Chairman and Senior Independent Director[1]	34,600	30,000	+15.3
Director	32,600	30,000	+8.7

1 The Remuneration Committee was formed in November 2018 and the combined role of Remuneration Committee Chairman and Senior Independent Director was created on 31 March 2019. Prior to this the Audit Committee Chairman also acted as the Senior Independent Director.

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

Shareholdings

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

	Ordinary shares		
	26 March 2021	**31 December 2020**	**31 December 2019**
Carolan Dobson	4,792	4,792	4,792
Mahrukh Doctor	686	686	686
Laurence Whitehead[1]	–	–	15,203
Nigel Webber	5,000	5,000	5,000
Craig Cleland	5,000	5,000	5,000
Laurie Meister[2]	–	–	n/a

[1] Retired as a Director on 31 December 2019.

[2] Appointed as a Director on 1 February 2020.

The information in the table above has been audited.

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

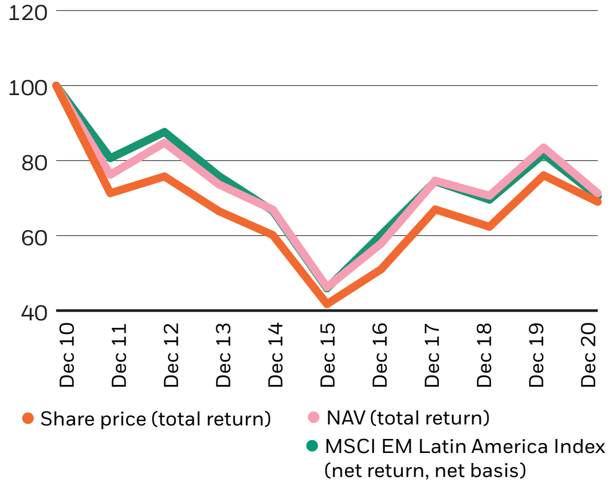
Retirement of Directors

Further details are given in the Directors' Report on page 48 and in the Corporate Governance Statement on page 60.

Performance

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

Performance from 31 December 2010 to 31 December 2020



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

By order of the Board

MAHRUKH DOCTOR
Chairman
Remuneration Committee
26 March 2021

Directors’ remuneration policy

Consideration of shareholders’ views

An ordinary resolution to approve the remuneration report is put to members at each AGM. The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Shareholders have the opportunity to express their views and ask questions in respect of the remuneration policy at the AGM. To date, no shareholders have commented in respect of the remuneration policy. In the event that there was a substantial vote against any resolution proposed at the Company’s AGM, the reasons for any such vote would be sought and appropriate action taken. Should the votes be against resolutions in relation to the directors’ remuneration, further details will be provided in future Directors’ Remuneration Reports. In accordance with the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy on a triennial basis. An ordinary resolution for the approval of the remuneration policy was approved by shareholders at the AGM held on 29 June 2020, with 99.87% of votes cast (including votes cast at the Chairman’s discretion) in favour and 0.13% votes cast against. The remuneration policy will next be put to a binding shareholder vote at the AGM in 2023.

The Directors’ Remuneration Report was last approved by shareholders at the AGM held on 29 June 2020, with 99.86% of votes cast (including votes cast at the Chairman’s discretion) in favour and 0.14% of votes cast against.

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

Directors’ remuneration policy

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

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

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

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

Directors’ remuneration policy

continued

Future 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: Chairman – £47,800 Audit Committee Chairman – £36,700 Remuneration Committee Chairman/Senior Independent Director – £34,600 Directors – £32,600 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.
Policy on share ownership	Directors are not required to own shares in the Company.
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	Some expenses incurred by Directors are required to be treated as taxable benefits. Taxable benefits include (but are not limited to) travel expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company’s registered offices in London, and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company’s policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred, including the tax and national insurance costs incurred by the Director on such expenses.

Corporate governance statement

Chairman's introduction

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

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

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

Compliance

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

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

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function as set out on page 62.

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 Board

Board composition

The Board currently consists of five non-executive Directors.

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

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

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

Board independence and tenure

The Board regularly reviews the independence of its members and considers all of the Directors to be independent. The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can add significantly to the strength of the Board. Whilst the Board recognises the benefits of diversity and regular refreshment, it does not believe that length of tenure should be the predominant factor in determining an individual's independence. The Board believes that the overarching objective should be to establish and maintain a board which has a range of tenure, skills and experience such that it can effectively discharge its duties and retain the benefits of corporate memory, while also benefiting from

Corporate governance statement

regular board refreshment, which inevitably brings new ideas and perspectives. The Board's independence, (including that of Dr Mahrukh Doctor who has served on the Board for in excess of 9 years), has been considered, and all current Directors are deemed to be wholly independent. A number of factors were taken into account when making this assertion, including length of tenure, the individual contribution of each Director, their other directorships and interests, and their ongoing commitment and enthusiasm to promote the long-term success of this Company, its shareholders and wider stakeholders. With regard to Dr Doctor, the Board expressly considered the impact of her length of tenure in their independence deliberations and concluded that she was independent in judgement and character, and that it was in the best interests of the Company and shareholders to recommend her re-election given her depth of experience serving on the Board and her expertise in respect of the Latin American political economy.

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 three women and two men.

Directors' appointment, retirement and rotation
The rules concerning the appointment, retirement and rotation of Directors are set out on page 48 of the Directors' Report and page 60 of the Corporate Governance Statement.

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

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

Dr Doctor, 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 of the Chairman and each of the Directors to stand for election and 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 suitable candidates and assist with the selection process, and Cornforth Consulting Limited was engaged by the Board to locate candidates in the recruitment processes that resulted in the hiring of both Mr Cleland and Ms Meister. Cornforth Consulting Limited is independent of the Company.

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

The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the 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.

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

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

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

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

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

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

Performance evaluation

In order to review the effectiveness of the Board, the Committees and the individual Directors, the Board carries out an annual appraisal process. This encompasses both quantitative and qualitative measures of performance in respect of the Board and its Committees, implemented by way of the completion of an evaluation survey and a subsequent review of the findings. The appraisal of the Chairman follows the same process and is carried out by the Board as a whole under the leadership of the 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 46 and 47.

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 47 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 107. 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 48.

Committees of the Board

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

Audit Committee

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

Further details are provided in the Report of the Audit Committee on pages 65 to 68.

Nomination Committee

The Nomination Committee is currently chaired by Ms Dobson, and consists of the Chairman of the Committee, Dr Doctor, Mr Webber, Mr Cleland and Ms Meister (with effect from 1 February 2020). Further details are provided on page 30.

Management Engagement Committee

The Management Engagement Committee is currently chaired by Ms Dobson, and consists of the Chairman of the Committee, Dr Doctor, Mr Webber, Mr Cleland and Ms Meister (with effect from 1 February 2020). Further details are provided on page 30.

Remuneration Committee

The Remuneration Committee is currently chaired by Dr Doctor, and consists of the Chairman of the Committee, Ms Dobson, Mr Webber, Mr Cleland and Ms Meister (with effect from 1 February 2020). Further details are provided on page 30.

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 69, the Independent Auditor's Report on pages 72 to 78, and the Statement of Going Concern on page 83.

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, to meet its investment objectives, it is important to invest in companies whose boards act responsibly in respect of environmental, ethical and social issues. The Investment Manager's evaluation procedures and financial analysis of the companies within the portfolio take into account environmental policies and other business issues.

More information in regard of the Manager's approach to responsible investing is given on pages 26 and 27.

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

Criminal Finances Act 2017
The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Communication with shareholders
Communication with shareholders is given a high priority.

In normal operating circumstances, all ordinary shareholders have the opportunity to attend and vote at the AGM. To the extent that social distancing regulations make physical attendance at the AGM impossible due to COVID-19, the Board will take additional steps to keep shareholders informed, including encouraging them to submit any questions in writing in advance of the meeting, and ensuring that a recorded video of the portfolio managers' presentation is made available on the Company's website at www.blackrock.com/uk/brla shortly after the AGM has concluded. Shareholders are also encouraged to submit their votes by proxy to the extent that physical attendance is not possible. 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 www.blackrock.com/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 www.blackrock.com/uk/brla shortly after the meeting. In accordance with provision 4 of the UK Corporate Governance Code, when, in the opinion of the Board, a significant proportion of votes have been cast against a resolution at any general meeting, the Board will explain, when announcing the results of voting, what actions it intends to take to understand the reasons behind the vote result.

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

Shareholders wishing to communicate with the Chairman, the 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 104 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 102 to 104, which provides an overview of useful information available to shareholders.

The Company's Annual Report and Financial Statements are also published on www.blackrock.com/uk/brla, 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 the scope of the Regulation.

Corporate governance statement
continued

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: blackrock.com/uk/brla.

Disclosure guidance and transparency rules

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 46 to 53 because it is information which refers to events that have taken place during the course of the year.

For and on behalf of the Board

CAROLAN DOBSON
Chairman
26 March 2021

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 2020.

Composition

The Audit Committee comprises all the Directors, with the exception of Ms Dobson, 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 31 to 32.

Performance evaluation

Details of the evaluation of the Audit Committee are set out in the Corporate Governance Statement on page 61.

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 www.blackrock.com/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.com/uk/brla. There were no non-audit services provided by the Auditor to the Company in the year to 31 December 2020 (2019: no non-audit services).

Significant issues considered regarding the annual report and financial statements

During the year, the Audit Committee considered a number of significant issues and areas of key audit risk in respect of the annual report and financial statements. The Audit Committee reviewed the external audit plan and concluded that the appropriate areas of audit risk relevant to the Company had

Report of the audit committee
continued

been identified by the auditor. The Committee also discussed the audit and procedures and plan with the auditors and that suitable control procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The table below sets out the key areas of risk identified and also explains how these were addressed.

Significant issue	How the issue was addressed
The accuracy of the valuation of the investment portfolio	Listed investments are valued using stock exchange prices provided by third party pricing vendors. Unquoted or illiquid investments, if any, are valued by the Directors based on recommendations from BlackRock's Pricing Committee. The Board reviews detailed portfolio valuations at each of its Board meetings and receives confirmation from the Manager that the pricing basis is appropriate, in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct. The Board also relies on the Manager's and Fund Accountant's controls which are documented in a semi-annual internal controls report which is reviewed by the Audit Committee.
The risk of misappropriation of assets and unsecured ownership of investments	The Depositary is responsible for financial restitution for the loss of financial investments held in custody. The Depositary reports to the Committee twice a year. The Committee reviews reports from its service providers on key controls over the assets of the Company and will take action to address any significant issues that are identified in these reports, which may include direct discussions with representatives of the relevant service providers to obtain more detailed information surrounding any matters of concern and gaining assurance that appropriate remediation action has been taken. Any significant issues are reported by the Manager to the Committee. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.
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. The Committee also reviews the facts and circumstances of all special dividends to determine the revenue/capital treatment. The Directors also review a detailed schedule of dividends received from portfolio holdings at each meeting which sets out current and historic dividend rates, and the amounts accrued. Any significant movements or unusual items are discussed with the Manager. The Committee also reviews SOC 1 Reports from its service providers, including the Company's Fund Accountant and Custodian, The Bank of New York Mellon (International) Limited. These reports include information on the control processes in place to ensure the accurate recording of income, and any exceptions are highlighted to the Committee and will be investigated further to ensure that appropriate remediation action has been taken where relevant.
The risk that the global economic disruption caused by COVID-19 will affect the Company's ability to continue in operation due to the impact on the market valuations of portfolio companies or the ability of key service providers (including the Manager, the Depositary, the Custodian, the Fund Accountant, the Brokers and the printers) to maintain business continuity and continue to provide appropriate service levels.	The Audit Committee has reviewed the impact of market volatility related to the COVID-19 pandemic on the Company's portfolio and have received regular updates on portfolio performance from the portfolio manager. The Committee has also reviewed portfolio liquidity and updated revenue and expense forecasts in light of the ongoing COVID-19 pandemic and its impact on portfolio liquidity, dividend income and market valuations and considers that the Company's business model remains viable and that the Company has sufficient resources to continue in operation and to meet all liabilities as they fall due. The Committee has reviewed the Company's bank overdraft facility and considers that despite recent market volatility the Company continues to meet its financial covenants in respect of this facility and has a wide margin before any relevant thresholds are reached.

Significant issue	How the issue was addressed
	The Committee keeps the Company's principal risks and uncertainties as set out above under review, and is confident that the Company has appropriate controls and processes in place to manage these and to maintain its operating model, even given the global economic challenges posed by COVID-19. The Committee has received presentations and updates from key service providers in respect of their business continuity plans to address the issues posed by COVID-19 and are confident that they will be able to continue to provide a good level of service for the foreseeable future.

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

Auditor and audit tenure

The Company's current Auditor, Ernst & Young LLP, was appointed on 29 June 2020, replacing PricewaterhouseCoopers LLP in this role. PricewaterhouseCoopers had previously acted as the Company's Auditor since the Company's launch in 1990.

The Committee is mindful of the EU Audit Reform, including regulations on mandatory auditor rotation which require a review of the appointment of the auditor every ten years. The EU legislation also prohibits certain non-audit consulting services and caps the amount of additional fees auditors can charge their clients. There are no contractual obligations that restrict the Company's choice of auditor. Ernst & Young LLP was selected as the Company's new Independent Auditor after a formal tender process carried out in 2020. The Committee will continue to review the Auditor's appointment each year to ensure that the Company is receiving an optimal level of service. The appointment of the auditor is reviewed each year and the audit partner rotates at least every five years.

Fees

As part of the audit tender process which led to Ernst & Young LLP's appointment, the Board has agreed a phased increase in audit fees over the next two years. The audit fee for the 2020 audit will be £35,000 + VAT, increasing to £43,000 + VAT for the 2021 audit (a total increase of 43% compared to the 2019 audit fee). During the tender process, the Committee received audit fee quotes from a range of audit firms and assessed that Ernst & Young LLP's fee proposal was competitive and in line with the level of fees quoted by other tendering audit firms. The significant increase reflects increased regulation as a result of EU Audit Reform initiatives which have driven up costs across the sector. Mindful of the impact of this increase, the Committee negotiated this to be implemented in stages over a two year period.

There were no fees paid to the Auditor in respect of non-audit services in the year. The Company's policy on non-audit services is set out in full in the Audit Committee's terms of reference which are available on the Company's website at www.blackrock.com/uk/brla.

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.

Report of the audit committee
continued

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 external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset value and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved, the quality and timeliness of papers analysing these judgements, the views of the independent auditors and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the Auditor and the Committee.

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

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

Conclusions in respect of the annual report and financial statements

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

- the comprehensive control framework over the production of the Annual Report and Financial Statements, including the verification processes in place to deal with the factual content;
- the comprehensive reviews that are undertaken at different levels in the production process of the Annual Report and Financial Statements, by the Manager, the third party service providers responsible for accounting services and the Audit Committee that aim to ensure consistency and overall balance;
- the controls that are in place at the Manager and other third party service providers to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets; and
- the existence of satisfactory Service Organisation Control (SOC 1) reports that have been reviewed and reported on by external 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 69.

CRAIG CLELAND
Chairman
Audit Committee
26 March 2021

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 31 to 32, confirm to the best of their knowledge that:

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

The 2018 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements. The process by which the Committee has reached these conclusions is set out in the Audit Committee's report on pages 65 to 68. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 December 2020, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For and on behalf of the Board

CAROLAN DOBSON
Chairman
26 March 2021

Financial statements

América Movil, our largest Mexican holding, operates in 25 countries in Latin America, North America and Central and Eastern Europe and has the largest wireless subscriber base in the world outside of China and India.

Independent auditor's report to the members of BlackRock Latin American Investment Trust plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BlackRock Latin American Investment Trust plc ("the Company") for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- We confirmed our understanding of the Company's going concern assessment process and engaged with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- We inspected the Directors' assessment of going concern, including the revenue forecast, for the period to 31 March 2022. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- We have reviewed the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the revenue forecast. We considered the appropriateness of the methods used to calculate the forecast and determined, through testing of the methodology and calculations, that the methods utilised were appropriate to be able to make an assessment for the Company.
- In relation to the Company's overdraft facility, we inspected the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants and performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.

- We considered the mitigating factors included in the revenue forecasts and covenant calculations that are within control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments to cover working capital requirements should its revenue decline significantly.

- We reviewed the Company's going concern disclosures included in the Annual Report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 31 March 2022 which is at least twelve months from the date the financial statements were authorised for issue.

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

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

Overview of our audit approach

Key audit matters	• Incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital in the Income Statement. • Incorrect valuation or ownership of the investment portfolio.
Materiality	• Overall materiality of $2.40m which represents 1% of net assets.

An overview of the scope of our audit

Tailoring the scope

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

Key audit matters

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

Independent auditor's report to the members of BlackRock Latin American Investment Trust plc continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital in the Income Statement (as described on page 66 in the Report of the Audit Committee and as per the accounting policy set out on page 83 and note 3 to the financial statements). The total income from investments received for the year to 31 December 2020 was $5.32m, consisting primarily of dividend income from overseas listed investments. The total amount of special dividends received by the Company during the year was $0.66m, all of which were classified as revenue. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	**We performed the following procedures:** We obtained an understanding of The Bank of New York Mellon (International) Limited (BNYM) and BlackRock Fund Managers Limited (the Manager) processes and controls around revenue recognition and classification of special dividends by reviewing their internal controls reports and performing our walkthrough procedures. For the classification of special dividends, we also evaluated the design and implementation of controls. For a sample of dividends and fixed interest payments, we recalculated the investment income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share/coupon rate, as agreed to an independent data vendor. We agreed this sample to bank statements and, where applicable, we also agreed the exchange rates to an external source. To test the completeness of ordinary and special dividends, we agreed all dividends received on all investments held in the period from an independent data vendor to the income recorded by the Company. For all dividends and fixed interest income accrued at the year end, we agreed the income entitlement to an independent data vendor and, where applicable, agreed the amount receivable to post year-end bank statements. We assessed the appropriateness of the Company's classification of special dividends as revenue or capital with reference to publicly available.	**What we reported to the Audit Committee:** The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital in the Income Statement. Based on the work performed we had no matters to report to the Audit Committee.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or ownership of the investment portfolio (as described on page 66 in the Report of the Audit Committee and as per the accounting policy set out on page 84 and note 10 to the financial statements). The valuation of the investment portfolio as at 31 December 2020 was $251.43m, consisting of listed equity and fixed income investments. The valuation of the instruments held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the instruments held by the Company could have a significant impact on the portfolio valuation and, therefore, the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date.	**We performed the following procedures:** We obtained an understanding of BNYM's process surrounding investment pricing by reviewing their internal control reports and performing our walkthrough procedures. For all listed investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. We inspected the stale pricing reports produced by BNYM to identify prices that have not changed and verified whether the listed price is a valid fair value. We compared the Company's investment holdings at 31 December 2020 to independent confirmations received directly from the Company's Custodian and Depositary, testing any reconciling items to supporting documentation.	**What we reported to the Audit Committee:** The results of our procedures identified no material misstatement in relation to incorrect valuation or ownership of the investment portfolio. Based on the work performed we had no matters to report to the Audit Committee.

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be $2.40m, which is 1% of the net assets of the Company. We believe net assets to be the most important financial metric on which shareholders would judge the performance of the Company.

During the course of our audit, we reassessed initial materiality and found no reason to alter the basis of calculation used at year end.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely $1.17m. We have set performance materiality at this percentage as this is our first year as auditor of the Company.

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing threshold of $0.21m for the revenue column of the Income Statement, being 5% of the net profit on ordinary activities before taxation.

Independent auditor's report to the members of BlackRock Latin American Investment Trust plc continued

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.12m, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information
The other information comprises the information included in the Annual Report set out on pages 1 to 69 and 101 to 120, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

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

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

We have nothing to report in this regard.

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

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

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

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

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 48 and 83;
- The Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 44 and 45;
- The Directors' statement on fair, balanced and understandable set out on pages 68 and 69;
- The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 40;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 40 to 44; and;
- The section describing the work of the Audit Committee set out on pages 65 to 68.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Annual Report and Financial Statements set out on page 69, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP), the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the AIC Code and section 1158 of the Corporation Tax Act 2010.
- We understood how BlackRock Latin American Investment Trust plc is complying with those frameworks through discussions with the Audit Committee and the Company Secretary and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital in the Income Statement. Further discussion of our approach is set out in the section on key audit matters above.

Independent auditor's report to the members of BlackRock Latin American Investment Trust plc continued

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company at the Annual General Meeting on 29 June 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is one year, covering the year ended 31 December 2020.

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

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

Use of our report

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

MATTHEW PRICE (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London
26 March 2021

Notes:

1. The maintenance and integrity of the BlackRock Latin American Investment Trust plc website is the responsibility of BlackRock; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

Income statement

for the year ended 31 December 2020

	Notes	Revenue 2020 US$'000	Revenue 2019 US$'000	Capital 2020 US$'000	Capital 2019 US$'000	Total 2020 US$'000	Total 2019 US$'000
(Losses)/gains on investments held at fair value through profit or loss	10	–	–	(48,590)	40,807	(48,590)	40,807
Gains/(losses) on foreign exchange		–	–	228	(128)	228	(128)
Income from investments held at fair value through profit or loss	3	5,323	9,231	–	–	5,323	9,231
Other income	3	129	2	–	–	129	2
Total income		**5,452**	**9,233**	**(48,362)**	**40,679**	**(42,910)**	**49,912**
Expenses							
Investment management fee	4	(363)	(548)	(1,089)	(1,646)	(1,452)	(2,194)
Other operating expenses	5	(804)	(839)	(58)	(48)	(862)	(887)
Total operating expenses		**(1,167)**	**(1,387)**	**(1,147)**	**(1,694)**	**(2,314)**	**(3,081)**
Net profit/(loss) on ordinary activities before finance costs and taxation		**4,285**	**7,846**	**(49,509)**	**38,985**	**(45,224)**	**46,831**
Finance costs	6	(41)	(198)	(124)	(595)	(165)	(793)
Net profit/(loss) on ordinary activities before taxation		**4,244**	**7,648**	**(49,633)**	**38,390**	**(45,389)**	**46,038**
Taxation	7	1,590	(542)	227	–	1,817	(542)
Net profit/(loss) on ordinary activities after taxation		**5,834**	**7,106**	**(49,406)**	**38,390**	**(43,572)**	**45,496**
Earnings/(loss) per ordinary share (US$ cents)	**9**	**14.86**	**18.10**	**(125.84)**	**97.78**	**(110.98)**	**115.88**

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 83 to 99 form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2020

	Note	Called up share capital US$'000	Share premium account US$'000	Capital redemption reserve US$'000	Non-distributable reserve US$'000	Capital reserves US$'000	Revenue reserve US$'000	Total US$'000
For the year ended 31 December 2020								
At 31 December 2019		4,144	11,719	4,843	4,356	255,453	6,929	287,444
Total comprehensive (loss)/income:								
Net (loss)/profit for the year		–	–	–	–	(49,406)	5,834	(43,572)
Transactions with owners, recorded directly to equity:								
Dividends paid[1]	8	–	–	–	–	–	(9,721)	(9,721)
At 31 December 2020		**4,144**	**11,719**	**4,843**	**4,356**	**206,047**	**3,042**	**234,151**

	Note	Called up share capital US$'000	Share premium account US$'000	Capital redemption reserve US$'000	Non-distributable reserve US$'000	Capital reserves US$'000	Revenue reserve US$'000	Total US$'000
For the year ended 31 December 2019								
At 31 December 2018		4,144	11,719	4,843	4,356	217,063	13,120	255,245
Total comprehensive income:								
Net profit for the year		–	–	–	–	38,390	7,106	45,496
Transactions with owners, recorded directly to equity:								
Dividends paid[2]	8	–	–	–	–	–	(13,297)	(13,297)
At 31 December 2019		**4,144**	**11,719**	**4,843**	**4,356**	**255,453**	**6,929**	**287,444**

[1] Quarterly dividend of 9.15 cents per share for the year ended 31 December 2019, declared on 2 January 2020 and paid on 6 February 2020; quarterly dividend of 4.59 cents per share for the year ended 31 December 2020, declared on 1 April 2020 and paid on 20 May 2020; quarterly dividend of 5.57 cents per share for the year ended 31 December 2020, declared on 1 July 2020 and paid on 11 August 2020; quarterly dividend of 5.45 cents per share for the year ended 31 December 2020, declared on 1 October 2020 and paid on 9 November 2020.

[2] Quarterly dividend of 8.13 cents per share for the year ended 31 December 2018, declared on 2 January 2019 and paid on 8 February 2019; quarterly dividend of 8.56 cents per share for the year ended 31 December 2019, declared on 1 April 2019 and paid on 17 May 2019; quarterly dividend of 9.15 cents per share for the year ended 31 December 2019, declared on 1 July 2019 and paid on 16 August 2019; quarterly dividend of 8.03 cents per share for the year ended 31 December 2019, declared on 1 October 2019 and paid on 8 November 2019.

For information on the Company's distributable reserves, please refer to note 15 on page 91.

The notes on pages 83 to 99 form part of these financial statements.

Balance sheet

as at 31 December 2020

	Notes	2020 US$'000	2019 US$'000
Fixed assets			
Investments held at fair value through profit or loss	10	251,425	300,571
Current assets			
Debtors	11	445	7,175
Cash and cash equivalents		509	305
Total current assets		**954**	**7,480**
Creditors – amounts falling due within one year			
Bank overdraft	16	(17,194)	(18,610)
Other creditors	12	(999)	(1,735)
Total current liabilities		**(18,193)**	**(20,345)**
Net current liabilities		**(17,239)**	**(12,865)**
Total assets less current liabilities		**234,186**	**287,706**
Creditors – amounts falling due after more than one year			
Non-current tax liability	7	(11)	(238)
Non-equity redeemable shares	13	(24)	(24)
		(35)	**(262)**
Net assets		**234,151**	**287,444**
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	206,047	255,453
Revenue reserve	15	3,042	6,929
Total shareholders' funds	9	**234,151**	**287,444**
Net asset value per ordinary share (US$ cents)	9	**596.42**	**732.15**

The financial statements on pages 79 to 99 were approved and authorised for issue by the Board of Directors on 26 March 2021 and signed on its behalf by Carolan Dobson, Chairman.

BlackRock Latin American Investment Trust plc

Registered in England, No. 2479975

The notes on pages 83 to 99 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2020

	2020 US$'000	2019 US$'000
Operating activities		
Net (loss)/profit before taxation	(45,389)	46,038
Add back finance costs	165	793
Losses/(gains) on investments held at fair value through profit or loss	48,590	(40,807)
Net (gains)/losses on foreign exchange	(228)	128
Sales of investments held at fair value through profit or loss	244,537	256,355
Purchases of investments held at fair value through profit or loss	(238,513)	(241,533)
Decrease in debtors	1,192	43
(Decrease)/increase in creditors	(795)	894
UK corporation tax refunds of prior years	2,194	–
Tax on investment income	(475)	(542)
Net cash generated from operating activities	**11,278**	**21,369**
Financing activities		
Interest paid	(165)	(793)
Dividends paid	(9,721)	(13,297)
Net cash used in financing activities	**(9,886)**	**(14,090)**
Increase in cash and cash equivalents	**1,392**	**7,279**
Cash and cash equivalents at the start of the year	(18,305)	(25,456)
Effect of foreign exchange rate changes	228	(128)
Cash and cash equivalents at end of the year	**(16,685)**	**(18,305)**
Comprised of:		
Cash at bank	509	305
Bank overdraft	(17,194)	(18,610)
	(16,685)	**(18,305)**

The notes on pages 83 to 99 form part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2020

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

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

(a) Basis of preparation
The financial statements have been prepared on a going concern basis in accordance with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the revised Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued by the Association of Investment Companies (AIC) in October 2019, and 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 2020 AGM and the next such resolution will be put to shareholders at the AGM in 2022 (see pages 7, 47 and 48 for further details). The Directors have no reason to believe that this resolution will not be passed.

Substantially, all of the assets of the Company consist of securities that are readily realisable and, accordingly, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least one year from the date of approval of the financial statements, and therefore consider the going concern assumption to be appropriate. Consequently, the Directors have considered any potential impact of the COVID-19 pandemic and the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience on the going concern of the Company. The Directors have reviewed compliance with the covenants associated with the bank overdraft, income and expense projections and the liquidity of the investment portfolio in making their assessment.

The 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 or circumstances of each particular dividend.

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

Deposit interest receivable is accounted for on an accruals basis.

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.

Notes to the financial statements
continued

2. Accounting policies continued

(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 89;

- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and

- the investment management fee and finance costs have been allocated 75% to the capital 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 tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

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

Deferred taxation is recognised in respect of all timing differences at the financial reporting date, where transactions or events that result in an obligation to pay more taxation in the future or right to less taxation in the future have occurred at the balance sheet date. Deferred 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 classified upon initial recognition as held at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. Sales are recognised at the trade date of the disposal and the proceeds are measured at fair value, which is regarded as the proceeds of the sale less any transaction costs.

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

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, endorsed by the British Private Equity & Venture Capital Association. 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 settlement, 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.

(j) Dividends payable

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

(k) Cash and cash equivalents

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

(l) Foreign currency translation

In accordance with Section 30 of FRS 102, the Company is required to 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 subsequently cancelled – share capital is reduced by the nominal value of the shares repurchased and capital redemption reserve is correspondingly increased in accordance with Section 733 of the Companies Act 2006. The full cost of the repurchase is charged to the capital reserve.

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

(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

	2020 US$'000	**2019 US$'000**
Investment income:		
Overseas dividends	4,350	7,446
Overseas REIT distributions	276	278
Overseas special dividends	655	1,270
UK dividends	–	197
Fixed interest income	42	40
	5,323	**9,231**
Other income:		
Deposit interest	1	2
Interest on UK corporation tax refund[1]	128	–
Total income	**5,452**	**9,233**

[1] Please see note 7(d) on page 88 for details.

Dividends and interest received in cash during the year amounted to US$6,688,000 and US$206,000 (2019: US$9,442,000 and US$49,000).

Special dividends of US$nil have been recognised in capital in 2020 (2019: US$nil).

Notes to the financial statements

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4. Investment management fee

	2020			2019		
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Investment management fee	363	1,089	1,452	548	1,646	2,194

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

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

5. Other operating expenses

	2020 US$'000	2019 US$'000
Allocated to revenue:		
Custody fee	45	61
Depositary fees[1]	19	26
Auditors' remuneration[2]	42	40
Registrar's fees	37	36
Directors' emoluments[3]	245	271
Marketing fees	122	117
Postage and printing fees	37	47
AIC fees	30	22
Broker fees	46	59
Employer NI contributions	23	32
FCA fee	13	11
Director search fees	30	29
Other administration costs	115	88
	804	**839**
Allocated to capital:		
Custody transaction charges[4]	58	48
	862	**887**
The Company's ongoing charges[5], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items were:	1.14%	1.13%

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

[2] No non-audit services were provided by the auditors.

[3] Further information on Directors' emoluments can be found in the Directors' Remuneration Report on pages 54 to 58. The Company has no employees.

[4] Charges related to transaction costs charged by the custodian on the purchase and sale of investments.

[5] Alternative Performance Measures, see Glossary on pages 110 to 113.

6. Finance costs

	2020			2019		
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Interest on bank overdraft	41	124	165	198	595	793

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

	2020			2019		
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Current taxation						
Corporation tax	253	(253)	–	345	(345)	–
Prior years UK corporation tax adjustment (note 7(d))	(2,065)	–	(2,065)	–	–	–
Double taxation relief	(253)	253	–	(345)	345	–
Capital gains tax provision reversed (note 7(c))	–	(227)	(227)	–	–	–
Exchange loss not taxable	–	–	–	(5)	–	(5)
	(2,065)	**(227)**	**(2,292)**	**(5)**	**–**	**(5)**
Overseas tax	475	–	475	547	–	547
Total taxation (credit)/charge (note 7(b))	**(1,590)**	**(227)**	**(1,817)**	**542**	**–**	**542**

(b) Factors affecting total tax charge for the year

The taxation assessed for the year is higher (2019: lower) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020			2019		
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Net profit/(loss) on ordinary activities before taxation	4,244	(49,633)	(45,389)	7,648	38,390	46,038
Net profit/(loss) on ordinary activities multiplied by standard rate of 19.00% (2019: 19.00%)	806	(9,430)	(8,624)	1,453	7,294	8,747
Effects of:						
Capital losses/(gains) not taxable	–	9,232	9,232	–	(7,753)	(7,753)
Exchange (gain)/loss not taxable	–	(44)	(44)	(5)	24	19
Relief for overseas tax	(253)	186	(67)	(345)	345	–
Income not subject to corporation tax	(553)	–	(553)	(1,108)	–	(1,108)
Overseas tax suffered	475	–	475	547	–	547
Prior years corporation tax adjustment	(2,065)	–	(2,065)	–	–	–
Tax losses not utilised/recognised	–	45	45	–	81	81
Capital gains tax provision reversed (note 7(c))	–	(227)	(227)	–	–	–
Disallowed expenses	–	11	11	–	9	9
Total taxation (credit)/charge (note 7(a))	**(1,590)**	**(227)**	**(1,817)**	**542**	**–**	**542**

(c) Capital gains tax liability

	2020			2019		
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Non-current tax liability						
Balance brought forward	–	238	238	–	238	238
Capital gains tax provision reversed	–	(227)	(227)	–	–	–
Balance carried forward	**–**	**11**	**11**	**–**	**238**	**238**

Notes to the financial statements
continued

7. Taxation continued

(c) Capital gains tax liability continued

	2020			2019		
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Provision consists of:						
Capital gains tax on realised gains from Peruvian securities	–	11	11	–	238	238
	–	**11**	**11**	**–**	**238**	**238**

At 31 December 2020 the Company had net surplus management expenses of US$396,000 (2019: US$nil) and a non-trade loan relationship deficit of US$1,095,000 (2019: US$728,000). 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 2020 is US$283,000 (2019: US$124,000).

On 3 March 2021, the UK Government announced its intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. If this rate change had been substantively enacted as at 31 December 2020, the estimated value of the unrecognised deferred tax asset at that date would be $373,000.

(d) UK corporation tax refund

The Company received a corporation tax repayment of £1.6 million (US$2.2 million) from Her Majesty's Revenue & Customs (HMRC) in the period. The refund related to corporation tax paid with respect to the years ended 31 December 2007, 2008, 2014, 2015 and 2016 and was issued as HMRC agreed that the Company was entitled to claim credit relief for the underlying tax associated with overseas dividends received before 1 July 2009. HMRC has also confirmed that the Company is entitled to receive a refund for corporation tax paid in subsequent periods ending 31 December 2014, 2015 and 2016, which was paid on a protective basis in case the Company was not able to claim the double tax relief described above.

8. Dividends

Dividends paid on equity shares	Record date	Payment date	2020 US$'000	2019 US$'000
Quarter to 31 December 2019 – dividend of 9.15 cents	10 January 2020	6 February 2020	3,592	3,192
Quarter to 31 March 2020 – dividend of 4.59 cents	14 April 2020	20 May 2020	1,802	3,361
Quarter to 30 June 2020 – dividend of 5.57 cents	10 July 2020	11 August 2020	2,187	3,592
Quarter to 30 September 2020 – dividend of 5.45 cents	9 October 2020	9 November 2020	2,140	3,152
			9,721	**13,297**

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 2020, the quarterly dividends were calculated based on the Company's cum-income US Dollar NAV at the last working day of the quarter.

The Company's cum-income US Dollar NAV at 31 December 2020 as issued to the market was 596.22 cents per share, and the Directors have declared a fourth quarterly interim dividend of 7.45 cents per share. The dividend was paid on 8 February 2021 to holders of ordinary shares on the register at the close of business on 15 January 2021.

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 2020, meet the relevant requirements as set out in this legislation.

Dividends paid or proposed on equity shares:	2020 US$'000	2019 US$'000
Quarter to 31 March 2020 – 4.59 cents (2019: 8.56)	1,802	3,361
Quarter to 30 June 2020 – 5.57 cents (2019: 9.15)	2,187	3,592
Quarter to 30 September 2020 – 5.45 cents (2019: 8.03)	2,140	3,152
Quarter to 31 December 2020 – 7.45 cents[1] (2019: 9.15)	2,925	3,592
	9,054	**13,697**

[1] Based on 39,259,620 ordinary shares in issue at 15 January 2021.

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

	2020	2019
Net revenue profit attributable to ordinary shareholders (US$'000)	5,834	7,106
Net capital (loss)/profit attributable to ordinary shareholders (US$'000)	(49,406)	38,390
Total (loss)/profit attributable to ordinary shareholders (US$'000)	**(43,572)**	**45,496**
Total shareholders' funds (US$'000)	**234,151**	**287,444**
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	39,259,620	39,259,620
The actual number of ordinary shares in issue at the year end on which the net asset value was calculated was:	39,259,620	39,259,620
The number of ordinary shares in issue, including treasury shares at the year end was:	41,441,282	41,441,282
Earnings per share		
Calculated on weighted average number of ordinary shares:		
Revenue profit (US$ cents)	14.86	18.10
Capital (loss)/profit (US$ cents)	(125.84)	97.78
Total (loss)/profit (US$ cents)	**(110.98)**	**115.88**

	As at 31 December 2020	As at 31 December 2019
Net asset value per ordinary share (US$ cents)	596.42	732.15
Ordinary share price (US$ cents)[1]	552.93	643.17

[1] Based on an exchange rate of US$1.3669 to £1 at 31 December 2020 and US$1.3248 to £1 at 31 December 2019.

There are no dilutive securities at the year end.

10. Investments held at fair value through profit or loss

	2020 US$'000	2019 US$'000
Overseas listed equity investments	251,344	300,226
Overseas unlisted fixed income investments	81	345
Valuation of investments at 31 December	**251,425**	**300,571**
Opening book cost of equity and fixed income investments	253,368	243,947
Investment holding gains	47,203	34,177
Opening fair value	**300,571**	**278,124**
Analysis of transactions made during the year:		
Purchases at cost	238,572	241,533
Sales proceeds received	(239,128)	(259,893)
(Losses)/gains on investments	(48,590)	40,807
Closing fair value	**251,425**	**300,571**
Closing book cost of equity and fixed income investments	209,565	253,368
Closing investment holding gains	41,860	47,203
Closing fair value	**251,425**	**300,571**

The Company received US$239,128,000 (2019: US$259,893,000) from investments sold in the year. The book cost of these investments when they were purchased was US$282,375,000 (2019: US$232,112,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of investments.

Transaction costs of US$366,000 were incurred on the acquisition of investments (2019: US$313,000). Costs relating to the disposal of investments during the year amounted to US$375,000 (2019: US$346,000). All transaction costs have been included within capital reserves.

Notes to the financial statements
continued

11. Debtors

	2020 US$'000	2019 US$'000
Sales for future settlement	–	5,409
Prepayments and accrued income	445	1,766
	445	**7,175**

12. Creditors – amounts falling due within one year

	2020 US$'000	2019 US$'000
Purchases for future settlement	59	–
Other payables	940	1,735
	999	**1,735**

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

	2020 US$'000	2019 US$'000
Non-current tax liability (note 7 (c))	11	238
Non-equity redeemable shares	24	24
	35	**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 number	Treasury shares number	Total shares	Nominal value US$'000
Allotted, called up and fully paid share capital comprised: **Ordinary shares of 10 cents each**				
At 31 December 2019	39,259,620	2,181,662	41,441,282	4,144
Shares purchased into treasury	–	–	–	–
At 31 December 2020	**39,259,620**	**2,181,662**	**41,441,282**	**4,144**

During the period to 31 December 2020, no ordinary shares were purchased and transferred to treasury (2019: nil).

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

15. Reserves

	Share premium account US$'000	Capital redemption reserve US$'000	Non-distributable reserve US$'000	Distributable Reserves: Capital reserves arising on investments sold US$'000	Distributable Reserves: Capital reserves arising on revaluation of investments held US$'000	Distributable Reserves: Revenue reserve US$'000
At 31 December 2019	11,719	4,843	4,356	208,534	46,919	6,929
Movement during the year:						
Total comprehensive (loss)/income:						
Net (loss)/profit for the year	–	–	–	(44,091)	(5,315)	5,834
Transactions with owners, recorded directly to equity:						
Dividends paid during the year from revenue	–	–	–	–	–	(9,721)
At 31 December 2020	**11,719**	**4,843**	**4,356**	**164,443**	**41,604**	**3,042**

The share premium account and capital redemption reserve are not distributable profits under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, net capital reserves may be used as distributable profits for all purposes and, in particular, for the repurchase by the Company of its ordinary shares and for payment as dividends. Accordingly, the total amount of distributable reserves as at 31 December 2020 were US$209,089,000.

16. Risk management policies and procedures

The Company's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brla 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 59 to 64 and in the Statement of Directors' Responsibilities on page 69, it is the ultimate responsibility of the Board to ensure that the Company's risks are appropriately monitored, and to the extent that elements of this are delegated to third party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of relevant agreements and taking appropriate action to the extent issues are identified.

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

Notes to the financial statements
continued

16. Risk management policies and procedures continued

Risk Exposures

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

(a) Market risk

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

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

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

The one day VaR as of 31 December 2020 and 31 December 2019 (based on a 99% confidence level) was 8.02% and 3.23%, respectively. The higher VaR number in 2020 compared to 2019 is primarily representative of higher equity market volatility, which increased in the period due to heightened economic uncertainty brought about by the COVID-19 pandemic.

(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. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Company and market prices of its investments.

Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Company and the market price of its investments and could result in increased premiums or discounts to the Company's net asset value.

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now developed into a global pandemic. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions and lower consumer demand as well as general concern and uncertainty. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue to extents that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

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 2020 on its equity and fixed interest investments was US$251,425,000 (2019: US$300,571,000).

Management of other price risk

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

(ii) Market risk arising from foreign currency risk

Exposure to foreign currency risk

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

The fair values of the Company's monetary items which have foreign currency exposure at 31 December 2020 and 31 December 2019 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.

	2020				2019			
	Brazilian Real US$'000	Mexican Peso US$'000	Sterling US$'000	Chilean Peso US$'000	Brazilian Real US$'000	Mexican Peso US$'000	Sterling US$'000	Chilean Peso US$'000
Debtors (due from brokers, prepayments and accrued income)	131	–	20	–	3,350	207	32	–
Creditors (due to brokers and other payables)	(309)	–	(326)	–	(137)	(23)	(542)	–
Cash and cash equivalents	384	–	125	–	171	–	134	–
Total foreign currency exposure on net monetary items	**206**	**–**	**(181)**	**–**	**3,384**	**184**	**(376)**	**–**
Investments at fair value through profit or loss that are equities and fixed income	76,961	35,768	–	9,608	100,920	33,220	–	2,489
Total net foreign currency exposure	**77,167**	**35,768**	**(181)**	**9,608**	**104,304**	**33,404**	**(376)**	**2,489**

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.

Notes to the financial statements

continued

16. Risk management policies and procedures continued

(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 2020 and 31 December 2019 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.

	2020			2019		
	Within one year US$'000	More than one year US$'000	Total US$'000	Within one year US$'000	More than one year US$'000	Total US$'000
Exposure to fixed interest rates:						
– Fixed interest investments	–	81	81	–	345	345
Exposure to floating interest rates:						
– Cash and cash equivalents	509	–	509	305	–	305
– Bank overdraft	(17,194)	–	(17,194)	(18,610)	–	(18,610)
Total exposure to interest rates	**(16,685)**	**81**	**(16,604)**	**(18,305)**	**345**	**(17,960)**

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 0.26% and 1.30% per annum (2019: 0.00% and 3.09% 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.

There were no past due or impaired assets as of 31 December 2020 (31 December 2019: nil).

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

Depositary

The Company's Depositary is The Bank of New York Mellon (International) Limited (BNYM or the Depositary) (S&P long term credit rating as at 31 December 2020: AA– (2019: AA–). All of the equity, fixed interest assets and cash of the Company are held within the custodial network of the Depositary. Bankruptcy or insolvency of the Depositary may cause the Company's rights with respect to its investments held by the Depositary to be delayed or limited. The maximum exposure to this risk at 31 December 2020 is the total value of equity and fixed interest investments held with the Depositary and cash and cash equivalents in the Balance Sheet.

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

Counterparties/Brokers

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

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

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

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

	Total number of counterparties	Maximum exposure to any one counterparty[1] US$'000	Collateral held[1] US$'000	Total exposure to all other counterparties[1] US$'000	Lowest credit rating of any one counterparty[2]
31 December 2020	1	509	–	–	AA–
31 December 2019	5	1,994	–	3,720	BB–

[1] Calculated on a net exposure basis.

[2] Standard & Poor's ratings.

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 2020 and 31 December 2019 was as follows:

	2020 US$'000	2019 US$'000
Debtors (amounts due from brokers, prepayments and accrued income)	445	7,175
Cash and cash equivalents	509	305
	954	**7,480**

Notes to the financial statements
continued

16. Risk management policies and procedures continued

(b) Counterparty credit risk continued

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.

The counterparty credit risk is managed as follows:

- transactions are only entered into with those counterparties approved by RQA CCR, with a formal review carried out for each new counterparty and with counterparties selected by RQA CCR on the basis of a number of risk mitigation criteria designed to reduce the risk to the Company of default;
- the 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; and
- 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 multi-currency overdraft facility for up to US$40million from BNYM which it utilises for short term liquidity purposes. As at 31 December 2020, $17.2 million of this overdraft had been utilised (2019: $18.6 million). Interest is payable at a rate per annum equal to LIBOR plus 1.0%.

The overdraft facility of 29 July 2010, as amended from time to time, between the Company and The Bank of New York Mellon (International) Limited was renewed on 27 August 2020, amending in particular the rate of interest applicable to each overdraft utilised.

Liquidity risk exposure

The undiscounted gross cash outflows of the financial liabilities as at 31 December 2020 and 31 December 2019, based on the earliest date on which payment can be required, were as follows:

	2020		2019	
	3 months or less US$'000	More than 1 year US$'000	3 months or less US$'000	More than 1 year US$'000
Current liabilities:				
Bank overdraft	(17,194)	–	(18,610)	–
Other creditors	(999)	–	(1,735)	–
Non-current tax liability	–	(11)	–	(238)
	(18,193)	**(11)**	**(20,345)**	**(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 84.

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.

Notes to the financial statements
continued

16. Risk management policies and procedures continued
(d) Valuation of financial instruments continued
Fair values of financial assets and financial liabilities

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 2020	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Equity investments	251,344	–	–	251,344
Fixed interest investments	–	81	–	81
Total	**251,344**	**81**	**–**	**251,425**

Financial assets at fair value through profit or loss as at 31 December 2019	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Equity investments	300,226	–	–	300,226
Fixed interest investments	–	345	–	345
Total	**300,226**	**345**	**–**	**300,571**

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

17. Capital management policies and procedures
The Company's capital management objectives are:

– to ensure it will be able to continue as a going concern; and

– to secure long-term capital growth and an attractive total return primarily through investing in quoted securities in Latin America.

Gearing will be selectively employed with the aim of enhancing returns. The Board view that 105% of the net asset value is the neutral level of gearing over the longer term and that gearing should be used actively in an approximate range of plus or minus 10% around this as measured at the time that gearing is instigated. These current parameters sit within the Company's gearing policy as set out in the investment policy on pages 33 and 34 which states that net borrowings are not expected to exceed 25% of net assets under normal circumstances, and the Company's Articles of Association which limit net borrowings to 100% of capital and reserves.

The Company's total capital as at 31 December 2020 was US$234,151,000 (2019: US$287,444,000) comprised of equity, capital and reserves.

Under the terms of the overdraft facility agreement, the Company's total indebtedness shall at no time exceed US$40 million or 30% of the Company's net asset value (whichever is the lowest) (2019: US$40 million or 30% of the Company's net asset value (whichever is the lowest)).

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

– the planned level of gearing, which takes into account the Investment Manager's view on the market; and

– the need to buy back equity shares, either for cancellation or to be held in treasury, which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium).

The Company is subject to externally imposed capital requirements:

– as a public company, the Company has a minimum share capital of £50,000; and

– in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restrictions tests imposed on investment companies by law.

During the year, the Company complied with the externally imposed capital requirements to which it was subject.

18. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on pages 46 and 47.

The investment management fee is levied quarterly, based on 0.80% per annum of the Company's net asset value. The investment management fee due for the year ended 31 December 2020 amounted to US$1,452,000 (2019: US$2,194,000), as disclosed in note 4 to the Financial Statements on page 86. At the year end, an amount of US$480,000 was outstanding in respect of these fees (2019: US$1,161,000).

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 2020 amounted to US$122,000 excluding VAT (2019: US$117,000). Marketing fees of US$127,000 (2019: US$117,000) were outstanding at 31 December 2020.

During the year the Manager pays the amounts due to the Directors. These fees are then reimbursed by the Company for the amounts paid on its behalf. As at 31 December 2020, an amount of US$124,000 (2019: US$250,000) was payable to the Manager in respect of Directors' fees.

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc. a company incorporated in Delaware USA. During the period, PNC Financial Services Group, Inc. ("PNC") was a substantial shareholder in BlackRock, Inc. PNC did not provide any services to the Company during the financial year ended 31 December 2019, and the period up to 11 May 2020, where PNC announced its intention to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock, Inc.

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 54 to 56. At 31 December 2020, an amount of £15,358 (2019: £15,358) was outstanding in respect of Directors' fees.

Significant holdings

The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. ('Related BlackRock Funds'); or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are as a result, considered to be related parties to the Company ('Significant Investors').

As at 31 December 2020

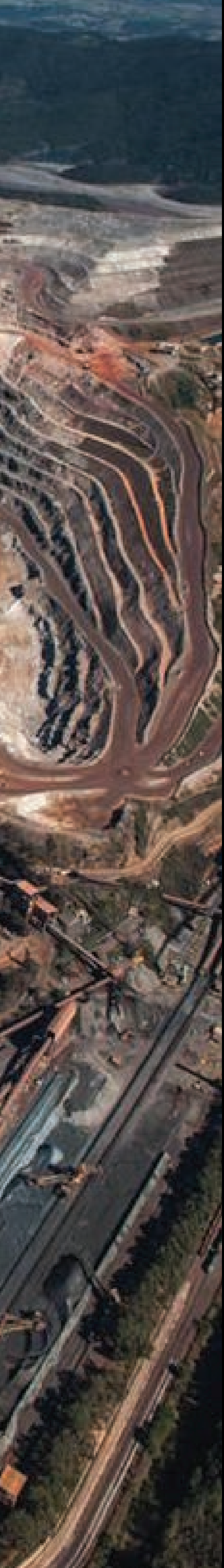
Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.8	26.7	1

As at 31 December 2019

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.5	29.4	1

20. Contingent liabilities

There were no contingent liabilities at 31 December 2020 (2019: none).



Additional information

Our overweight in materials was a considerable contributor to performance over the year. Brazilian mining company Vale was the portfolio's largest materials holding at year end. Vale's Conceição Itabiritos mine was one of several to trial its new FDMS waterless iron ore processing technology in 2020.

PHOTO COURTESY OF MARCELO ROSA/VALE

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/April	Annual results announced.
March/April	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 www.blackrock.com/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 sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. Alternatively, they can do so by creating a Trading Account at www.computershare.com/dealing/uk. 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.

For existing shareholders the Company's registrar, Computershare, has an internet and telephone share dealing service. The telephone share dealing service is available on 0370 703 0084. To access the internet share dealing service, you will need to access www.computershare.com/dealing/uk using your shareholder reference number, which can be found on paper or electronic communications that you have previously received from Computershare.

Internet dealing – The fee for this service is 1% of the value of the transaction (subject to a minimum of £30).

Telephone dealing – The fee for this service will be 1% of the value of the transaction (plus £50).

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Electronic communications

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation.

Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting investorcentre.co.uk/ecomms. 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; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

Publication of NAV/portfolio analysis

The NAV per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

The daily NAV and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at www.blackrock.com/uk/brla. and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under "BLRK" on Bloomberg (monthly information only).

Online access

Other details about the Company are also available on the BlackRock website at www.blackrock.com/uk/brla 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

The annual tax-free allowance on dividend income across an individual's entire share portfolio is £2,000 as at the date of this report. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries please contact a financial adviser.

Individual savings accounts (ISAs)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion in an ISA. In the 2020/2021 tax year, investors will be able to invest up to £20,000 in Individual Savings Accounts (ISAs) either as cash or shares.

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. In the event of queries regarding your holding of shares, please contact the registrar on 0370 707 1112. Changes of

Shareholder information
continued

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 2020

By type of holder

	Number of shares 2020	% of total 2020	% of total 2019	Number of holders 2020	% of total 2020	% of total 2019
Direct private investors	761,010	1.9	2.0	411	54.7	53.4
Bank and Nominee companies	38,296,194	97.6	97.5	321	42.7	44.1
Other	202,416	0.5	0.5	20	2.6	2.5
	39,259,620	**100.0**	**100.0**	**752**	**100.0**	**100.0**

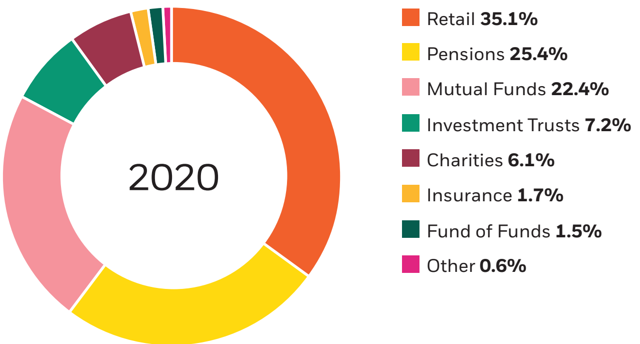
The above excludes treasury shares of 2,181,662.

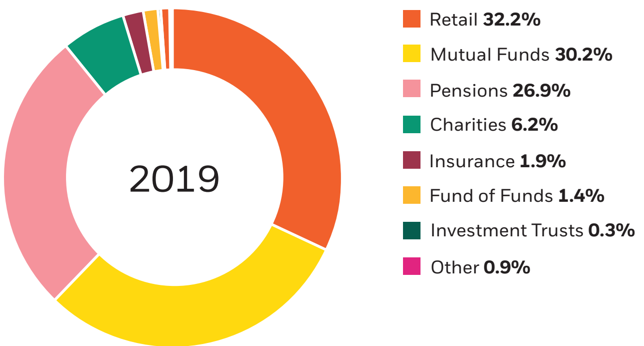
By size of holding

	Number of shares 2020	% of total 2020	% of total 2019	Number of holders 2020	% of total 2020	% of total 2019
1 - 1,000	151,504	0.4	0.4	337	44.8	44.1
1,001 - 5,000	533,449	1.4	1.4	230	30.6	30.8
5,001 - 10,000	401,391	1.0	1.1	59	7.9	7.5
10,001 - 100,000	2,782,987	7.1	9.0	82	10.9	12.5
100,001 - 500,000	6,301,459	16.0	16.6	28	3.7	3.5
500,001 - 1,000,000	6,422,870	16.4	8.8	9	1.2	0.6
Over 1,000,000	22,665,960	57.7	62.7	7	0.9	1.0
	39,259,620	**100.0**	**100.0**	**752**	**100.0**	**100.0**

The above excludes Treasury shares of 2,181,662.

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[1]	Premium/ (discount) %	Revenue Return per ordinary share cents	Dividends per ordinary share cents	Effective gearing[2] %	Ongoing charges[3] %
2011	391,550	893.1	836.9	(6.3)	35.39	30.00	9.4	1.30
2012	399,713	964.7	861.5	(10.7)	26.50	30.00	8.8	1.20
2013	315,345	801.1[4]	719.3	(10.2)	24.83	30.00	2.1[4]	1.10
2014	276,423	702.1	624.5	(11.1)	31.46	30.00	(2.4)	1.20
2015	180,943	459.6	408.2	(11.2)	24.10	21.00	(3.1)	1.12
2016	221,730	563.2	486.5	(13.6)	17.89	15.00	2.1	1.20
2017	279,590	710.2	622.3	(12.4)	13.03	13.00	7.8	1.11
2018	255,245	650.2	557.2	(14.3)	15.13	23.55	9.8	1.03
2019	287,444	732.2	643.2	(12.2)	18.10	34.89	6.2	1.13
2020	**234,151**	**596.4**	**552.9**	**(7.3)**	**14.86**	**23.06**	**7.4**	**1.14**

[1] Share price converted from Sterling at the exchange rate prevailing on 31 December.

[2] 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.

[3] Alternative performance measure, see Glossary on pages 110 to 113.

[4] Convertible bonds were repaid, redeemed or converted in 2013.

Management and other service providers

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

Investment Manager and Secretary
BlackRock Investment Management (UK) Limited[1,2]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Alternative Investment Fund Manager
BlackRock Fund Managers Limited[1]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Depositary
The Bank of New York Mellon (International) Limited[1]
One Canada Square
London E14 5AL

Custodian and Banker
The Bank of New York Mellon (International) Limited[1]
One Canada Square
London E14 5AL

Registrar
Computershare Investor Services plc[1]
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1112

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

Stockbrokers
Cenkos Securities plc[1]
6-8 Tokenhouse Yard
London EC2R 7AS

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

[1] Authorised and regulated by the Financial Conduct Authority.

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

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 www.blackrock.com/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 www.blackrock.com/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 2020	**Gross leverage as at 31 December 2020**
Leverage ratio	1.14	1.07

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 91 to 98.

Pre investment disclosures

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the website at www.blackrock.com/uk/brla.

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
26 March 2021

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
26 March 2021

Glossary

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

American Depositary Receipt (ADR) and American Depositary Share (ADS)
ADRs and ADSs are certificates that represent shares in the relevant stock and are issued by a US bank. They are denominated and pay dividends in US Dollars.

Annualised total return
The annualised total return of the Company and the benchmark is their average return earned each year over a given time period, in this case over 36 months.

The inputs that have been used to calculate the annualised total return of the NAV and benchmark and outperformance of the NAV over 36 months are shown in the following table.

Annualised NAV return	Page	31 December 2020	
Closing NAV per share (cents)	89	596.42	
Add back dividends (cents)		81.05	
Effect of dividend reinvestment (cents)		1.26	
Adjusted closing NAV (cents)		678.73	(a)
NAV per share as at 31 December 2017 (cents)		710.17	(b)
Cumulative NAV return over 36 months (c = ((a – b)/b)) (%)		–4.43	(c)
Number of months in period		36	(d)
Annualised NAV return (e = ((1 + c) ^ (12/d))-1)		**–1.49%**	(e)

Annualised benchmark return	31 December 2020	
Closing benchmark	481.16	(f)
Opening benchmark as at 31 December 2017	508.61	(g)
Cumulative benchmark return over 36 months (h = ((f – g)/g)) (%)	–5.4	(h)
Annualised benchmark return (j = ((1 + h) ^ (12/d))-1)	**–1.83%**	(j)

Annualised NAV outperformance	31 December 2020	
Annualised NAV return	–1.49%	(e)
Annualised benchmark return	–1.83%	(j)
NAV outperformance (k = e – j)	**0.34%**	(k)

Benchmark
The Company's benchmark index, used for performance comparative purposes is the MSCI EM Latin America Index (Net Return) on a total return basis.

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

As at 31 December 2020, the Company's NAV total return was −14.5% and the net total return of the benchmark index was −13.8%, therefore the Company's underperformance of the benchmark index was 0.7%.

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

Discount and premium*
Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. As at 31 December 2020, the share price was 552.93c (2019: 643.17c) and the audited NAV per share was 596.42c (2019: 732.15c), therefore giving a discount of 7.3% (2019: 12.2%) (please see note 9 of the financial statements for the audited inputs to the calculations).

The average discount over two years, calculated using the Company's daily cum income NAV and share price was 11.0%.

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 370c and the NAV 365c, the premium would be 1.4%.

* Alternative Performance Measures.

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

Gearing and borrowings*

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

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

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

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

Net gearing calculation	**Page**	**31 December 2020 US$'000**	**31 December 2019 US$'000**	
Net assets	81	234,151	287,444	(a)
Borrowings	81	17,194	18,610	(b)
Total assets (a + b)		251,345	306,054	(c)
Current assets[1]	81	954	7,480	(d)
Current liabilities (excluding borrowings)	81	(999)	(1,735)	(e)
Net current (liabilities)/assets (d + e)		(45)	5,745	(f)
Net gearing figure (g = (c – f – a)/ a)		**107.4%**	**104.5%**	(g)

[1] Includes cash at bank.

The audited inputs for this calculation can be found in the Balance Sheet on page 81.

The Company's average gearing for the year, based on month end gearing figures calculated in accordance with AIC guidelines was 107.7%.

* Alternative Performance Measures.

Leverage

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

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

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

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an 'exposure' under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that "the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond" should be excluded from exposure calculations.

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

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/share price (please see note 9 of the financial statements for the audited inputs to the calculations).

NAV performance (US Dollar)	**Page**	**31 December 2020**	**31 December 2019**	
Closing NAV per share (cents)	89	596.42	732.15	
Add back quarterly dividends (cents)	88	24.76	33.87	
Effect of dividend reinvestment (cents)		4.55	2.33	
Adjusted closing NAV (cents)		625.73	768.35	(a)
Opening NAV per share (cents)	89	732.15	650.15	(b)
NAV total return (c = ((a – b)/b)) (%)		**(14.5)**	**18.2**	(c)

Glossary
continued

Share price performance (US Dollar)	Page	31 December 2020	31 December 2019	
Closing share price (cents)[1]	89	552.93	643.17	
Add back quarterly dividends (cents)	88	24.76	33.87	
Effect of dividend reinvestment (cents)		5.82	2.67	
Adjusted closing share price (cents)		583.51	679.71	(a)
Opening share price (cents)[1]	89	643.17	557.20	(b)
Share price total return (c = ((a – b)/b)) (%)		**(9.3)**	**22.0**	(c)

[1] Based on an exchange rate of $1.3669 to £1 at 31 December 2020 and $1.3248 to £1 at 31 December 2019.

Share price performance (Sterling)	Page	31 December 2020	31 December 2019	
Closing share price (pence)	89	404.50	485.50	
Add back quarterly dividends (pence)	88	19.24	26.59	
Effect of dividend reinvestment (pence)		3.04	0.80	
Adjusted closing share price (pence)		426.78	512.89	(a)
Opening share price (pence)	89	485.50	437.50	(b)
Share price total return (c = ((a – b)/b)) (%)		**(12.1)**	**17.2**	(c)

Net asset value per share (Cum income 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 2020 equity shareholders' funds were worth US$234,151,000 and there were 39,259,620 ordinary shares in issue, the NAV was therefore 596.42 cents per share (please see note 9 of the notes to the financial statements for the audited inputs to the calculations).

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

Net asset value per share (capital only NAV)*

The capital only NAV is a popular point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is also the measure adopted by the Association of Investment Companies for preparation of statistical data. It is calculated by dividing "total shareholders' funds" (excluding current period revenue) by the total number of ordinary shares in issue.

As at 31 December 2020, equity shareholders' funds less the current year revenue return (after interim dividends) amounted to US$234,446,000 and there were 39,259,620 ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 597.17 cents per share.

Equity shareholders' funds (excluding current period revenue of US$234,446,000) are calculated by deducting from the Company's net assets (US$234,151,000) its current period revenue (US$5,834,000) and adding back the interim dividends paid from revenue (US$6,129,000).

Ongoing charges ratio*

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

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

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

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

Ongoing charges calculation	Page	31 December 2020 US$'000	31 December 2019 US$'000	
Management fee	86	1,452	2,194	
Other operating expenses	86	804	839	
Total management fee and other operating expenses		2,256	3,033	(a)
Average daily net assets in the year		197,093	269,204	(b)
Ongoing charges (c = a/b)		**1.14%**	**1.13%**	(c)

Quoted securities and unquoted securities

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

* Alternative Performance Measures.

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

Revenue profit and revenue reserves

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

Treasury shares

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

Yield*

The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from performance (with dividends reinvested).

	Page	31 December 2020	31 December 2019	
Quarterly dividends paid/payable (cents)[1]	88	23.06	34.89	(a)
Ordinary share price (cents)	89	552.93	643.17	(b)
Yield (c = a/b) (%)		**4.2**	**5.4**	**(c)**

[1] Comprising dividends declared/paid for the twelve months to 31 December.

* Alternative Performance Measures.

Annual general meeting

Earnings momentum in Latin America at the end of 2020 and in the early stages of 2021 has been positive, led by Brazil where forward earnings estimates have been revised up considerably over the past three months.

Notice of annual general meeting

Given the risks posed by the spread of COVID-19 and in accordance with Government guidance, special arrangements have been made with respect to the Company's Annual General Meeting for 2021. More details may be found in note 1 on page 118 and pages 8 and 9 of the Chairman's Statement. Details are also available on the Company's website at www.blackrock.com/uk/brla.

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 19 May 2021 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed in the case of resolutions 1 to 11, as ordinary resolutions and, in the case of resolutions 12 and 13, as special resolutions).

More information in respect of the contribution of each Director to support their re-election is given in the Directors' Report on pages 51 and 52.

Ordinary business

1. To receive the report of the Directors and the financial statements for the year ended 31 December 2020, together with the report of the Auditors thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 December 2020 (excluding the Directors' Remuneration Policy as set out on pages 57 and 58).

3. To approve the Company's dividend policy to pay quarterly interim dividends equal to 1.25% of the Company's NAV at close of business on the last business day of March, June, September and December.

4. To re-elect Carolan Dobson as a Director.

5. To re-elect Craig Cleland as a Director.

6. To re-elect Mahrukh Doctor as a Director.

7. To re-elect Nigel Webber as a Director.

8. To re-elect Laurie Meister as a Director.

9. To appoint Ernst & Young 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 2022 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 13 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 2022, 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 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 2022 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
26 March 2021

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notice of annual general meeting
continued

Notes:

1. Given the risks posed by the spread of COVID-19 and in accordance with the provisions of the Articles of Association and Government guidance, attendance at the Annual General Meeting ('AGM') is unlikely to be possible for shareholders. At the date of posting of this AGM Notice, given the ongoing uncertainty about the course of COVID-19 and due to ongoing public health concerns, the Board intends to limit physical attendance at the AGM only to Directors or their proxies and representatives from BlackRock. The Board will ensure that the minimum quorum is present to allow the formal business to proceed. If law or Government guidance so requires at the time of the Meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the Meeting. Should the Government guidance change and the current restrictions on group gatherings be relaxed by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the AGM in order to secure the orderly and proper conduct of the Meeting.

2. 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.

3. 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 17 May 2021 (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 17 May 2021 (being 48 hours before the time of the meeting excluding Saturdays, Sundays and Bank Holidays).

4. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12.00 noon on 17 May 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

5. 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.

6. 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 4 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.

7. 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.

8. 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.

9. 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.

10. 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 17 May 2021 (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.

11. 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 17 May 2021 (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.

12. 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.

13. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless; (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

14. 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.

15. 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.

16. 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 6 April 2021, 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.

17. Further information regarding the meeting which the Company is required by Section 311A of the Act to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.com/uk/brla.

18. 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 2,181,662.

19. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Share fraud warning

Be ScamSmart

FINANCIAL CONDUCT AUTHORITY

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!

SGN001

MIX
Paper from
responsible sources
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www.fsc.org

BlackRock®

www.blackrock.com/uk/brla