

BlackRock

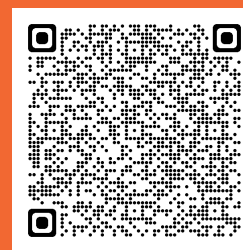
BlackRock Latin American Investment Trust plc

Annual Report and Financial Statements 31 December 2021



Keeping in touch

We know how important it is to receive up-to-date information about the Company. To ensure that you are kept abreast of developments, please visit our website at <https://go.blackrock.com/LP=2142> to sign up to the Trust Matters newsletter. You will then receive the latest factsheets, market commentary and insights from your Portfolio Manager. You will also be notified of our upcoming events and webinars. You can find further information about the Company on our website at <http://www.blackrock.com/uk/brla>. General enquiries about the Company should be directed to the Company Secretary at: cosec@blackrock.com.





Financial highlights

27.56c

Total dividends per ordinary share

+19.5%¹

6.0%^{2,3}

Dividend yield

496.28c

NAV per ordinary share with dividends reinvested

-12.5%^{2,4}

26.10c

Revenue profit per ordinary share

+75.6%

461.19c⁵

Ordinary share price with dividends reinvested

-11.8%^{2,4}

Percentage comparisons are year on year against 31 December 2020.

¹ Dividends declared in respect of the financial year to 31 December 2021 of 27.56 cents per share compared to dividends declared in respect of the financial year to 31 December 2020 of 23.06 cents per share.

² Alternative Performance Measures, see Glossary.

³ Yield calculated based on four quarterly dividends for the year ended 31 December 2021 of 27.56 cents per share and the share price as at 31 December 2021 of 461.19 cents.

⁴ All calculations in US Dollars with dividends reinvested.

⁵ Mid-market price.



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

Why BlackRock Latin American Investment Trust plc?

Investment objective

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

Investment approach

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



A member of the Association of Investment Companies

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

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Performance record

	As at 31 December 2021	As at 31 December 2020
Net assets (US\$'000) ¹	194,838	234,151
Net asset value per ordinary share (US\$ cents)	496.28	596.42
Ordinary share price (mid-market) (US\$ cents) ²	461.19	552.93
Ordinary share price (mid-market) (pence)	340.50	404.50
Discount ³	7.1%	7.3%
Performance (with dividends reinvested)		
Net asset value per share (US\$ cents) ³	-12.5%	-14.5%
Ordinary share price (mid-market) (US\$ cents) ^{2,3}	-11.8%	-9.3%
Ordinary share price (mid-market) (pence) ³	-11.0%	-12.1%
MSCI EM Latin America Index (net return, on a US Dollar basis) ⁴	-8.1%	-13.8%

	For the year ended 31 December 2021	For the year ended 31 December 2020	Change %
Revenue			
Net profit after taxation (US\$'000)	10,247	5,834	+75.6
Revenue profit per ordinary share (US\$ cents)	26.10	14.86	+75.6
Dividends per ordinary share (US\$ cents)			
Quarter to 31 March	6.97	4.59	+51.9
Quarter to 30 June	7.82	5.57	+40.4
Quarter to 30 September	6.56	5.45	+20.4
Quarter to 31 December	6.21	7.45	-16.6
Total dividends paid and payable (US\$ cents)	27.56	23.06	+19.5

Source: BlackRock.

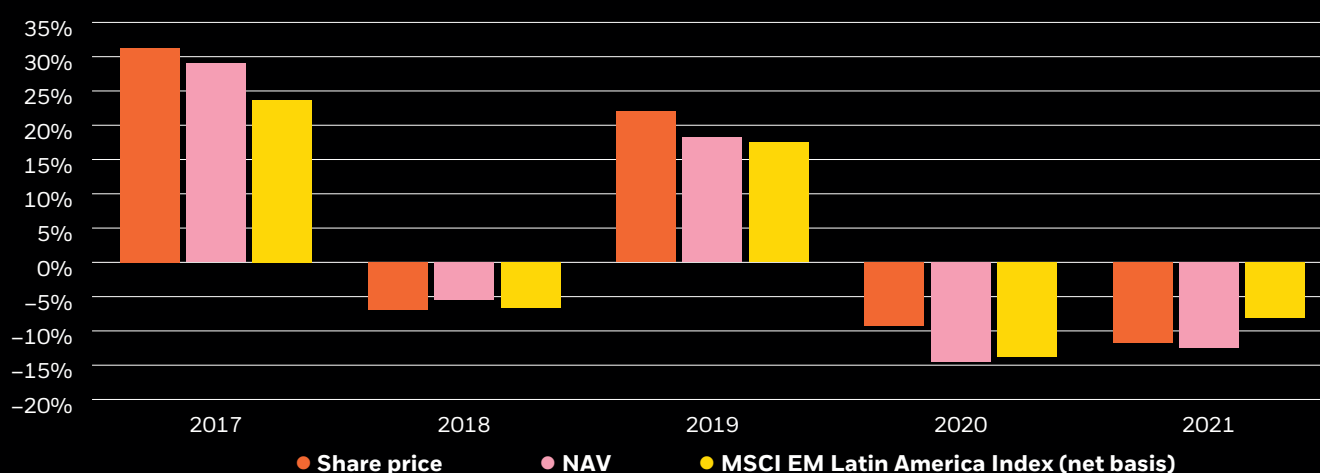
¹ The change in net assets reflects the market movements during the year and dividends paid.

² Based on an exchange rate of \$1.35445 to £1 at 31 December 2021 and \$1.3669 to £1 at 31 December 2020.

³ Alternative Performance Measures, see Glossary.

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

Annual performance for the five years to 31 December 2021



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 2021.

Review of 2021

The MSCI Developed Markets Index rose strongly over 2021 producing a net total return of 21.8% as extreme fiscal and monetary stimulus drove stock market prices upwards. However, this additional government stimulus has been far smaller outside the developed economies and the net total return on the MSCI Latin America Index was minus 8.1% and MSCI Emerging Markets Index minus 2.5%. Whilst 2021 was a challenging year for Latin American equity markets the poor overall return hides a story of a very diverse tale of the two countries that make up nearly 94% of the portfolio.

Mexico, the second largest constituent of the benchmark index (the MSCI EM Latin America Index), produced a net total return of 22.5%. The portfolio was overweight Mexico throughout 2021, focusing on companies like cement manufacturers that benefited from the pick-up in large scale US infrastructure projects and strong locally focused consumer names. As a major supplier to the US, the Mexican economy benefitted from the rapid economic recovery in the US and by the increasing move to bring supply chains closer to their end markets in the US.

The big disappointment was Brazil, where the net total return (on a US Dollar basis) was minus 17.4%. The

weakness of the Brazilian Real was a significant factor in this poor performance; in local currency terms the MSCI Brazil Index fell by just 11.2%, which was also the first annual drop since 2015 on a local currency basis.

The portfolio's overweight positioning in Brazil (which is the largest constituent in the benchmark) was a significant contributor to the disappointing Net Asset Value (NAV) per share performance. The market was specifically hit in Brazil by the poorly handled COVID-19 pandemic, the rapid rise in interest rates (with locals abandoning the market for fixed income funds) and a volatile President who lost popularity as the year went on.

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 17.

Throughout the COVID-19 outbreak, the Board has had to adjust its mode of operation to minimise the risk the virus 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 (by video conference when required) and the Board has been pleased by the continuing high standard of support it is receiving from its Investment Manager and its other third-party suppliers as the pandemic evolves and working conditions remain difficult. The Board has worked closely

The Company has declared interim dividends totalling 27.56 cents per share in respect of the year ended 31 December 2021 representing a yield of 6.0%

with its Investment 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.

Performance

Over the year ended 31 December 2021, the Company's NAV fell by 12.5% in US Dollar terms and on a net total return basis compared to a fall in the benchmark index of 8.1%. In British Pound Sterling (Sterling) terms, the NAV fell by 11.7% over the same period and the benchmark index in Sterling terms fell by 7.3% (all calculations on a net total return basis). The share price fell by 11.8% in US Dollar terms (11.0% in Sterling terms) (both on a total return basis). Details of the factors affecting performance are set out in the Investment Manager's Report.

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, the Portfolio Managers have been bold, ambitious and used gearing actively with a low of 105.7% in September 2021 and a high of 116.3% in July 2021. Average gearing for the year to 31 December 2021 was 110.5%.

Revenue return and dividends

Total revenue return for the year was 26.10 cents per share (2020: 14.86 cents per share). The increase of 75% was largely due to the exceptionally low level of dividends received in 2020 as the COVID-19 pandemic hit portfolio

companies' revenue streams. Notwithstanding this fact, current year revenues are still significantly higher than the more comparable earnings per share of 18.10 cents for the year to 31 December 2019.

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 on page 106. Dividends will be financed through a combination of available net income in each financial year and revenue and capital reserves. The Company has declared interim dividends totalling 27.56 cents per share in respect of the year ended 31 December 2021 (2020: 23.06 cents per share) as detailed in the table on the following page; this represented a yield of 6.0% based on the Company's share price at 31 December 2021.

The dividends paid and declared by the Company in 2021 have been funded from current year revenue, brought forward revenue and capital reserves. As at 31 December 2021, a balance of US\$3,829,000 remained in revenue reserves, which is sufficient to cover approximately one and a half quarterly dividend payments at the most recently declared dividend rate of 6.21 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 Portfolio Managers to seek a higher income yield from the underlying portfolio itself which could detract from total returns. The Board also believes the Company's dividend policy will enhance demand for the Company's shares and help to narrow the Company's discount, whilst maintaining the portfolio's ability to generate attractive total returns. It is promising to note that since the dividend policy was introduced in 2018, the Company's discount has narrowed from 14.9% as at 1 July 2018 to 7.1% as at 31 December 2021.

Performance triggered tender offer

As part of its discount control policy, in 2018 the Board undertook to make a tender offer to shareholders for 24.99% of the issued share capital (excluding treasury shares) of the Company at a tender price reflecting the latest cum-income NAV less 2% and related portfolio realisation costs if, over the four year period from 1 January 2018 to 31 December 2021 (the 'Calculation Period'), either of the following conditions were met:

- (i) the annualised total NAV return of the Company does not exceed the annualised benchmark index (being the MSCI EM Latin America Index) US Dollar total return by more than 100 basis points over the Calculation Period; or
- (ii) the average daily discount to the cum-income NAV exceeds 12% as calculated with reference to the trading of the ordinary shares over the Calculation Period.

As at 31 December 2021, and over the Calculation Period, the Company had underperformed the Benchmark by 94 basis points on an annualised basis and the Company's ordinary shares had traded at an average discount to NAV of 11.65%.

As a result, the Board announced on 4 January 2022 that it would make a tender offer to shareholders for 24.99% of the issued share capital of the Company (excluding treasury shares). A copy of the circular setting out the timetable and detailed structure of the tender offer will be posted out to eligible shareholders along with this report, and will also be made available on the Company's website at www.blackrock.com/uk/brla. A resolution to implement the tender offer will be put to shareholders for

approval at a General Meeting to be held immediately following the conclusion of the Company's next Annual General Meeting (AGM) to be held on 19 May 2022. All Directors hold shares in the Company, and no Director will exercise his or her option to tender their shareholding.

The making and implementation of the tender offer will be conditional, amongst other things, upon the Company having the required shareholder authority or such shareholder authority being obtained, the Company having sufficient distributable reserves to effect the repurchase of any successfully tendered shares and, having regard to its continuing financial requirements, sufficient cash reserves to settle the relevant transactions with shareholders, the Company's continuation vote being approved at the Annual General Meeting of shareholders in May 2022, and the Company's continuing compliance with the Listing Rules and all other applicable laws and regulations.

Discount management and new discount control mechanism

The Directors recognise that it is in the long-term interests of shareholders that shares do not trade at a significant discount to their prevailing NAV and they continue to monitor the discount at which the ordinary shares trade to their prevailing NAV. In the year to 31 December 2021, the cum-income discount on the ordinary shares in Sterling terms has averaged 10.1% and ranged between 5.4% and 14.4%. Investor sentiment towards regional stock markets tends to be quite cyclical as a result of most Latin American economies being more cyclical than those of the broader global economy even though long-term economic growth expectations are strong.

The Board will make a tender offer to shareholders for 24.99% of the issued share capital of the Company

Dividends declared in respect of the year ended 31 December 2021

	Dividend	Pay date
Quarter to 31 March 2021	6.97 cents	10 May 2021
Quarter to 30 June 2021	7.82 cents	6 August 2021
Quarter to 30 September 2021	6.56 cents	8 November 2021
Quarter to 31 December 2021	6.21 cents	8 February 2022
Total	27.56 cents	

Therefore shares of Latin American investment trusts often experience quite volatile levels of discount. Previously, the Board has tried to reduce this volatility by the tender mechanism described above. The Board also offers shareholders the right to vote on whether the Company should continue in existence every two years.

The Board is proposing to adopt a new discount control policy for the four year period from 1 January 2022 to 31 December 2025 as set out in detail on pages 37 and 43 of the Strategic Report. The new discount control mechanism will be 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) subject to the Company not meeting either a performance target or an average discount target over the period. The tender will also be conditional on the passing of the biennial continuation votes at the AGMs in 2024 and 2026. The Board believes that a four year performance target will enable the Investment Manager to take a sufficiently long-term approach to investing in quality companies in the region, and it believes that it is in shareholders' interests as a whole that this time period for assessing performance be adopted.

In addition, the Board will also seek to renew its existing authority to make market purchases of up to 14.99% of the Company's ordinary shares to be held, sold, transferred or otherwise dealt with as treasury shares or cancelled upon completion of the purchase at the AGM in May 2022.

ESG and Socially Responsible Investment

As a Board we believe that good Environmental, Social and Governance (ESG) behaviour by the companies we invest in is important to the long-term financial success of our Company and 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 Emerging Markets¹ area and the Latin American region is no exception to this. The Board is also aware 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 Portfolio Managers 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. ESG analytics are integrated into the investment process when weighing up the risk and reward benefits of investment decisions.

The Board believes that communication and engagement with portfolio companies 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 29.

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 Thursday, 19 May 2022 at 12.00 noon.

Details of the business of the meeting are set out in the Notice of Annual General Meeting on pages 122 to 123 of this Annual Report.

The Board is delighted to return to in person AGMs and as at present UK

Government restrictions on public gatherings are no longer in force in connection with COVID-19, the AGM can be held in the normal way with physical attendance by shareholders. However, shareholders should be aware that it is possible that such restrictions could be reimposed prior to the date of the AGM.

Shareholders who intend to attend the AGM should ensure that they have read and understood the venue requirements for entry to the AGM. These requirements, along with further information on the arrangements for the AGM, can be found in the Directors' Report on page 54. Given the ongoing health issues posed by the COVID-19 virus, there will be no shareholder lunch provided at the AGM although light refreshments will be available. The Board hopes to reinstate the lunch arrangements in future years subject to health and safety considerations permitting.

In the absence of any reimposition of restrictions, the Board very much looks forward to meeting with shareholders at the AGM.

Outlook

After a challenging year in 2021 - particularly for Brazil - the region has had a very strong start to 2022. As global economies have reopened post the COVID-19 pandemic, the significant amounts of fiscal stimulus awash in the economy (particularly in the US) have driven commodity prices ever higher. This has subsequently been compounded by the recent devastating events in the Ukraine which have constricted the supply of key commodities dramatically and pushed prices up even further. Latin America has in abundance many key resources such as lithium, oil, iron ore, copper and important foodstuffs like wheat and soybeans. Some of the longest-life and low-cost reserves are in Brazil, Chile and Peru. Nearly 75% of exports in Latin America are linked to commodities (compared, for example, to 25% for Asia).

Aggressive interest rate hikes in several Latin American countries to bring inflation under control in 2021 have dramatically increased the interest rate differential with the US and this should

¹ Emerging Markets in this respect defined as the MSCI Emerging Markets Index.

benefit Latin American currencies (which are already amongst the best performing in the world in the first quarter of 2022). Currencies and equity markets should also benefit from the fact that the region is physically and politically removed from the epicentre of the conflict in Europe. The region has low exposure to Russia and overall positive correlations with higher commodity prices. The one caveat is Brazil imports 85% of its fertiliser needs and a fifth of that comes from Russia. The Brazilian government is already busy with a long-term plan to produce more local fertiliser.

All of these factors together mean that our Portfolio Managers are optimistic about the outlook for the region - especially Brazil which is the largest determinant of the Company's overall performance. Food and energy prices are rising rapidly. Brazil will benefit from the overall increase in these prices because it has a much more diversified commodity export base compared to other countries in Latin America (although an important caveat here is

that these higher prices could drive local food insecurity or food protectionism).

The other key area to watch in 2022 is politics. The presidential election in Brazil will be monitored carefully given the possible return of former left wing President Lula who is currently leading in the polls. He appears at the moment to be presenting himself as a 'moderate' alternative. The market could respond dramatically to all of this political volatility if Lula appears to move away from any pragmatic stances.

Higher commodity prices, solid earnings momentum, historically cheap currencies and equity markets especially in Brazil create the potential for attractive returns for the region as a whole.

Carolyn Dobson
Chairman
31 March 2022



Investment Manager's Report



Sam Vecht
Portfolio Managers



Ed Kuczma

Market overview

In contrast to a very strong start to 2022, with Brazil one of the top performing markets in the world, 2021 was a challenging year for Latin American markets. The region was down over the year by 8.1%¹ underperforming Emerging Markets which fell by 2.5%¹ and Developed Markets which rose by 21.8%¹. Throughout the region rising inflation forced central banks to hike interest rates, creating headwinds for local equity markets and a heavy election calendar and polarised presidential elections created additional uncertainties for investors at a time when economies were still recovering from the COVID-19 pandemic.

Against this backdrop, the performance narrative was dominated by two countries: Brazil and Mexico. Brazil, the largest constituent in the Company's benchmark, detracted the most from performance, falling by 17.4%¹. The Brazilian market was weighed down by successive COVID-19 waves followed by higher inflation and the need for steep hikes in interest rates. Higher fiscal spending to offset economic disruption from COVID-19 put an additional burden on the already stretched debt dynamics in the country. Mexico in contrast was the standout star performer of the year, with markets rising by 22.5%¹. Mexico's ability to outshine in 2021 was a function of the reopening of the economy, which continued apace as the pandemic

¹ All calculations in US Dollars on a net total return basis.



Mexican cement manufacturer and distributor Cemex was a significant contributor to performance. The company outperformed due to increased volumes and prices in Mexico and the United States.

PHOTO COURTESY OF CEMEX



We added to Mexican telecommunications company América Móvil to gain exposure to Mexico's reopening trade.

figures (cases and mortality rates) remained under relative control combined with the benefits from a strong US recovery partially helped by the continued trend of near-shoring supply chains.

Following a challenging 2021, Latin American equities have delivered a strong start to 2022, proving to be a bright star in turbulent times for global markets. We are confident that there are an abundance of reasons to be optimistic towards Latin American equities which we believe are underpinned by an attractive combination of higher commodity prices, geopolitical risk diversification, rapidly improving earnings momentum, and favourable valuations. As the world rebuilds after the pandemic, Latin America is a prime beneficiary of recovery in the global economy. Vast stimulus in the US and economic recovery across the world has pushed up demand for commodities at a time when supply shortages are being turbocharged by geopolitical conflict. Latin America is one of the most abundant regions in the world for key inputs such as lithium, iron ore, oil & gas and copper and features some of the longest-life reserves at a low cost in Brazil, Chile and Peru. There is no doubt that Latin America will be depended on heavily to fill a void being left by

resource rich countries in conflict. Furthermore, aggressive rate hikes in several Latin American economies have sharply increased the interest rate differential with the US, supporting the case for local currencies to appreciate. In the short-term, the interest rate differential looks set to widen, further underpinning Latin American currencies which are among the best performing early on in 2022. Additionally, with the region's relatively high commodity exposure, Latin American equities have seen a major improvement in earnings momentum, by far the largest gain among Emerging Market regions. As earnings momentum remains positive and accelerating, we view valuations as attractive, with the region trading on 8.6x 12-month forward Price to Earnings ratios, more than a 25% discount to its long-term history.

While we are optimistic about the outlook, we remain cognisant of the risks which could weigh on regional economic growth in the near term. Across Latin America, a growing middle class is seeing domestic consumption pressured from rising inflation and increasing domestic interest rates. Latin American economies were boosted throughout the pandemic, for the most part, by expansionary monetary and fiscal policies. Food and

energy absorb a significant amount of disposable income and it is these areas where prices are rising fastest. This has led to a rapid near-term rebound in demand given the reopening of economies at a time where rising energy costs, low inventories and supply chain issues have led to inflation exceeding expectations across the region. Central banks have reacted aggressively by hiking domestic interest rates to tame intensifying inflation pressures. The impact of rising domestic rates will weigh on growth prospects, at the margin, but could be offset by continued loose fiscal policy.

Politics remains an area that presents several opportunities and challenges for Latin American markets. There have been key elections across the region, with some transformational candidates coming into power on the back of aggressive campaign promises. While history in past elections has shown that political fears based on radical reform initiatives tend to be overblown, it nonetheless creates volatility, which can result in attractive valuations for stocks within our opportunity set. We actively seek-out and look to take advantage of these short-term dislocations in valuations relative to underlying bottom-up fundamentals of the companies we invest in given our long-term perspective on markets. Over the course of 2022, we will see presidential elections in Colombia and Brazil and one of the biggest debates is the amount of government spending needed to continue to support development. The outcome of these debates will have profound impact on growth going forward.

In conclusion, rising commodity prices have underpinned a major improvement in earnings momentum for Latin American equities. As the region has experienced disappointing returns in recent years, the asset class enters the year as undervalued, under-owned and under-appreciated. The benefits of higher commodity prices, solid earnings momentum and cheap currencies have the potential to lead to attractive returns for the region going forward.

Portfolio positioning

Performance review

Our positioning in the portfolio in 2021 evolved throughout the year as we looked to take advantage of attractive valuations in the region. We started the year underweight Peru while maintaining an overweight to Mexico and Brazil. As the year went on, our country positioning favoured countries with superior fundamentals determined by a strong sovereign credit profile and those economies which benefit most from the rebound in trade with US and China markets. We identified Chile and Mexico as meeting these criteria and added accordingly, while more indebted and less open economies, such as Argentina, Brazil and Colombia struggled to sustain above-trend growth we saw from the post COVID-19 recovery.

We saw Mexico as a notable beneficiary of a growing emphasis on near-shoring and a strong economic recovery in the US. Given Mexico's abundance of productive and relatively low-cost labour combined with a strong auto-manufacturing pedigree, we believe the country should be a beneficiary of additional investments from multinational companies who are looking to diversify their supply chains. Long overdue, large-scale infrastructure programmes in the US have increased the outlook for demand for cement production and we hold positions in one of the large Mexican cement companies which supply these needs. Over the year, we added to Mexican cement company, **Cemex**, and the company outperformed due to increased volumes and prices in Mexico and the United States. We also added to Mexican companies such as telecommunications company **América Móvil** and convenience store retail company **Fomento Economico**, to gain exposure to Mexico's reopening trade.

We have also been favourable towards Chile. It has had one of the highest vaccination rates in the world, with over 90% of the population receiving at least one jab by year end 2021*. This has allowed a strong economic recovery, that the Company accessed through exposure to banks and department stores in the region. As the December 2021 presidential election created

Rising commodity prices have underpinned a major improvement in earnings momentum for Latin American equities. As the region has experienced disappointing returns in recent years, the asset class enters the year as undervalued, under-owned and under-appreciated

* Source: Our World in Data, 2 January 2022.

some volatility in the short term, we took the opportunity to add to the Chilean department store chain, **Falabella**, given the company's position to benefit from this gradual economic reopening and improving consumption trends.

Over the year we also added to **Copa Holdings**, a Panamanian airline, as we believe pricing power has increased. The company is navigating through the COVID-19 crisis well and we believe it will end up in a better competitive position given that multiple regional competitors are going through financial restructuring. The company is well positioned for return of demand to underserved markets with limited substitutions for air travel.

Current portfolio positioning

As in 2020, the portfolio ended 2021 with its largest country overweight in Mexico.

Looking forward after outperforming for much of the year, valuations are not as discounted in Mexico today as they are in other countries. While Argentina shows as a regional overweight, the Company holds a single holding in the country through IT consulting company, **Globant**. We like the company for its rapid revenue growth with expanding margins and a strong set of accelerators that leverage Artificial Intelligence and other technologies to reinvent key aspects of organisations.

The portfolio started off and also ended, the year with a slight overweight to

Brazil. There is considerable uncertainty ahead of the November 2022 election and some strains are appearing in the public finances. That being said, we are finding plenty of opportunity at the individual stock level. We are looking at traditional banks and insurance companies that should be beneficiaries of rising interest rates. We also see opportunities in healthcare, as countries aim to rectify the weaknesses in their health infrastructure exposed by COVID-19. Over the year we added to **Rede D'Or São Luiz**, a Brazilian healthcare company. The company's earnings momentum remains strong as it accelerates its leadership position through both organic expansion and acquisitions in a market with attractive long term growth opportunities. We also initiated a position in **XP Inc**, a Brazilian investment management company, as

The four “C”s of Latin America portfolio construction



Commodities

- **Bullish on Mexican cement producers** which benefit from strong demand for housing and infrastructure in both US and Mexico.
- **Bullish on Brazilian beef:** Rising inflation has pushed up prices in the grocery store for protein while cattle supply remains ample enough to maintain high levels of profitability for meat packers.
- **Positive pulp:** seeing price improvements in EU and Asia as inventories are low. New capacity coming online in Latin America are generating attractive returns given low cost of production.



Consumption

- **Positive Mexico** as high remittances on the back of tight US labour market flows south.
- **More optimistic on Chile consumption** as country outperforms on vaccination and pension withdrawals provide liquidity.
- High interest rates and rising inflation makes us **negative on Brazilian Discretionary** sector.



Currencies

- **Positive MXN** given relatively high interest rates and greater policy certainty.
- **Peru PEN appears oversold** despite high copper prices on excessive fear that prudent institutional framework will be abandoned.
- **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.
- **Negative Colombia and Chile** based on rising fiscal deficit and need for tax/social reforms. Upcoming presidential elections provide uncertainty.



Credit

- **Chilean banks** supported by low level of delinquencies and high level of provisioning.
- Emphasis on financial inclusion and improving credit penetration offset policy concerns in **Mexico**.
- **Fintechs** to provide competitive user experience and broadening platform of services.

we continue to see the company taking share of wallet from incumbent banks. The company has an attractive mix of profitable growth and continues to display operational momentum from scale gains. Similarly, we added to **B3**, the Brazilian stock exchange, on the back of resilient growth in cash flows which will benefit from continued maturation of the domestic equity market as the country remains on the path of a broadening and deepening of financial markets.

Throughout 2021, and up to the date of this report, the Company did not have any exposure to Colombia. Colombia is highly dependent on oil (exports, fiscal revenues, index exposure) and has a fiscal deficit that is very likely to worsen from here if structural reforms are not enacted. As we get closer to the presidential election in the second quarter of 2022, we expect the equity markets and the currency to face volatility where we may see an opportunity to reexamine our exposure at more attractive valuations.

At the sector level, we are overweight financials and real estate, and underweight consumer staples and energy.

Environmental, Social and Governance (ESG) issues

It is 2022, and almost 40% of firms in Latin America still do not have any female representation in their senior management teams. It is equally disturbing that there are no female CEOs amongst the close to 200 firms in our investible universe. These figures are in noticeable contrast to global levels, where only 10% of firms are headed by all-male management teams and 5.5% have female CEOs. Female executives make up 13.4% of senior management teams in Latin America, compared to just under 20% globally. Whilst diversity in Latin America has long trailed global levels, the wide acceptance of the benefits of diversity, and the growth of ESG-focused investing, has resulted in a stark gap in representation between Latin American and global firms. With just 13.3% gender diversity at junior management level (where these figures are disclosed), the talent pipeline in the region also

underlines that more concrete efforts need to be made by Latin American firms. While there are considerable differences between countries and sectors, the overriding conclusion is that gender diversity remains very low.

Furthermore, 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. ESG analytics are integrated into the investment process and it should be noted that we believe 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 29.

Outlook

A void in critical materials, both hard and soft commodities, has emerged in the wake of the Russia/Ukraine conflict, turbocharging an already supply-constrained global commodity backdrop. The quest for alternative suppliers and modified value chains has been kicked into high gear. Latin America is well situated to fill this

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.

Rising commodity prices have underpinned a major improvement in earnings momentum for Latin American equities. As the region has experienced disappointing returns in recent years, the asset class enters the year as undervalued, under-owned and under-appreciated.

gap given its abundance of natural resources. History has shown that strong raw material prices shine a favourable light on Latin American equity markets considering that in the last three commodity booms (since 1999), Latin American equities rose by an average of +203% (Brazil +287%). Additionally, when looking at 2002 (when China entered the World Trade Organisation) to the global financial crash in 2008, Brazilian stocks returned +672%. Despite the surge in commodity prices since March 2020, Latin American stocks have lagged due to subpar growth, political uncertainty, fiscal challenges and devastating COVID-19 waves. Conversely, the region trades at the widest discounts to historical multiples (Price to Earnings ratios, Price to Book Valuation, Enterprise Value to Sales ratios, EV/EBITDA (Earnings before interest, tax, depreciation and amortisation)) relative to Emerging Market peers (-1.4 standard deviations on average vs -0.1 for Asia-X, -0.6 for CEEMEA (Central and Eastern Europe, Middle East and Africa)). We would argue given current natural resource prices, commodity economies in the region are no longer 'fragile' given competitive currency exchange rates, current account surpluses, manageable deficits and large foreign currency reserves. We see scope for a growth and equity performance catch-up, especially if

China reflatés and/or signals for monetary ease.

Brazil is by far the largest, deepest and most liquid Emerging Market exposed to a new commodity supercycle. We acknowledge risks of soaring inflation in an election year, but we believe these concerns are largely offset by:

- 1) a major positive shock to terms of trade;
- 2) Brazil indices are packed with big and liquid commodity stocks (44% of MSCI Brazil);
- 3) the Brazilian central bank is ahead of the curve in its tightening cycle (liftoff was in March 2021), which saw rates moving from a historical low of 2% to 11.75% as of end of the first quarter of 2022;
- 4) Brazil has historically rallied during periods of tighter US monetary policy (+57% IBOV average US Dollar returns in the first year of Federal Reserve hikes, dating back to 1998); and
- 5) the Brazilian Real ended 2021 as undervalued and can boost hard currency-denominated returns (historical appreciation of +18% in first year post the Federal Reserve initial hike). Brazilian stocks are also benefiting from a surge in



commodity prices and Russia's exclusion in benchmark Emerging Market indices, as well as hopes that the winner of October's presidential election will not derail the nation's economic policy.

While there remain a number of economic and political challenges for Latin America in 2022, we believe many of its troubles should be behind it. The interest rate cycle may start to turn as inflationary pressures ease in the back half of 2022 following spikes early this year. The global economic recovery should create continued demand for natural resources, which Latin America has in abundance. Vaccination rates across the region are also high, and companies have grown more adept at dealing with mobility restrictions. We believe all these factors should allow for stronger economic growth in the years ahead. At the same time, we believe valuations are attractive. By global

investment standards, Latin America is highly under-owned and rising interest rates have done little to improve its popularity. Higher rates have also taken some domestic equity investors out of the market as yields in fixed income have risen. However, we see the opportunity for this trend starting to reverse in 2022. Entering the year, expectations are low for Latin American equities, but there are many great companies benefiting from rapidly changing factors which can positively impact the region. We believe the future may be more positive than many expect.

Sam Vecht and Ed Kuczma

BlackRock Investment Management
(UK) Limited
31 March 2022



Mexican airport operator Grupo Aeroportuario Del Pacifico was a notable contributor to performance. The company operates 12 airports in the western states of Mexico, including in Guadalajara, Tijuana, Los Cabos and Puerto Vallarta.

PHOTO COURTESY OF GRUPO AEROPORTUARIO DEL PACIFICO



Portfolio

← Brazilian mining giant Vale was the portfolio's most sizeable holding at year end. The world's largest producer of iron ore and nickel saw commodity prices boosted by increased demand as governments look to implement ambitious infrastructure plans in the United States and globally.

PHOTO COURTESY OF VALE



PHOTOS COURTESY OF VALE, PETROBRAS, CEMEX, CREDICORP, GRUPO AEROPORTUARIO DEL PACIFICO

Ten largest investments

as at 31 December 2021

1 ▲ Vale (2020: 3rd)

Materials

Market value – American depositary share (ADS): US\$16,147,000
Share of investments: 7.6% (2020: 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.

2 ▼ Petrobrás (2020: 1st)

Energy

Market value – American depositary receipt (ADR): US\$9,804,000
Market value – Preference shares ADR: US\$6,180,000
Share of investments: 7.5% (2020: 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.

3 ▲ América Movil (2020: 5th)

Communication Services

Market value – ADR: US\$15,125,000
Share of investments: 7.1% (2020: 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.

4 ▼ Banco Bradesco (2020: 2nd)

Financials

Market value – ADR: US\$11,319,000
Share of investments: 5.3% (2020: 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.

5 ▼ B3 (2020: 4th)

Financials

Market value – Ordinary shares: US\$9,749,000
Share of investments: 4.6% (2020: 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 rates, and agricultural commodities. B3 also acts as a central counterparty for most of the trades carried out in its markets and offers central depository and registration services.

6 ▲ Walmart de México y Centroamérica (2020: 7th)

Consumer Staples

Market value – Ordinary shares: US\$9,637,000
Share of investments: 4.5% (2020: 3.5%)

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

7 ▲ Grupo Financiero Banorte (2020: 13th)

Financials

Market value – Ordinary shares: US\$9,451,000
Share of investments: 4.5% (2020: 2.5%)

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

8 ▲ Cemex (2020: 10th)

Materials

Market value – ADR: US\$7,674,000
Share of investments: 3.6% (2020: 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.

9 ▲ Credicorp (2020: n/a)

Financials

Market value – Ordinary shares: US\$7,475,000
Share of investments: 3.5% (2020: n/a)

is a Peruvian financial company that was a top contributor as the stock continues to perform well following a period of volatility in the first half of 2021 surrounding the Peruvian presidential elections.

10 ▲ Grupo Aeroportuario del Pacífico (2020: 16th)

Industrials

Market value – ADS: US\$4,565,000
Market value – Ordinary shares – US\$1,797,000
Share of investments: 3.1% (2020: 2.3%)

is a Mexican airport operator and it benefited the Company as the stock has outperformed following air traffic recovery.

All percentages reflect the value of the holding as a percentage of total investments. For this purpose, where more than one class of securities is held, these have been aggregated.

Together, the ten largest investments represent 51.3% of the total investments (ten largest investments as at 31 December 2020: 51.8%).

Portfolio of investments

as at 31 December 2021

	Market value US\$'000	% of investments
Brazil		
Vale - ADS	16,147	7.6
Petrobrás - ADR	9,804	7.5
Petrobrás - preference shares ADR	6,180	
Banco Bradesco - ADR	11,319	5.3
B3	9,749	4.6
Gerdau - preference shares	6,336	3.0
Suzano Papel e Celulose	6,260	3.0
Notre Dame Intermedica Participações	5,791	2.7
Rede D'Or São Luiz	5,334	2.5
BB Seguridade Participações	5,079	2.4
Itaú Unibanco - ADR	4,089	1.9
TIM	4,032	1.9
AmBev - ADR	3,388	1.6
Neoenergia	3,260	1.5
Afya	3,072	1.5
Movida Participações	3,030	1.4
Sendas Distribuidora	2,805	1.3
Marfrig Global Foods	2,730	1.3
Klabin - composite units ¹	2,482	1.2
Klabin 2.5% 15/06/22 convertible bond ²	31	
XP Inc	2,166	1.0
CIA Locação das Américas	2,095	1.0
Smartfit Escola	2,000	0.9
	117,179	55.1
Mexico		
América Movil - ADR	15,125	7.1
Walmart de México y Centroamérica	9,637	4.5
Grupo Financiero Banorte	9,451	4.5
Cemex - ADR	7,674	3.6
Grupo Aeroportuario del Pacífico - ADS	4,565	3.1
Grupo Aeroportuario del Pacífico	1,797	
FEMSA - ADR	5,342	2.5
Fibra Uno Administración - REIT	4,360	2.1
Corporación Inmobiliaria Vesta	3,533	1.7
Grupo México	2,630	1.2
Grupo Aeroportuario del Sureste	1,164	0.5
	65,278	30.8

	Market value US\$'000	% of investments
Chile		
Falabella	4,615	2.2
Empresas CMPC	3,728	1.8
Banco Santander-Chile - ADR	3,542	1.7
	11,885	5.7
Peru		
Credicorp	7,475	3.5
	7,475	3.5
Argentina		
Globant	5,980	2.8
	5,980	2.8
Panama		
Copa Holdings	4,385	2.1
	4,385	2.1
Total investments	212,182	100.0

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

² Unlisted securities.

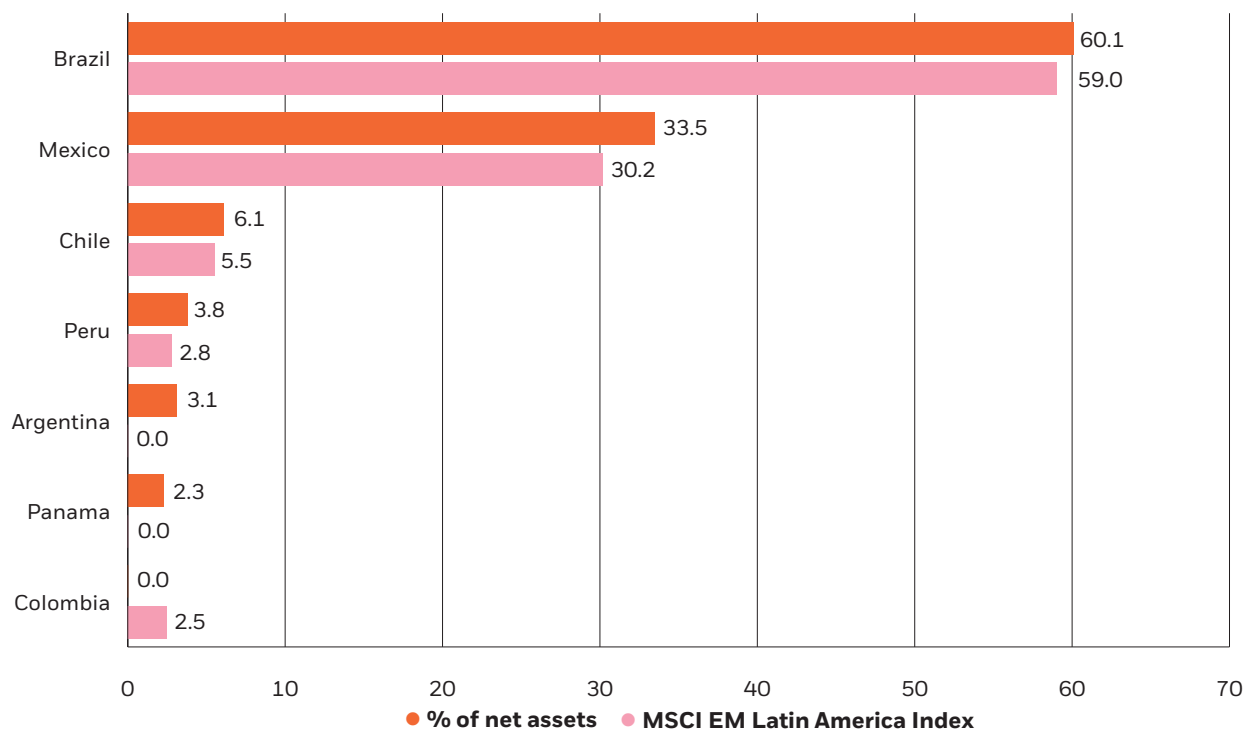
All investments are in equity shares unless otherwise stated.

The total number of investments held at 31 December 2021 was 40 (31 December 2020: 43). At 31 December 2021, the Company did not hold any equity interests comprising more than 3% of any company's share capital (31 December 2020: nil).

Portfolio analysis

as at 31 December 2021

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



Sources: BlackRock and MSCI.

Sector and geographical allocations

	Brazil %	Mexico %	Chile %	Peru %	Argentina %	Panama %	Net other liabilities %	2021 Total %	2020 Total %
Communication Services	3.1	7.8	-	-	-	-	-	10.9	6.8
Consumer Discretionary	1.6	-	2.4	-	-	-	-	4.0	9.5
Consumer Staples	4.6	7.6	-	-	-	-	-	12.2	3.8
Energy	8.2	-	-	-	-	-	-	8.2	9.9
Financials	16.6	4.9	1.8	3.8	-	-	-	27.1	29.0
Health Care	5.7	-	-	-	-	-	-	5.7	3.9
Industrials	2.6	3.8	-	-	-	2.3	-	8.7	8.5
Information Technology	-	-	-	-	3.1	-	-	3.1	2.2
Materials	16.0	5.3	1.9	-	-	-	-	23.2	27.9
Real Estate	-	4.1	-	-	-	-	-	4.1	4.1
Utilities	1.7	-	-	-	-	-	-	1.7	1.8
Net other liabilities	-	-	-	-	-	-	(8.9)	(8.9)	(7.4)
2021 total investments	60.1	33.5	6.1	3.8	3.1	2.3	(8.9)	100.0	-
2020 total investments	67.6	27.2	9.3	-	3.3	-	(7.4)	-	100.0

Source: BlackRock.

Environmental, Social And Governance Issues and Approach

The Board's approach

Environmental, social and governance (ESG) issues can present both opportunities and 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 on ESG criteria, ESG analytics are integrated into the investment process when weighing up the risk and reward benefits of investment decisions. The Board believes that communication and engagement with portfolio companies is important and can lead to better outcomes for shareholders and the environment than merely excluding investment in certain areas.

More information on BlackRock's global approach to ESG integration, as well as activity specific to the BlackRock Latin American Investment Trust plc portfolio, is set out below. BlackRock has defined ESG integration as the practice of incorporating material ESG information and consideration of sustainability risks into investment decisions in order to enhance risk-adjusted returns. ESG integration does not change the Company's investment objective. More information on sustainability risks may be found in the AIFMD Fund Disclosures document of the Company available on the Company's website at <https://www.blackrock.com/uk/individual/literature/policies/itc-disclosure-blackrock-latin-america-trust-plc.pdf>.

BlackRock Latin American Investment Trust plc - engagement with portfolio companies in 2021

Given the Board's belief in the importance of engagement and communication with portfolio companies, it receives regular reports from the Manager in respect of activity undertaken for the year under review. The Board reviews these closely and

asks for further updates and progress reports from the Portfolio Managers in respect of evolving ESG issues and the action being taken where appropriate. The Board notes that over the year to 31 December 2021, 61 total company engagements were held with the

management teams of 23 portfolio companies representing 76% of the portfolio by value at 31 December 2021. Additional information is set out in the table and charts that follow.

BlackRock Latin American Investment Trust plc year ended 31 December 2021

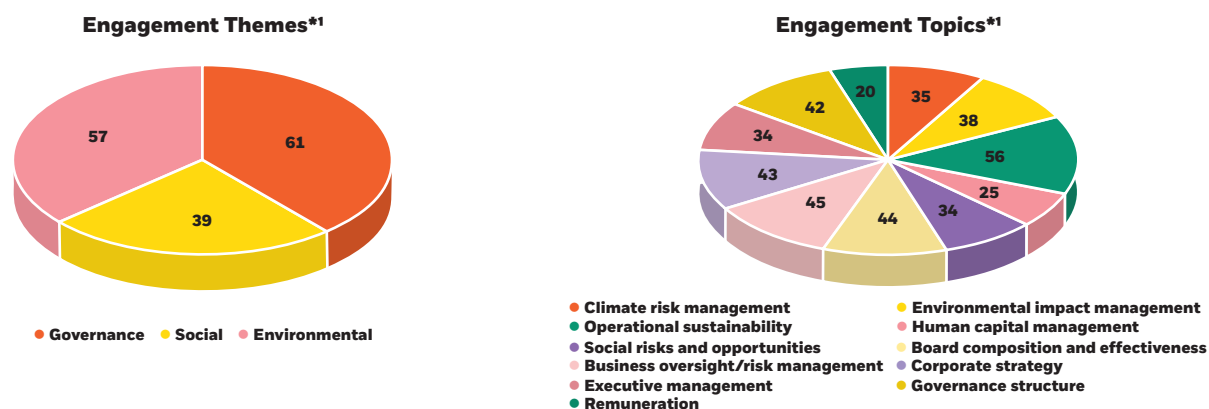
Number of engagements held ¹	61
Number of companies met ¹	23
% of equity investments covered ²	76%
Shareholder meetings voted at ¹	77
Number of proposals voted on ¹	770
Number of votes against management ¹	84
% of total votes represented by votes against management	10.91%

¹ Source: BlackRock and Institutional Shareholder Services as at 31 December 2021.

² Source: BlackRock. Company valuation as included in the portfolio at 31 December 2021 as a percentage of the total portfolio value.

Environmental, Social And Governance Issues and Approach

continued



* Engagements include multiple company meetings during the year with the same company. Most engagement conversations cover multiple topics and are based on BlackRock vote guidelines and BlackRock's engagement priorities can be found at: <https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-priorities>. The numbers in the pie charts above reflect the number of meetings at which a particular topic is discussed.

¹ Sources: ISS Proxy Exchange and BlackRock Investment Stewardship.

BlackRock's approach

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

	Environmental	Social	Corporate Governance
Impact	<p>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 8.5% of the benchmark at 31 December 2021, and the Brazilian mining company Vale represents nearly 10.8%. Digging mines and drilling for oil will inevitably have an impact on the local environment. It is important how companies manage this process ensuring the benefits are appropriately shared amongst all stakeholders. In addition to the tragic and insupportable human cost, the significant fall in the market capitalisation of companies, such as Vale, after the Brumadinho dam collapse, highlights the key role that ESG has on share price performance.</p>	<p>BlackRock believes it is vital that natural resources companies maintain their social license to operate. By this, BlackRock means that companies maintain broad acceptance from their key stakeholders, including business partners (such as suppliers and distributors), clients and consumers, national governments, and the communities in which they operate. Considering the interests of key stakeholders recognises the collective nature of long-term value creation and the extent to which each company's prospects for growth are tied to its ability to foster strong sustainable relationships with and support from those stakeholders.</p>	<p>As with all companies, good corporate governance is especially critical for natural resources companies. The performance and effectiveness of the board is critical to the success of a company, the protection of shareholders' interests, and long-term shareholder value creation. Governance issues, including the management of material sustainability issues that have a significant impact for natural resource companies, all require effective leadership and oversight from a company's board. Companies with engaged, diverse, and experienced board directors who actively advise and oversee management have a competitive advantage.</p>

BlackRock's approach

	Environmental	Social	Corporate Governance
BlackRock Approach	<p>BlackRock prefers direct dialogue with companies on complex issues such as climate risk and other environmental risks. Where it has concerns that are not addressed by engagements, BlackRock may 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. Where companies continue to show inadequate progress against these measures, BlackRock may divest.</p> <p>Specifically, BlackRock asks companies to articulate how their business model is aligned to a scenario in which global warming is limited to well below 2°C, moving towards global net zero emissions by 2050, and to disclose a business plan for how they intend to deliver long-term financial performance through this transition to global net zero, consistent with their business model and sector. More information in respect of how BlackRock assesses how companies are delivering on these plans can be found at https://www.blackrock.com/corporate/literature/publication/blk-commentary-climate-risk-and-energy-transition.pdf</p> <p>Where corporate disclosures are insufficient to make a thorough assessment, or a company has not provided a credible plan to transition its business model to a low-carbon economy, BlackRock's Investment Stewardship Team may vote against the directors it considers responsible for climate risk oversight. BlackRock may also support shareholder proposals that it believe address gaps in a company's approach to climate risk and the energy transition.</p>	<p>BlackRock's Investment Stewardship Team advocates for improved disclosures to understand how companies are making prudent decisions considering their stakeholders' interests. BlackRock also asks companies to demonstrate how they have put in place appropriate board oversight, due diligence, and remediation mechanisms relating to adverse impacts on people arising from their business operations – including those indirectly employed or communities that could be harmed or displaced by a company's expanding operations. BlackRock considers the Sustainability Accounting Standards Board (SASB) materiality framework to be a helpful tool for companies considering enhancing their disclosures on industry-specific human capital metrics.</p> <p>Given continuing advances in sustainability reporting standards, in addition to BlackRock's ask that all companies report in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), BlackRock is evolving its perspective on sustainability reporting to recognise that companies may use standards other than those of the SASB, and reiterate its ask for metrics that are industry- or company-specific. More information on BlackRock's approach can be found at https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf</p>	<p>In conjunction with BlackRock's 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 and adequate disclosure.</p> <p>BlackRock may also vote against the re-election of directors when they do not seem to be acting in the economic interests of long-term shareholders. The effectiveness of voting against directors is well documented in BlackRock's, as well as independent third-party, research which indicated that across the FTSE 350 companies where BlackRock voted against directors over remuneration concerns, 83% made revisions to their pay policies within 12 months¹.</p>

¹ Source: BlackRock's 2021 voting spotlight report which can be found at <https://www.blackrock.com/corporate/literature/publication/2021-voting-spotlight-fullreport.pdf> (page 22).

Environmental, Social And Governance Issues and Approach

continued

BlackRock's approach

	Environmental	Social	Corporate Governance
BlackRock Investment Stewardship – Examples of approach to voting and engagement across ESG categories (year ended 30 June 2021)^{1,2}	<p>BlackRock has created a climate focus universe of over 1,000 carbon-intensive public companies that represent 90% of the global scope 1 and 2 GHG emissions of its clients' public equity holdings with BlackRock. This 2021 climate focus universe represents companies where climate change and other sustainability factors pose the greatest risk to clients' investments. More detail can be found at https://www.blackrock.com/corporate/literature/publication/blk-climate-focus-universe.pdf. BlackRock held over 1,300 engagements with nearly 670 of the companies in this climate focus universe between 1 July 2020 and 30 June 2021.</p>	<p>BlackRock held 1,350 engagements related to engaging and voting on company impacts on people.</p>	<p>During the 2021 proxy year, BlackRock did not support 2,222 directors at 1,327 unique companies globally over concerns about independence.</p>
	<p>BlackRock held 2,330 company engagements on climate related proposals overall.</p>	<p>This year, BlackRock supported 35 out of 100 social-related shareholder proposals.</p>	<p>BlackRock voted against 1,862 directors at 975 unique companies globally for concerns related to board diversity.</p>
	<p>BlackRock voted against management on climate risk concerns at approximately 2% of the nearly 11,000 proposals it voted on at energy/utilities companies globally.</p>		<p>BlackRock voted against 758 directors globally at 639 unique companies for being overcommitted.</p>
	<p>BlackRock voted against 255 directors and against management at 319 companies for climate risk related concerns.</p>		<p>BlackRock voted against the re-election of 931 directors at 453 companies due to concerns over remuneration.</p>

¹ Source: BlackRock's 2021 voting spotlight report which can be found at <https://www.blackrock.com/corporate/literature/publication/2021-voting-spotlight-full-report.pdf>

² The data in this table applies to the BlackRock Investment Stewardship team's engagements globally across all BlackRock-managed portfolios.

BlackRock's approach to ESG integration

BlackRock believes that sustainability risk – and climate risk in particular – now 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, in BlackRock's view, is likely to drive a significant reallocation of capital away from traditional carbon intensive industries over the next decade. BlackRock believe that carbon-intensive companies will play an integral role in unlocking the full potential of the energy transition, and to do this, they must be prepared to adapt, innovate and pivot their strategies towards to low carbon economy.

As part of BlackRock's structured investment process, ESG risks and opportunities (including sustainability/climate risk) are considered within the portfolio management team's fundamental analysis of companies and industries and the Company's portfolio

managers work closely with BlackRock's Investment Stewardship team to assess the governance quality of companies and investigate any potential issues, risks or opportunities.

As part of their approach to ESG integration, the portfolio managers use ESG information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio. In particular, portfolio managers at BlackRock now have access to 1,200 key ESG performance indicators in Aladdin (BlackRock's proprietary trading system) from third-party data providers. BlackRock's internal sustainability research framework scoring is also available alongside third-party ESG scores in core portfolio management tools. BlackRock's access to company management allows it to engage on issues that are identified through questioning management teams and conducting site visits. In conjunction with the portfolio management team, BlackRock's Investment Stewardship team

meet with boards of companies frequently to evaluate how they are strategically managing their longer-term issues, including those surrounding ESG and the potential impact these may have on company financials. The BlackRock Investment Stewardship team's and the portfolio management team's understanding of ESG issues is further supported by BlackRock's Sustainable Investment Team (BSI). BSI look to advance ESG research and integration, active engagement and the development of sustainable investment solutions across the firm. ESG integration does not change the Company's investment objective, or constrain the Investment Manager's investable universe, and does not mean that an ESG or impact focused investment strategy or any exclusionary screens have been or will be adopted by the Company. Similarly, ESG integration does not determine the extent to which the Company may be impacted by sustainability risks.

Investment Stewardship

As a fiduciary to its clients, BlackRock has built its business to protect and grow the value of clients' assets. As part of this fiduciary duty to its clients, BlackRock is committed to promoting sound corporate governance through engagement with investee companies, development of proxy voting policies that support best governance practices and also through wider engagement on public policy issues.

Global Principles

BlackRock's approach to corporate governance and stewardship is explained in its Global Principles. These high-level Principles are the framework for BlackRock's more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe BlackRock's philosophy on stewardship (including how it monitors and engages with companies), its policy on voting, its integrated approach to stewardship matters and how it deals with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews its Global Principles annually and updates them as necessary to reflect in market standards, evolving governance practice and insights gained from engagement over the prior year. BlackRock's Global Principles are available on its website at <https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf>.

Market-specific proxy voting guidelines

BlackRock's voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock informs voting decisions through research and engage as necessary. BlackRock reviews its voting guidelines annually and updates

them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year.

BlackRock's market-specific voting guidelines are available on its website at <https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines>.

In 2021, BlackRock explicitly asked that all companies disclose a business plan aligned with the goal of limiting global warming to well below 2°C, consistent with achieving net zero global greenhouse gas (GHG) emissions by 2050. BlackRock viewed these disclosures as essential to helping investors assess a company's ability to transition its business to a low carbon world and to capture value-creation opportunities created by the climate transition. BlackRock also asked that companies align their disclosures to the Task Force on Climate-related Financial Disclosures (TCFD) framework and the SASB standards. For 2022, BlackRock is evolving its perspective on sustainability reporting to recognise that companies may use standards other than that of the SASB, and reiterates its ask for metrics that are industry- or company-specific. BlackRock is also encouraging companies to demonstrate that their plans are resilient under likely decarbonisation pathways, and the global aspiration to limit warming to 1.5°C. BlackRock are also asking companies to disclose how considerations related to having a reliable energy supply and just transition affect their plans. More information in respect of BlackRock's investment stewardship approach to sustainable investing can be found at <https://www.blackrock.com/corporate/literature/publication/blk-commentary-climate-risk-and-energy-transition.pdf>.

BlackRock has been a member of Climate Action 100+ since 2020 and has aligned its engagement and stewardship priorities to UN Sustainable Development Goals (including Gender Equality and Affordable and Clean Energy). A map of how the BlackRock Investment Stewardship team's engagement priorities align to the UN Sustainable Development Goals (SDGs) can be found at

<https://www.blackrock.com/corporate/literature/publication/blk-engagement-priorities-aligned-to-sdgs.pdf>.

BlackRock is committed to transparency in terms of disclosure on its engagement with companies and voting rationales and is committed to voting against management to the extent that they have not demonstrated sufficient progress on ESG issues. This year, BlackRock voted against or withheld votes from 6,560 directors globally at 3,400 different companies driven by concerns regarding director independence, executive compensation, insufficient progress on board diversity, and overcommitted directors, reflecting our intensified focus on sustainability risks. In the 2020-21 proxy year, BlackRock voted against 255 directors and against 319 companies for climate-related concerns that could negatively affect long-term shareholder value. More detail in respect of BlackRock's engagement and voting history can be found at <https://www.blackrock.com/corporate/literature/publication/2021-voting-spotlight-full-report.pdf>.

BlackRock also publishes voting bulletins explaining its vote decision, and the engagement and analysis underpinning it, on certain high-profile proposals at company shareholder meetings. Vote bulletins for 2021 can be found at <https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins>.

BlackRock's reporting and disclosures

In terms of its own reporting, BlackRock believes that the SASB provides a clear set of standards for reporting sustainability information across a wide range of issues, from labour practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the TCFD provides a valuable framework. BlackRock recognise that reporting to these standards requires significant time, analysis, and effort. BlackRock's 2021 TCFD report can be found at <https://www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2021-blkinc.pdf>.





Governance

← Argentinian steel manufacturer Ternium was a top contributor to performance. The company produces more than 12 million tons of finished products in Argentina, Brazil, Colombia, the United States, Guatemala and Mexico.

PHOTO COURTESY OF TERNIUM

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: <ul style="list-style-type: none">• 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 (with effect from 31 March 2019) Key objectives: <ul style="list-style-type: none">• 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 Committee² 1 scheduled meeting per annum	Membership: All NEDs Chairman: Carolan Dobson (with effect from 31 March 2019) Key objectives: <ul style="list-style-type: none">• 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 Committee² 1 scheduled meeting per annum	Membership: All NEDs Chairman: Carolan Dobson (with effect from 31 March 2019) Key objectives: <ul style="list-style-type: none">• 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 Committee² 1 scheduled meeting per annum	Membership: All NEDs Chairman: Mahrukh Doctor (with effect from 31 March 2019) Key objectives: <ul style="list-style-type: none">• 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 on 1 January 2016 and appointed as Chairman on 2 March 2017

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

Attendance record:

Board: 4/4

Audit Committee: n/a¹

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 CC Japan Income & Growth Trust plc and Invesco Select Trust plc. He worked previously at JPMorgan Asset Management (UK) Limited, latterly as Managing Director, and led their technical groups in the investment trust business. He also worked with the AIC Technical Committee on SORP and taxation changes in connection with this role.

Attendance record:

Board: 3/4

Audit Committee: 2/2

Nomination Committee: 0/1

Management Engagement Committee: 0/1

Remuneration Committee: 0/1



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 Professor of comparative 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.

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.



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: 3/4
Audit Committee: 1/2
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 2021.

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

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

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

Details of the contractual terms with these service providers are set out in the Directors' Report on pages 50 and 51.

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

As an actively managed fund our primary aims over the medium term are significant outperformance of our benchmark index (the MSCI EM Latin America Index – net total return basis) 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.

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

Strategic Report

continued

Company or any such individual investment would exceed 3% of the net asset value of the Company.

The Company may, from time to time, use borrowings to gear its investment portfolio or in order to fund the market purchase of its own ordinary shares. Under the Company's Articles of Association, the net borrowings of the Company may not exceed 100% of the Company's adjusted capital and reserves (as defined in the Glossary on page 114). However, net borrowings are not expected to exceed 25% of net assets under normal circumstances. The Investment Manager may also hold cash or cash-equivalent securities when it considers it to be advantageous to do so.

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

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

Investment process

An overview of the investment process is set out below.

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

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

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

Discount management and implementation of tender

As part of its discount control policy, in 2018 the Board put in place a discount control mechanism whereby it undertook to make a tender offer to shareholders for 24.99% of the issued share capital (excluding treasury shares) of the Company at a tender price reflecting the latest cum-income Net Asset Value ('NAV') less 2% and related portfolio realisation costs if, over the four year period from 1 January 2018 to 31 December

2021 (the 'Calculation Period'), either of the following conditions were met:

- (i) the annualised total NAV return of the Company did not exceed the annualised benchmark index (being the MSCI EM Latin America Index) US Dollar total return by more than 100 basis points over the Calculation Period; or
- (ii) the average daily discount to the cum-income NAV exceeded 12% as calculated with reference to the trading of the ordinary shares over the Calculation Period.

As at 31 December 2021, and over the Calculation Period, the Company had underperformed the Benchmark by 94 basis points on an annualised basis and the Company's ordinary shares had traded at an average discount to NAV of 11.65%.

As a result, the Board announced on 4 January 2022 that it would make a tender offer to shareholders for 24.99% of the issued share capital of the Company (excluding treasury shares). Full details of the tender process and the terms and conditions of the tender offer and the timetable for implementation can be found in the tender circular which will be posted to shareholders along with this annual report; a copy will also be made available on the Company's website at www.blackrock.com/uk/brla. A resolution to implement the tender offer will be put to shareholders for their approval at a General Meeting to be held immediately following the conclusion of the Company's next Annual General Meeting in May 2022.

The making and implementation of the tender offer will be conditional, amongst other things, upon the Company having the required shareholder authority or such shareholder authority being obtained, the Company having sufficient distributable reserves to effect the repurchase of any successfully tendered shares and, having regard to its continuing financial requirements, sufficient cash reserves to settle the relevant transactions with shareholders, the Company's continuation vote being approved at the Annual General Meeting of shareholders in May 2022, and the Company's continuing compliance with the Listing Rules and all other applicable laws and regulations.

Share rating and discount control

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

Over the year under review, the Company's discount ranged from a high of 14.4% to a low of 5.4% and at the year end stood at 7.1%. 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 114 to 118.

A special resolution was passed at the AGM of the Company held on 19 May 2021, granting the Directors' authority to make market purchases of the Company's ordinary shares to be held, sold, transferred or otherwise dealt with as treasury shares or cancelled upon completion of the purchase. The Board intends to renew this authority at the AGM to be held in May 2022.

In addition, the Board is proposing to adopt a new discount control policy, for the four year period from 1 January 2022 to 31 December 2025. Under this new mechanism the Board undertakes to make a tender offer to shareholders for 24.99% of the issued share capital (excluding treasury shares) of the Company at a tender price reflecting the latest cum-income Net Asset Value (NAV) less 2% and related portfolio realisation costs if, over the four year period from 1 January 2022 to 31 December 2025 (the 'Calculation Period'), either of the following conditions are met:

- (i) the annualised total NAV return of the Company does not exceed the annualised benchmark index (being the MSCI EM Latin America Index) US Dollar net total return by more than 50 basis points over the Calculation Period; or

- (ii) the average daily discount to the cum-income NAV exceeds 12% as calculated with reference to the trading of the ordinary shares over the Calculation Period.

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

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

Strategic Report

continued

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.	<p>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.</p> <p>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 29.</p> <p>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.</p>	The portfolio activities undertaken by the Manager, can be found in the Investment Manager's Report on pages 11 to 19.
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 6.0% (based on the share price of 461.19 cents per share at 31 December 2021, equivalent to the Sterling price of 340.50 pence per share translated into US cents at the rate prevailing at 31 December 2021 of US\$1.35445 to £1), enhances demand for the Company's shares, which will help	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Since the dividend policy was introduced in July 2018, the Company's discount has narrowed from an average of 13.5% for the two year period preceding the introduction of the new policy on 13 March 2018 to an average of 11.6% for the period from 14 March 2018 to 31 December 2021. At 28 March 2022 the discount stood at 7.5%.</p> <p>Of total dividends of US\$10,820,000 paid out in the year, US\$118,000 has been paid out of brought forward revenue reserves, US\$1,847,000 has been paid out of brought forward capital reserves with US\$8,855,000 paid out of current year revenue.</p>

Area of Engagement	Issue	Engagement	Impact
Dividend target <i>(continued)</i>	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 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.	The Company's portfolio managers (Sam Vecht and/or Ed Kuczma) attended seventeen professional investor/analyst meetings and webcasts presenting live to over 340 professional and private investors over the year to promote the Company and raise the profile in terms of the investment strategy, including the dividend policy.
Discount management	<p>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 put in place a discount control mechanism covering the four years to 31 December 2021 whereby shareholders were offered a tender for 24.99% of the shares in issue where either a performance target or an average discount target of 12% was not met (see page 37 for more details).</p> <p>The Board is also proposing a new discount control policy for the four year period from 1 January 2022 to 31 December 2025 whereby shareholders are offered a tender for 24.99% of the shares in issue, excluding treasury shares, (at a tender price reflecting the latest cum income NAV less 2% and related portfolio realisation costs) in the event that the continuation vote for each relevant biennial period is approved (being the continuation votes at the AGMs in 2024 and 2026), where either of the following conditions have been met:</p> <p>(i) the annualised total NAV return of the Company does not exceed the annualised benchmark index (being the MSCI EM Latin America Index) US Dollar net total return by more than 50 basis points over the four year period from 1 January 2022 to 31 December 2025; or</p> <p>(ii) the average daily discount to the cum-income NAV exceeds 12% as calculated with reference to the trading of the shares over the Calculation Period. Further details are set in the Strategic Report on pages 37 and 43.</p>	The Board monitors the tender trigger targets described on page 37 on a regular basis in conjunction with the Manager. The Manager provides regular performance updates and detailed performance attribution.	<p>As at 31 December 2021, and over the four years ended 31 December 2021, the Company's NAV underperformed its benchmark by 94 basis points on an annualised basis and the Company's ordinary shares traded at an average discount to NAV of 11.65%.</p> <p>As the Company's NAV underperformed the benchmark performance target, a tender for 24.99% of shares in issue will be implemented in May 2022, subject to shareholder approval at a General Meeting to be held immediately after the conclusion of the Company's Annual General Meeting on 19 May 2022. More details can be found in the Tender Circular which will be made available at www.blackrock.co.uk/brla.</p> <p>As at 28 March 2022, the Company's discount stood at 7.5%¹.</p>

¹ Alternative Performance Measure, see Glossary on pages 114 to 115.

Strategic Report

continued

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 Broker in respect of the provision of advice and acting as a market maker for the Company's shares.	<p>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.</p> <p>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.</p> <p>The Board receives regular updates from the AIFM, Depositary, Registrar and Broker on an ongoing basis.</p> <p>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.</p>	<p>All performance evaluations were performed on a timely basis and the Board concluded that all third party service providers, including the Manager, Custodian, Depositary and Fund Accountant were operating effectively and providing a good level of service.</p> <p>The Board has received updates in respect of business continuity planning from the Company's Manager, Custodian, Depositary, Fund Accountant, Broker, Registrar and Printer, and is confident that arrangements are in place to ensure that a good level of service will continue to be provided despite the ongoing impact of the COVID-19 pandemic.</p>
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 UK Code, including guidance on tenure and the composition of the Board's committees.	<p>The Board regularly reviews succession planning arrangements. The Nomination Committee has agreed the selection criteria and the method of selection, recruitment and appointment. Board diversity, including gender, is taken into account when establishing recruitment criteria. When undertaking recruitment activity, the Board will use the services of an external search consultant to identify suitable candidates.</p> <p>All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions in respect of the 2021 evaluation process are given on page 63). 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 111 if they wish to raise any issues.</p>	<p>As at the date of this report, the Board is comprised of three women and two men.</p> <p>Details of each Director's contribution to the success and promotion of the Company are set out in the Directors' Report on pages 54 to 55. The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in 2021. Details for the proxy voting results in favour and against individual Directors' re-election at the 2021 AGM are given on the Company's website at www.blackrock.com/uk/brla.</p>

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.	<p>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.</p> <p>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.</p> <p>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 111.</p>	<p>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.</p> <p>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.</p> <p>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 and Edinburgh. 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 level of dividend and the quality of the portfolio management team. Investors were concerned over the volatility of the Latin American region and the poor long-term performance of the Latin American region relative to other markets. 43 press articles about the Company were published in the year under review focusing on the Company's profile and the case for long-term investment opportunities in Latin America. These included 10 pieces of national coverage, 13 pieces of intermediary coverage and 20 pieces of consumer investment coverage.</p>

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Performance

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

The Investment Manager's Report on pages 11 to 19 forms part of this Strategic Report and includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

Portfolio analysis

A detailed analysis of the investments and the sector and geographical allocations is provided on pages 21 to 24.

Results and dividends

The results for the Company are set out in the Income Statement on page 83. The total loss for the year on ordinary activities, after taxation, was US\$28,006,000 (2020: loss of US\$43,572,000) of which the revenue profit amounted to US\$10,247,000 (2020: US\$5,834,000), and the capital loss amounted to US\$38,253,000 (2020: capital loss of US\$49,406,000).

Under the Company's dividend policy, dividends are calculated based on 1.25% of the US Dollar NAV at close of business on the last working day of March, June, September and December and are paid in May, August, November and February respectively. Dividends will be financed through a combination of available net income in each financial year and revenue and capital reserves. The Company has declared interim dividends totalling 27.56 cents per share under this policy in respect of the year ended 31 December 2021 as detailed in the table at the foot of this page.

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

NAV, share price and index performance

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

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

Information on the Company's performance is given in the performance record on page 1 and the Chairman's Statement and Investment Manager's Report on pages 5 to 9 and 11 to 19 respectively.

Tender Offer

As part of its discount control policy, the Board has stated previously that it would make a tender offer to shareholders for 24.99% of the issued share capital (excluding treasury shares) of the Company at a tender price reflecting the latest cum-income Net Asset Value ('NAV') less 2% and related portfolio realisation costs if, over the four-year period from 1 January 2018 to 31 December 2021 (the 'Calculation Period'), either of the following conditions have been met:

- (i) the annualised total NAV return of the Company does not exceed the annualised benchmark index (being the MSCI EM Latin America Index) US Dollar total return by more than 100 basis points over the Calculation Period; or
- (ii) the average daily discount to the cum-income NAV exceeds 12% as calculated with reference to the trading of the ordinary shares over the Calculation Period.

As at 31 December 2021, and over the Calculation Period, the Company had underperformed the Benchmark by 94 basis points on an annualised basis and the Company's ordinary shares had traded at an average discount to NAV of 11.65%.

As a result, the Board intends to make a tender offer to shareholders for 24.99% of the issued share capital of the Company (excluding treasury shares). The structure of the tender offer will be decided by the Board and a circular setting out further details of the exact timings and confirmation of the relevant dates, along with full details of the tender process and the terms and conditions of the tender offer, will be posted out to shareholders and will be made available on the Company's website at www.blackrock.com/uk/brla. The requisite resolution to implement the tender offer will be put to shareholders for their approval at a General Meeting to be held immediately

	Dividend	Pay date
Quarter to 31 March 2021	6.97 cents	10 May 2021
Quarter to 30 June 2021	7.82 cents	6 August 2021
Quarter to 30 September 2021	6.56 cents	8 November 2021
Quarter to 31 December 2021	6.21 cents	8 February 2022
Total	27.56 cents	

following the conclusion of the Company's Annual General Meeting, scheduled to be held on 19 May 2022.

The making and implementation of the tender offer will be conditional, inter alia, upon the Company having the required shareholder authority or such shareholder authority being obtained, the Company having sufficient distributable reserves to effect the repurchase of any successfully tendered shares and, having regard to its continuing financial requirements, sufficient cash reserves to settle the relevant transactions with shareholders, the Company's continuation vote being approved at the Annual General Meeting on 19 May 2022, and the Company's continuing compliance with the Listing Rules and all other applicable laws and regulations.

Details of the Company's discount control

The Board recognises that it is in the long-term interests of shareholders that shares do not trade at a significant discount to their prevailing NAV. The Board monitors the level of the Company's discount to NAV on an ongoing basis and considers strategies for managing any discount. In the year to 31 December 2021, the Company's share price to NAV traded in the range of a discount of 14.4% to 5.4% on a cum-income basis. The Board is also putting in place a new discount control mechanism whereby it will offer shareholders the ability to tender up to 24.99% of the Company's issued share capital at the AGM in 2026 if certain performance and discount targets are not met. More details are given in the Strategic Report on page 37.

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 114 to 118.

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 114 to 118.

Composition of shareholder register

The Board is mindful of the importance of a diversified shareholder register and the need to make the Company's shares attractive to long-term investors; it is therefore the Board's aim to increase the diversity of the shareholder register over time. The Board monitors the retail element of the register, which is defined for these purposes as wealth managers, Independent Financial Advisors (IFAs) and direct private investors. As at 31 December 2021, the Company's share register comprised 38.6% retail investors; the Board will monitor this with the aim of growing the retail element of the register over time.

Key performance indicators

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

The table below sets out the key KPIs for the Company. As indicated in footnote 2 to the table, some of these KPIs fall within the definition of 'Alternative Performance Measures' (APMs) under guidance issued by the European Securities and Markets Authority (ESMA) and additional information explaining how these are calculated is set out in the Glossary on pages 114 to 118.

Key Performance Indicators	Year ended 31 December 2021	Year ended 31 December 2020
Net asset value total return ^{1,2}	-12.5%	-14.5%
Share price total return ^{1,2}	-11.8%	-9.3%
Benchmark total return (net) ¹	-8.1%	-13.8%
Discount to net asset value ²	7.1%	7.3%
Average discount to net asset value for the year	10.0%	9.9%
Revenue return per share	26.10c	14.86c
Ongoing charges ^{2,3}	1.14%	1.14%
Retail element of share register ⁴	38.6%	35.1%

¹ Calculated in US Dollar terms with dividends reinvested.

² Alternative Performance Measures, see Glossary on pages 114 to 118.

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.

⁴ Source: Richard Davies Investor Relations.

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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.

As required by the UK Corporate Governance Code, the Board has undertaken a robust assessment of both the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. Those principal risks have been

described in the table that follows, together with an explanation of how they are managed and mitigated. The Board will continue to assess these risks on an ongoing basis. Emerging risks are considered by the Board as they come into view and are incorporated into the existing review of the Company's risk register. They were also considered as part of the annual evaluation process. Additionally, the Manager considers emerging risks in numerous forums and the Risk and Quantitative Analysis team produces an annual risk survey. Any material risks of relevance to the Company identified through the annual risk survey will be communicated to the Board.

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

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

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

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

Principal Risk	Mitigation/Control
<p>Counterparty</p> <p>Potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.</p>	<p>Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties. The Board reviews the controls put in place by the Investment Manager to monitor and to minimise counterparty exposure, which include intra-day monitoring of exposures to ensure that these are within set limits.</p> <p>The Depositary is liable for restitution for the loss of financial instruments held in custody unless able to demonstrate the loss was a result of an event beyond its reasonable control.</p>
<p>Investment performance</p> <p>Returns achieved are reliant primarily upon the performance of the portfolio.</p> <p>The Board is responsible for:</p> <ul style="list-style-type: none"> deciding the investment strategy to fulfil the Company's objective; and monitoring the performance of the Investment Manager and the implementation of the investment strategy. <p>An inappropriate investment strategy may lead to:</p> <ul style="list-style-type: none"> poor performance compared to the benchmark index and the Company's peer group; a widening discount to NAV; a reduction or permanent loss of capital; and dissatisfied shareholders and reputational damage. <p>The Board is also cognisant of the long term risk to performance from inadequate attention to ESG issues, and in particular the impact of Climate Change. More detail in respect of these risks can be found in the AIFMD Fund Disclosures document available on the Company's website at https://www.blackrock.com/uk/individual/literature/policies/itc-disclosure-blackrock-latin-america-trust-plc.pdf.</p>	<p>To manage this risk the Board:</p> <ul style="list-style-type: none"> regularly reviews the Company's investment mandate and long-term strategy; has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on; receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure, gearing and any changes in gearing and the rationale for the composition of the investment portfolio; and monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with factors specific to particular sectors, based on the diversification requirements inherent in the investment policy. <p>ESG analysis is embedded in the Manager's investment process, as set out on pages 25 to 29. This is monitored by the Board.</p>
<p>Income/dividend</p> <p>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.</p> <p>Any change in the tax treatment of dividends or interest received by the Company, including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests, may reduce the level of dividends received by shareholders.</p>	<p>The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting.</p> <p>The Company has the ability to make dividend distributions out of capital reserves as well as revenue reserves to support any dividend target. These reserves totalled US\$169.8 million at 31 December 2021.</p> <p>The Board is mindful of the balance of shareholder returns between income and capital and monitors the impact of the Company's dividend on the Company's capital base and the impact over time on total return.</p> <p>Any changes to the Company's dividend policy are communicated to the market on a timely basis and shareholder approval will be sought for significant changes.</p>

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Principal Risk	Mitigation/Control
<p>Legal and regulatory compliance</p> <p>The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments.</p> <p>Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. In such event the investment returns of the Company may be adversely affected.</p> <p>Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010.</p> <p>Amongst other relevant laws and regulations, the Company is required to comply with the provisions of the Companies Act 2006, the AIFMD (as retained and onshored in the UK), the UK Listing Rules and Disclosure Guidance and Transparency Rules and the Market Abuse Regulation (as retained and onshored in the UK).</p>	<p>The Investment Manager monitors investment movements and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting.</p> <p>Compliance with the accounting rules affecting investment trusts is carefully and regularly monitored. The Company Secretary and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulations.</p> <p>Following authorisation under the Alternative Investment Fund Managers' Directive (AIFMD), as implemented and retained in the UK, the Company and its appointed Alternative Investment Fund Manager (AIFM) are subject to the risks that the requirements are not correctly complied with. The Board and the AIFM also monitor changes in government policy and legislation which may have an impact on the Company.</p> <p>The Market Abuse Regulation came into force across the EU on 3 July 2016 and has been retained and onshored in the UK following Brexit. The Board has taken steps to ensure that individual Directors (and their Persons Closely Associated) are aware of their obligations under the regulation and has updated internal processes, where necessary, to ensure the risk of non-compliance is effectively mitigated.</p>
<p>Operational</p> <p>In common with most other investment trust companies, the Company has no employees. The Company therefore relies on the services provided by third parties. Accordingly, it is dependent on the control systems of the Manager and The Bank of New York Mellon (International) Limited (the Custodian, Depositary and Fund Accountant) who maintain the Company's assets, dealing procedures and accounting records. The Company's share register is maintained by the Registrar, Computershare. 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.</p> <p>Failure by any service provider to carry out its obligations to the Company could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position.</p>	<p>Due diligence is undertaken before contracts are entered into with third party service providers. Thereafter, the performance of the provider is subject to regular review and reported to the Board.</p> <p>Most third party service providers produce Service Organisation Control (SOC 1) reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit Committee for their review.</p> <p>The Company's assets/financial instruments held in custody are subject to a strict liability regime and in the event of a loss of such financial assets held in custody, the Depositary must return assets of an identical type or the corresponding amount, unless able to demonstrate the loss was a result of an event beyond its reasonable control.</p> <p>The Board reviews the overall performance of the Manager, Investment Manager and all other third party service providers and compliance with the Investment Management Agreement on a regular basis. The Board also considers the business continuity arrangements of the Company's key service providers 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 ongoing COVID-19 pandemic in terms of the ability of service providers to function effectively, the Board has received updates from key service providers (the Manager, the Depositary, the Custodian, the Fund Accountant, the Broker, the Registrar and the Printer) confirming that appropriate business continuity arrangements are in place.</p>

Principal Risk	Mitigation/Control
<p>Market</p> <p>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.</p> <p>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.</p>	<p>The Board considers asset allocation, stock selection, unquoted investments, if any, and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager.</p> <p>The Board monitors the implementation and results of the investment process with the Investment Manager.</p> <p>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.</p>
<p>Financial</p> <p>The Company's investment activities expose it to a variety of financial risks that include interest rate, currency and liquidity risk.</p>	<p>Details of these risks are disclosed in note 16 to the financial statements, together with a summary of the policies for managing these risks.</p>
<p>Marketing</p> <p>Marketing efforts are inadequate or do not comply with relevant regulatory requirements, and fail to communicate adequately with shareholders or reach out to potential new shareholders, resulting in reduced demand for the Company's shares and a widening discount.</p>	<p>The Board focuses significant time on communicating directly with the major shareholders and reviewing marketing strategy and initiatives.</p> <p>All investment trust marketing documents are subject to appropriate review and authorisation.</p>
<p>Viability statement</p> <p>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. In addition, the Company will offer a tender (subject to shareholder approval at a general meeting to be held shortly after the AGM in May 2022) which, if fully subscribed, will see the Company reduce in size by 24.99%. 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 2026, being a period of four years from the date of approval of this report. The Board considers four years to be an appropriate time horizon, being a reasonable time horizon to assess potential investments and the period being used to assess performance for the Company's Discount Control mechanism (as set out in more detail on page 37 of the Strategic Report).</p>	<p>In choosing this period for its assessment of the viability of the Company the Directors have considered the following matters:</p> <ul style="list-style-type: none"> the Company's business model should remain attractive for much longer than the period up to the AGM in 2025, unless there is a significant economic or regulatory change; the ongoing relevance of the Company's investment objective, business model and investment policy in the current environment (in particular the Company's closed end structure which provides intraday liquidity to investors and the ability for the portfolio managers to invest over a longer-term time horizon than many open ended peers). This longer-term investment horizon is well-suited to Latin America as the volatility of this region can make short term investing more challenging. The Company is also one of only two investment trusts with exposure to the Latin American region and is substantially larger than its competitor in the peer group at more than three times the size; the Board keeps the Company's principal risks and uncertainties as set out on pages 45 to 47 under review, and is confident that the Company has appropriate controls and processes in place to manage these and to

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maintain its operating model, even given the global economic challenges posed by COVID-19, the impact of climate change on portfolio companies and the current climate of heightened geo-political risk;

- if the tender offer to be implemented in 2022 is fully subscribed, the Directors consider that the Company will still retain sufficient assets and liquidity to remain viable and to continue to operate in accordance with its business model and investment mandate;
- the Company has a relatively liquid portfolio (as at 31 December 2021, 100% of the portfolio was estimated as being capable of being liquidated within 3 days);
- the Board has reviewed the Company's revenue and expense forecasts and is comfortable that the Company's business model remains viable and that the Company has sufficient resources to meet all liabilities as they fall due for the period up to 31 December 2023 (being a period of at least 12 months from the date of approval of these financial statements);
- 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 2021, US\$17.0 million of this facility had been utilised, leaving an unutilised liquidity margin of US\$23.0 million; and
- the Board has reviewed the operational resilience of the Company and its key service providers (the Manager, Depositary, Custodian, Fund Accountant, Registrar and Broker) and have concluded that all service providers are able to provide a good level of service for the foreseeable future.

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

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

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

Future prospects

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

Social, community and human rights issues

As an investment trust with no employees, the Company has no direct social or community responsibilities or impact on the environment. However, the Company believes that it is in shareholders' interests to consider human rights issues, environmental, social and governance factors when selecting and retaining investments. Details of the Company's policy on socially responsible investment are set out on page 65.

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 2021, all of whom held office throughout the year, are set out in the governance structure and Directors' biographies on pages 32 to 34.

As at the date of this report, the Board consists of two men and three women, and also is inclusive of other protected characteristics covered in legislation. The Board recognises the importance of diverse backgrounds and skill sets, and in particular having a range of experienced Directors who, both individually and collectively, possess a suitable balance of skills, knowledge, and independence to enable it to fulfil its obligations. The Board believes that the current composition of the Board meets these objectives, and equality, diversity and inclusion are at the forefront of Directors' minds when undertaking succession planning.

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 31 March 2022.

By order of the Board

SARAH BEYNSBERGER

For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
31 March 2022

Directors' Report

The Directors present the Annual Report and audited Financial Statements of the Company for the year ended 31 December 2021.

Status of the Company

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

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

As an investment company that is managed and marketed in the United Kingdom, the Company is an AIF falling within the scope of, and subject to the requirements of, the AIFMD, as implemented, retained and onshored in the UK. The Company is governed by the provisions of the Alternative Investment Fund Managers' Regulations. The Company must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the Financial Conduct Authority (FCA). Further details are set out in the Regulatory Disclosures Report on page 112 and in the Notes to the Financial Statements on pages 87 to 103.

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.

Dividends

Details of the dividends paid and payable in respect of the year are set out in the Chairman's Statement on page 6 and note 8 on page 92.

Investment management and administration

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

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

Directors' Report

continued

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.

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 2021, 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 (\$234.2 million) as at 31 December 2020 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 2021 amounted to US\$101,000 (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.

Depository and custodian

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

Under the depository agreement, custody services in respect of the Company's assets have been delegated to BNYM which also receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. Custody fees of US\$61,000 (2020: US\$45,000) were paid to BNYM. The depository agreement is subject to 90 days' notice of termination by any party.

Registrar

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

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

Change of control

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

Exercise of voting rights in investee companies

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager by BFM. More information in respect of BlackRock's approach to investment stewardship and proxy voting guidelines is set out on pages 27 to 29. BlackRock's market-specific voting guidelines are available on its website at <https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines>.

During the year under review, the Investment Manager voted on 770 proposals at 77 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 38 management resolutions and abstained from voting on 179 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 45 to 47.

Going concern

As described in the viability statement on pages 47 and 48 of the Annual Report, the Directors have considered the financial resources available to the Company, the nature and liquidity of the portfolio, the Company's projected income and expenditure and the fact that the Company's ongoing charges represent a very small percentage of net assets (1.14% of average net assets for the year ended 31 December 2021). In addition, the Board has considered the fact that the Company has access to additional liquidity through a US\$40 million bank overdraft facility, subject to a maximum restriction of 30% of net asset value. Having taken these factors into account, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future, that it is able to meet its liabilities as they fall due and that it is financially sound.

The Board has also considered the ongoing relevance of the Company's investment objective, business model and investment policy in the current environment of heightened geo-political risk. The Board is mindful of uncertainties and challenges facing the Company, notably the Company's continuation vote in 2022 and the forthcoming tender (as described in more detail on page 47). In respect of the continuation vote, the Chairman and Broker have met with key shareholders (representing over 50% of the register as at 28 February 2022) and, as a result of discussions with these shareholders, the Board is confident that the continuation

vote will be supported by them. In respect of the tender offer, to the extent this is fully subscribed, the Directors consider that the Company will still retain sufficient assets and liquidity to remain viable and to continue to operate in accordance with its business model and investment mandate. The Board also notes that the Company's mandate to invest in the relatively volatile Latin American region is well-suited to the Company's closed end structure which provides intraday liquidity to investors and the ability for the portfolio managers to invest over a longer-term time horizon than many open ended peers. In the Board's view this investment mandate also provides important diversification for investors in a climate of heightened geo-political risk. The Company is one of only two investment trusts in its AIC peer group with exposure to the Latin American region and is substantially the largest, providing investors with the opportunity for exposure to the region that cannot be easily obtained elsewhere.

The Board also remains mindful of the continuing uncertainty surrounding the potential duration of the COVID-19 pandemic and its longer-term effects on the global economy and also the current heightened climate of geo-political risk. The Board believes that the Company and its key third-party service providers have in place appropriate business continuity plans and will be able to continue to provide a good level of service.

As a result of their review, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the period to 31 December 2023, being a period of at least 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company's longer term viability is considered in the viability statement on pages 47 and 48.

Directors

The Directors of the Company as at 31 December 2021 and their biographies are set out on pages 33 to 34. Details of Directors' interests in the ordinary shares of the Company are set out on page 59 of the Directors' Remuneration Report. All of the Directors in office at the date of this report held office throughout the year under review.

All appointments to the Board and re-elections of Directors are carried out in accordance with the Companies Act and the Company's Articles of Association. In accordance with best practice and developing Corporate Governance, Directors now stand for re-election on an annual basis. Accordingly, Carolan Dobson, Craig Cleland, Mahrukh Doctor, Laurie Meister and Nigel Webber will all retire at the 2022 AGM and being eligible will offer themselves for re-election.

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

Directors' Report

continued

In respect of tenure, the Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that the length of a Director's tenure, in isolation, reduces his or her ability to act independently. The Board's policy on tenure is that continuity and experience add significantly to the strength of the Board and, as such, no formal limit on the overall length of service of any of the Company's Directors has been imposed, although the Board believes in the merits of an ongoing and progressive refreshment of its composition. With this in mind, the Board notes that Professor Doctor has served on the Board since 2009, and her tenure exceeds the nine years recommended as the maximum limit under the UK Code. Given her extensive experience and knowledge, Professor Doctor has agreed at the Board's request to remain as a Director of the Company through 2022 to help to guide the Company through its forthcoming continuation vote and tender, but she has indicated that she will not seek re-election at the 2023 AGM and once the tender process has completed the Board intends to commence a recruitment process to identify a suitable replacement, with Professor Doctor retiring from the Board once this process has concluded.

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on pages 62 and 63, the Board believes that it continues to be effective and that the Directors bring extensive knowledge and experience, suitably aligned to the activities of the Company, and demonstrate a range of valuable business, financial and asset management skills, as set out in the table on the following page. Further details of their experience and expertise can be found in their biographies on pages 33 to 34 and in the table above. Further details of the independence of the Board and Board tenure is provided in the Corporate Governance Report on page 62.

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

Directors' indemnity

In addition to Directors' and Officers' liability insurance cover, the Company's Articles of Association provide, subject to the

Notifiable interest in the Company's voting rights

As at 31 December 2021, the following investors had declared a notifiable interest in the Company's voting rights.

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 62 to 67.

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 57 to 60. 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 61.

	Number of ordinary shares	% of issued share capital
City of London Investment Management Company Limited	10,533,002	26.83%
Lazard Asset Management Ltd	5,560,948	14.17%
1607 Capital Partners	2,143,562	5.46%

Subsequent to the year end, and as at 30 March 2022, 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	10,193,002	25.96%
Lazard Asset Management Ltd	7,846,778	19.98%
1607 Capital Partners	2,143,562	5.46%

No other shareholder has notified an interest of 3% or more in the Company's shares up to 30 March 2022.

Share capital

Full details of the Company's issued share capital are given in note 14 on page 94. 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 125. The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights of the ordinary shares or on the transfer of the ordinary shares. There are no shares which carry specific rights with regard to the control of the Company.

Share issues and share repurchases

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

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

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

The current authority to purchase ordinary shares in the market to be held in treasury or for cancellation was granted to the Directors on 19 May 2021 and expires at the date of the 2022 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 19 May 2021 and expires with effect from the next AGM in 2022. 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 2021 the Company was authorised to purchase its own ordinary shares to be held in treasury for reissue or cancellation at a future date. There was no change in the amount of ordinary shares held in treasury during the year.

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

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

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

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

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

Directors' Report

continued

For the same reason, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

Articles of Association

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

Annual general meeting

AGM Arrangements

At present UK Government restrictions on public gatherings are no longer in force in connection with COVID-19 pandemic and it is the Company's intention to hold the AGM in person. In light of the ongoing COVID-19 pandemic, BlackRock currently has in place certain health and safety measures which those shareholders attending the AGM in person should follow. BlackRock requests shareholders to refrain from attending the AGM if they are experiencing symptoms of COVID-19 or have recently been in contact with anyone who has tested positive. BlackRock also requests that visitors to its offices are either fully vaccinated or have taken a lateral flow test at least 24 hours prior to the meeting which shows a negative result. Given the current circumstances at the date of the notice of AGM, shareholders should be aware that arrangements for the AGM may need to change at short notice. Accordingly, all shareholders are recommended to vote by proxy in advance of the AGM and to appoint the Chairman of the meeting as their proxy. This will ensure that shareholders' votes will be counted even if they (or any appointed proxy) are not able to attend the AGM. All votes will be taken by poll so that all validly cast proxy votes are counted. It should be noted that the appointment of a proxy does not preclude a shareholder from attending the AGM.

The Company will give notice of any changes to the arrangements as early as possible before the date of the AGM and will publish relevant information on the Company's website and make an announcement via the regulatory information service.

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

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

Resolutions for the re-election of Directors

The biographies of the Directors are set out on pages 33 and 34 and are incorporated into this report by reference. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are set out below. All the Directors in office at the date of this report held office throughout the year. All Directors will stand for re-election by shareholders at the meeting in accordance with the requirements of the UK Code.

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

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

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 Professor 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. Professor Doctor has also acted as the Company's Senior Independent Director and Chairman of the Remuneration Committee with effect from 31 March 2019. Professor Doctor has served on the Board since 2009, and her tenure exceeds the nine years recommended as the maximum limit under the UK Code. Given her extensive experience and knowledge, Professor Doctor has agreed at the Board's request to remain as a Director of the Company

through 2022 to help to guide the Company through its forthcoming continuation vote and tender, but she will not seek re-election at the 2023 AGM and once the tender process has completed the Board intends to commence a recruitment process to identify a suitable replacement, with Professor Doctor retiring from the Board once this process has concluded.

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.

Ordinary Resolutions

Resolution 11 Biennial Continuation Vote:

Resolution 11 is the resolution to approve the continuation of the Company as an investment company.

Resolution 12 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 2023, unless renewed prior to that date at an earlier general meeting.

Special Resolutions

Resolution 13 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 13 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 2023, unless renewed prior to that date at an earlier general meeting.

Resolution 14 Authority to buy back shares:

The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors believe that the ability to buy back shares has significant advantages for both the Company and its shareholders. The buy back authority provides the Board with a mechanism to balance the supply of shares with prevailing demand, with a view to bringing these into balance. The Board's aim with share buy backs is to narrow the discount at which the shares trade to NAV to ensure that the share price is as close as possible to NAV thus preserving shareholder value. The Board's intention is only to buy shares back at a discount to NAV, and hence any buy backs undertaken will enhance shareholder value as the repurchase will result in a greater proportion of assets becoming attributable to fewer shares. In addition, share buy backs may help to deter short term investors who are seeking to exploit the discount and achieve instant returns (rather than reflecting a long-term view of the prospects of the Company); hence the ability to operate a buy back authority is in the long term interests of shareholders. Whilst there have been no buy backs for the year to 31 December 2021 or in 2022 (up to the date of this report), this is a reflection of historic market conditions and should not be used as an indication of the frequency and impact that any share buy backs would have on the future share rating of the Company.

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

The Directors are seeking authority to purchase up to 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 2023.

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.

Directors' Report

continued

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 62 to 67. The Corporate Governance Statement forms part of this Directors' Report.

Audit information

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

Independent Auditor

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

The Directors' Report was approved by the Board at its meeting on 31 March 2022.

By order of the Board

SARAH BEYNSBERGER

For and on behalf of
BlackRock Investment Management (UK) Limited Company
Secretary
31 March 2022

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31 December 2021 which has been prepared in accordance with Sections 420 – 422 of the Companies Act 2006. The Remuneration Policy which is subject to a triennial binding vote is set out on pages 60 and 61.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 76 to 80.

Statement of the Chairman

A key driver of the remuneration policy is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience to promote the long-term success of the Company whilst also reflecting the time commitment and responsibilities of the role. The basis for determining the level of any increase in the Directors' remuneration is set out in the Directors' Remuneration Policy on pages 60 and 61.

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

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

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

The Board's remuneration was last reviewed in November 2021. 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 61. 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 32.

Implementation of the Remuneration Policy in the year 2021

The Directors intend that the Remuneration Policy will be implemented as set out on pages 60 and 61. The Directors' Remuneration Policy on page 60 and the policy table on page 61 form part of this report. The Directors do not receive any performance related remuneration or incentives. Discretionary payments are permitted under the policy; however such discretionary payments would only be considered in exceptional circumstances.

Remuneration/service contracts

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

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

Directors' Remuneration Report

continued

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 2021. The information in the table below has been audited.

Directors	Year ended 31 December 2021			Year ended 31 December 2020		
	Fees £	Taxable benefits ¹ £	Total £	Fees £	Taxable benefits ¹ £	Total £
Carolán Dobson (Chairman)	47,800	919	48,719	47,800	–	47,800
Craig Cleland (Audit Committee Chairman)	36,700	–	36,700	36,700	–	36,700
Mahrukh Doctor (Remuneration Committee Chairman)	34,600	963	35,563	34,600	153	34,753
Laurie Meister ²	32,600	–	32,600	27,241	–	27,241
Nigel Webber	32,600	–	32,600	32,600	–	32,600
Total	184,300	1,882	186,182	178,941	153	179,094

¹ Taxable benefits relates to travel and subsistence costs.

² Ms Meister joined the Board with effect from 1 February 2020.

No discretionary payments were made in the year to 31 December 2021 (2020: £nil).

The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 December 2021, fees of £15,000 (2020: £15,000) were outstanding to Directors in respect of their annual fees.

Relative importance of spend on pay

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

	2021 US\$'000	2020 US\$'000	Change US\$'000
Directors' total remuneration	254	245	+9
Total dividends paid and payable	10,820	9,054	+1,766
Net loss on ordinary activities after taxation	(28,006)	(43,572)	+15,566
Total operating expenditure	2,519	2,314	+205

Five year change comparison

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

	2021	2020	2019	2018	2017
Carolán Dobson ¹	0.0%	1.7%	2.2%	5.9%	44.7%
Craig Cleland ²	0.0%	4.9%	N/a	N/a	N/a
Mahrukh Doctor ³	0.0%	3.3%	8.1%	0.0%	3.3%
Laurie Meister ⁴	0.0%	N/a	N/a	N/a	N/a
Nigel Webber ⁵	0.0%	1.9%	3.2%	0.0%	N/a

¹ Ms Dobson was appointed Chairman on 2 March 2017; the bulk of the 44.7% increase in 2017 relates to an uplift in salary related to this change in role.

² Mr Cleland was appointed Director on 1 January 2019 and Chairman of the Audit Committee on 31 March 2019. The increase of 4.9% in 2020 reflects the fact that he received an increase related to his appointment as Audit Committee Chairman in March 2019.

³ Professor Doctor was appointed Chairman of the Remuneration Committee on 31 March 2019; the majority of the 8.1% increase in 2019 relates to an uplift in salary related to this change in role.

⁴ Ms Meister was appointed on 1 February 2020. For the purposes of the calculations in the above table her salary has been annualised for the year to 31 December 2020.

⁵ Mr Webber was appointed on 1 April 2017. For the purposes of the calculations in the above table his salary has been annualised for the year to 31 December 2017.

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		
	31 March 2022	31 December 2021	31 December 2020
Carolán Dobson	4,792	4,792	4,792
Mahrukh Doctor	686	686	686
Nigel Webber	5,000	5,000	5,000
Craig Cleland	10,000	10,000	5,000
Laurie Meister ¹	2,915	2,915	-

¹ 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.

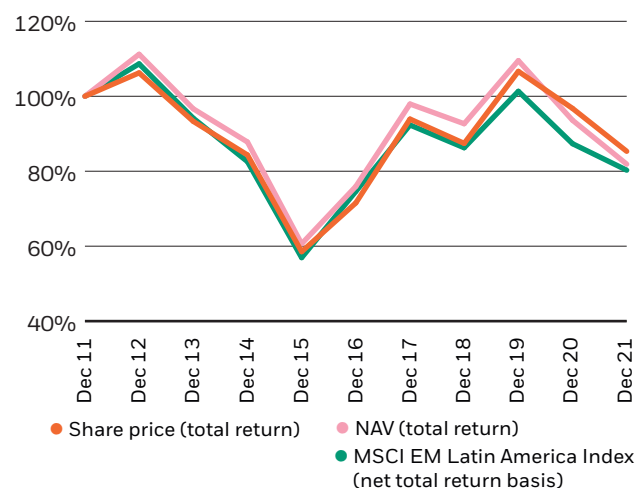
Retirement of Directors

Further details are given in the Directors' Report on page 51 and in the Corporate Governance Statement on page 63.

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 2011 to 31 December 2021



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
31 March 2022

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 19 May 2021, with 99.83% of votes cast (including votes cast at the Chairman's discretion) in favour and 0.17% of votes cast against.

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

Directors' Remuneration Policy

In setting the appropriate level of Directors' fees, a number of factors are considered, including the workload of the Directors, their responsibilities, any change in these responsibilities and additional legal duties (for example as a result of new legislation being implemented), the relationship with their suppliers and service providers and the size and complexity of the Company. The time commitment required, the level of skills and appropriate experience required and the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity are also taken into account. The Board also considers the average rate of inflation during the period since the last fee increase and reviews the level of remuneration in comparison with other investment trusts of a similar size and/or mandate, as well as taking account of any data published by the Association of Investment Companies to ensure that fees are in line with industry practice. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary. The review is performed on an annual basis. The Board is cognisant of the need to avoid any potential conflicts of

interest and has therefore agreed a mechanism by which no Director is present when his or her own pay is being considered.

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

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

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

Remuneration policy table

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	<p>Current levels of fixed annual fee:</p> <p>Chairman – £47,800</p> <p>Audit Committee Chairman – £36,700</p> <p>Remuneration Committee Chairman/Senior Independent Director – £34,600</p> <p>Directors – £32,600</p> <p>All reasonable expenses to be reimbursed.</p>
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

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

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

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

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

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

Compliance

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

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

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

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

The UK Code is available from the Financial Reporting Council's website at frc.org.uk. 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 33 and 34, 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 33.

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

Board independence and tenure

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

refreshment, which inevitably brings new ideas and perspectives. The Board's independence, (including that of Professor 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 Professor 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. In particular, the Board is cognisant of the fact that the Company is facing a continuation vote and tender (to be implemented in May 2022) and has requested that Professor Doctor remain on the Board through 2022 to help to guide the Company through these events. However, Professor Doctor will not seek re-election at the 2023 AGM and once the tender process has completed the Board intends to commence a recruitment process to identify a suitable replacement, with Professor Doctor retiring from the Board once this process has concluded.

Diversity

The Board's policy is to take diversity, including gender diversity, into account during the recruitment and appointment process. As at the date of this report, the Board consists of two men and three women, and also is inclusive of other protected characteristics covered in legislation. The Board recognises the importance of diverse backgrounds and skill sets, and in particular having a range of experienced Directors who, both individually and collectively, possess a suitable balance of skills, knowledge, and independence to enable it to fulfil its obligations. The Board believes that the current composition of the Board meets these objectives, and equality, diversity and inclusion are at the forefront of Directors' minds when undertaking succession planning.

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

Directors' appointment, retirement and rotation

The rules concerning the appointment, retirement and rotation of Directors are set out on page 51 of the Directors' Report and page 62 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).

Professor 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 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, is taken into account in establishing the criteria. The services of an external search consultant may be used to identify suitable candidates and assist with the selection process.

Directors' induction and training

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

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

Directors' liability insurance

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

The Board's responsibilities

The Board is responsible for the effective stewardship of the Company's affairs. A formal schedule of matters reserved for the decision of the Board has been adopted. Investment

Corporate Governance Statement

continued

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 33 and 34.

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 page 50.

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

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

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

The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is The Bank of New York Mellon (International) Limited. The address at which the business is conducted is given on page 111. 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 50.

Committees of the Board

The Board has appointed a number of committees as set out below and on page 32. 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 68 to 71.

Nomination Committee

The Nomination Committee is currently chaired by Ms Dobson, and consists of the Chairman of the Committee, Professor Doctor, Mr Webber, Mr Cleland and Ms Meister. Further details are provided on page 32.

Management Engagement Committee

The Management Engagement Committee is currently chaired by Ms Dobson, and consists of the Chairman of the Committee, Professor Doctor, Mr Webber, Mr Cleland and Ms Meister. Further details are provided on page 32.

Remuneration Committee

The Remuneration Committee is currently chaired by Professor Doctor, and consists of the Chairman of the Committee, Ms Dobson, Mr Webber, Mr Cleland and Ms Meister. Further details are provided on page 32.

Internal controls

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

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

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

The Company's risk register sets out the risks relevant to the Company and describes, where relevant, the internal controls that are in place at the AIFM, the Investment Manager and other third party service providers to mitigate these risks. The Audit Committee (the Committee) formally reviews this register on a semi-annual basis and BFM as the Company's AIFM reports on any significant issues that have been identified in the period. In addition, BlackRock's internal audit department report to the Committee on a semi-annual basis on the results of testing performed in relation to BlackRock's internal control processes. The Depositary also reviews the control processes in place at the custodian, the Fund Accountant and the AIFM and reports formally to the Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad hoc basis to the extent that this is required. The Committee also receives

Service Organisation Control (SOC 1) reports respectively from BlackRock and The Bank of New York Mellon (International) Limited (BNYM) on the internal controls of their respective operations (and in the case of BNYM, in respect of asset servicing and custody services, centrally managed information technology services and fund administration and securities data management operations) together with the opinion of their reporting accountants.

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

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

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

Financial reporting

The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on page 72, the Independent Auditor's Report on pages 76 to 80, and the Statement of Going Concern on page 51.

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. The Manager is a Tier 1 signatory to the UK Stewardship Code, which, among other things, sets out the responsibilities of institutional shareholders in respect of investee companies. The Manager's compliance with the UK Stewardship Code is publicly available on the BlackRock website <https://www.blackrock.com/corporate/aboutus/investment->

Corporate Governance Statement

continued

stewardship. The Manager's approach to sustainable investing is detailed on the website at <https://www.blackrock.com/us/individual/investment-ideas/sustainable-investing>.

More information in regard of the Manager's approach to responsible investing is given on pages 25 to 29.

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 and as at the date of this report, it is envisaged that the Company's 2022 AGM will be held in person at BlackRock's offices (full details are given on page 111). 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 111 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 106 to 108, 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 Auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

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 (or, as a result of the retention and onshoring of the

Regulation following Brexit, the UK) must comply with the Regulation. Shares issued by investment trusts fall into the scope of the Regulation.

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

The PRIIPs KID in respect of the Company can be found at: www.blackrock.com/uk/bria.

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 49 to 56 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

31 March 2022

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 2021.

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 33 and 34.

Performance evaluation

Details of the evaluation of the Audit Committee are set out in the Corporate Governance Statement on page 64.

Role and responsibilities

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

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 Auditor's report on the annual financial statements;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external Auditor;

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

Whistleblowing policy

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

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 2021 (2020: no non-audit services).

Significant issues considered regarding the Annual Report and Financial Statements

During the year, the Audit Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Audit Committee reviewed the external audit plan and concluded that the appropriate areas of audit risk relevant to the

Company had been identified by the Auditor. The Committee also discussed the audit and procedures and plan with the Auditor and that suitable control procedures had been put in place to obtain reasonable assurance that the financial

statements as a whole would be free of material misstatements. The table below sets out the key areas of risk identified and also explains how these were addressed.

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 instruments held in custody. The Depositary reports to the Committee twice a year. The Committee reviews reports from its service providers on key controls over the assets of the Company and will take action to address any significant issues that are identified in these reports, which may include direct discussions with representatives of the relevant service providers to obtain more detailed information surrounding any matters of concern and gaining assurance that appropriate remediation action has been taken. Any significant issues are reported by the Manager to the Committee. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.
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 Company's continuation vote is not passed at the AGM in May 2022.	The Chairman and Broker have met or corresponded with key shareholders representing over 50% of the Company's register and have either received written statements of intent indicating that these investors are supportive of continuation vote (representing over 50% of shares held) or have received verbal indications of support (5% of shares held). A further 7.9% of the Company's shares are held through execution only platforms; the Board and the Broker have received no indication that these investors will vote against continuation.

Report of the Audit Committee

continued

Significant issue	How the issue was addressed
The risk that the Company's tender offer is fully subscribed, resulting in the Company shrinking in size with reduced liquidity, and demand for the Company's shares being reduced as a result, leading to a widening discount and poor share price performance.	<p>To the extent the tender offer is fully subscribed, the Directors consider that the Company will still retain sufficient assets and liquidity to remain viable and to continue to operate in accordance with its business model and investment mandate.</p> <p>The Board believes that the Company's investment objective, business model and investment policy remain relevant and in demand in the current environment. In particular they note that:</p> <ul style="list-style-type: none">• the Company's mandate to invest in the relatively volatile Latin American region is well-suited to the Company's closed end structure which provides intraday liquidity to investors and the ability for the portfolio managers to invest over a longer-term time horizon than many open ended peers;• the Company is one of only two investment trusts in its AIC peer group with exposure to the Latin American region and is substantially the largest, providing investors with the opportunity for exposure to the region that cannot be easily obtained elsewhere. Even if the tender offer is fully subscribed, the Company will remain the largest in the peer group based on asset valuations at the time of writing; and• the portfolio management team is well regarded in the industry and positive feedback has been received from shareholders in respect of the quality of the portfolio managers.

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

Auditor and audit tenure

The Committee is mindful of the EU Audit Reform (as retained in UK law), including regulations on mandatory auditor regulation which require a review of the appointment of the auditor every ten years. The legislation also prohibits certain non-audit consulting services and caps the amount of additional fees auditors can charge their clients. Ernst & Young LLP was selected as the Company's Independent Auditor after a formal tender process carried out in 2020. The Committee will continue to review the Auditor's appointment each year to ensure that the Company is receiving an optimal level of service. The appointment of the Auditor is reviewed each year and the audit partner rotates at least every five years. Mr Matthew Price has acted as the Company's audit partner since 2020.

There were no fees paid to the Auditor in respect of non-audit services during the year (2020: £nil). The Company's policy on non-audit services is set out in full in the Audit Committee's terms of reference which are available on the Company's website at www.blackrock.com/uk/brla.

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

Assessment of the effectiveness of the external audit process

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

- the quality of the audit engagement partner and the audit team;
- the expertise of the audit firm and the resources available to it;
- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;
- the role of the Audit Committee, the Manager and third party service providers in an effective audit process;
- communications by the Auditor with the Audit Committee;

- how the Auditor supports the work of the Audit Committee and how the audit contributes added value;
- a review of independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and the effectiveness of the Manager in performing its role is also sought from relevant involved parties, notably the audit partner and team. The external Auditor is invited to attend the Audit Committee meetings at which the semi-annual and annual report and financial statements are considered and at which they have the opportunity to meet with the Audit Committee without representatives of the Manager being present. The effectiveness of the external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset value and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved, the quality and timeliness of papers analysing these judgements, the views of the independent Auditor and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the Auditor and the Committee.

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

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

Conclusions in respect of the Annual Report and Financial Statements

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

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

In addition to the work outlined above, the Audit Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable. In reaching this conclusion, the Audit Committee has assumed that readers of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment trust industry. The Audit Committee has reported on these findings to the Board who affirm the Audit Committee's conclusion in the Statement of Directors' Responsibilities on page 72.

CRAIG CLELAND

Chairman
Audit Committee
31 March 2022

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 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 33 and 34, 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 68 to 71. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 December 2021, 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

31 March 2022



Copa Airlines

HP-9901CMP

An aerial photograph taken from an airplane window, showing a city with a mix of residential and commercial buildings, a large body of water, and a coastline. The sky is blue with some light clouds. The wing of the airplane is visible in the bottom left corner.

Financial statements



Over the year, we added to our position in Copa Holdings. Having carefully navigated the pandemic, the Panamanian airline is well positioned for the return of demand to underserved markets with limited substitutions for air travel.

PHOTO COURTESY OF COPA HOLDINGS

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

Opinion

We have audited the Financial Statements of BlackRock Latin American Investment Trust plc for the year ended 31 December 2021 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 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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

Conclusions relating to going concern

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

- confirmation of our understanding of the Company's going concern assessment process and engagement with the Directors and the Company Secretary to determine if all key factors were considered in their assessment;
- inspection of the Directors' assessment of going concern, including the revenue forecast, for the period to 31 December 2023. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its liabilities as they fall due;
- review of the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the revenue forecast and the Directors' liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company;
- Consideration of the mitigating factors included in the revenue forecasts that are within control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments to cover working capital requirements should its revenue decline significantly;
- in relation to the Company's overdraft facility, our inspection of the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the investment portfolio. We recalculated the Company's compliance with debt covenants and performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants;

- Assessment of the impact of the continuation vote and proposed tender offer on the going concern basis of preparation by considering the current and historical performance of the Company. We reviewed minutes from the Broker's discussion with certain shareholders about their current intentions in relation to the continuation vote and tender offer and assessed the Directors' own analysis of the impact the continuation vote and tender offer may have on going concern; and
- review of the Company's going concern disclosures included in the Annual Report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 31 December 2023, which is at least 12 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	<ul style="list-style-type: none"> • Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement. • Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	• Overall materiality of \$1.95 million (2020: \$2.34) which represents 1% (2020: 1%) of the Company's net asset value.

An overview of the scope of our audit

Tailoring the scope

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

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Directors have stated that they are cognisant of the long term risk to performance from inadequate attention to Environmental, Social and Governance (ESG) issues, and in particular the impact of climate change. This is explained on page 45 of the principal risks section included in the Strategic Report, which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 16 and conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by FRS 102. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

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
<p>Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement</p> <p><i>Refer to the Report of the Audit Committee (page 69); Accounting policies (page 87); and note 3 of the Financial Statements (page 89).</i></p>	<p>We performed the following procedures:</p> <p>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 the 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.</p>	<p>The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement.</p>
<p>The total investment income for the year to 31 December 2021 was \$12.20 million (2020: \$5.32 million), consisting primarily of dividend income from overseas listed investments.</p>	<p>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.</p>	
<p>The total amount of special dividends received by the Company during the year was \$0.22 million, all of which were classified as revenue (2020: \$0.66 million classified as revenue).</p>	<p>To test completeness of recorded investment income, we tested that expected dividends/fixed interest payments for each investee company held during the year had been recorded as income with reference to investee company announcements obtained from an independent data vendor.</p>	
<p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p>	<p>For all dividends and fixed interest income accrued at the year end, we confirmed that the Company held the relevant investments as at the ex-dividend date and reviewed the investee company announcements to assess whether the obligation arose prior to 31 December 2021. We agreed the dividend rate/coupon rate to the corresponding announcements made by the investee company, recalculated the amount receivable and, where applicable, agreed the subsequent cash receipts to post-year end bank statements.</p>	
<p>In addition to the above, the Directors may, in certain circumstances, exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.</p>	<p>We assessed the appropriateness of the Company's classification of special dividends as revenue with reference to publicly available information.</p>	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of incorrect valuation or ownership of the investment portfolio Refer to the Report of the Audit Committee (page 69); Accounting policies (pages 87 and 88); and note 10 of the Financial Statements (page 93).</p> <p>The valuation of the investment portfolio as at 31 December 2021 was \$212.18 million (2020: \$251.43 million), consisting of listed equity and fixed income investments.</p> <p>The valuation of the instruments held in the investment portfolio is the key driver of the Company's net asset value and total return. Inappropriate investment pricing, including incorrect application of exchange rates, or failure to maintain proper legal title of the instruments held by the Company could have a significant impact on the portfolio valuation and, therefore, the return generated for shareholders.</p> <p>The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date.</p>	<p>We performed the following procedures:</p> <p>We obtained an understanding of BNYM's processes surrounding investment title and investment pricing by reviewing their internal control reports and performing our walkthrough procedures.</p> <p>For all listed investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end.</p> <p>We inspected the stale pricing reports produced by BNYM to identify prices that have not changed and verified whether the listed price is a valid fair value.</p> <p>We compared the Company's investment holdings at 31 December 2021 to independent confirmations received directly from the Company's Custodian and Depositary, testing any reconciling items to supporting documentation.</p>	<p>The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio.</p>

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be \$1.95 million (2020: \$2.34 million), which is 1% (2020: 1%) of the Company's net asset value. We believe that net asset value provides us with the most important 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 75% (2020: 50%) of our planning materiality, namely \$1.46 million (2020: \$1.17 million). We have set performance materiality at this percentage due to past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected. In the prior period, we set performance materiality at 50% of

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

planning materiality, given this was our first year as Auditor of the Company. Considering management enquiries and our experience from the prior year audit, we note that the control environment operated as normal and as such our expectation of errors has not increased. Therefore, we believe it is appropriate to set performance materiality at 75% of planning materiality in the current period.

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing threshold of \$0.55 million (2020: \$0.21 million) for the revenue column of the Income Statement, being the greater of 5% of the net profit on ordinary activities before taxation and our reporting threshold.

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$0.10 million (2020: \$0.12 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 75 and 106 to 126, other than the Financial Statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Corporate Governance Statement

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

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

- Directors' Statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 51;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 47 and 48;
- Director's Statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 51;
- Directors' Statement on fair, balanced and understandable set out on page 72;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 72;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 68 to 71; and

- the section describing the work of the Audit Committee set out on pages 69 and 70.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities in respect of Annual Report and Financial Statements set out on page 72, 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

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

continued

determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' Code of Corporate Governance and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.

- We understood how BlackRock Latin American Investment Trust plc is complying with those frameworks through discussions with the Audit Committee and Company Secretary, review of Board and Committee meeting minutes and review of papers provided to the Audit Committee.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by considering the key risks impacting the Financial Statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company on 29 June 2020 to audit the Financial Statements for the year ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is two years, covering the years ending 31 December 2020 to 31 December 2021.

- 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
31 March 2022

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 Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts 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 2021

	Notes	Revenue 2021 US\$'000	Revenue 2020 US\$'000	Capital 2021 US\$'000	Capital 2020 US\$'000	Total 2021 US\$'000	Total 2020 US\$'000
Losses on investments held at fair value through profit or loss	10	–	–	(36,963)	(48,590)	(36,963)	(48,590)
Gains on foreign exchange		–	–	173	228	173	228
Income from investments held at fair value through profit or loss	3	12,199	5,323	–	–	12,199	5,323
Other income	3	–	129	–	–	–	129
Total income/(loss)		12,199	5,452	(36,790)	(48,362)	(24,591)	(42,910)
Expenses							
Investment management fee	4	(431)	(363)	(1,295)	(1,089)	(1,726)	(1,452)
Other operating expenses	5	(783)	(804)	(10)	(58)	(793)	(862)
Total operating expenses		(1,214)	(1,167)	(1,305)	(1,147)	(2,519)	(2,314)
Net profit/(loss) on ordinary activities before finance costs and taxation		10,985	4,285	(38,095)	(49,509)	(27,110)	(45,224)
Finance costs	6	(53)	(41)	(158)	(124)	(211)	(165)
Net profit/(loss) on ordinary activities before taxation		10,932	4,244	(38,253)	(49,633)	(27,321)	(45,389)
Taxation	7	(685)	1,590	–	227	(685)	1,817
Net profit/(loss) on ordinary activities after taxation		10,247	5,834	(38,253)	(49,406)	(28,006)	(43,572)
Earnings/(loss) per ordinary share (US\$ cents)	9	26.10	14.86	(97.44)	(125.84)	(71.34)	(110.98)

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the 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 87 to 103 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2021

	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 2021								
At 31 December 2020		4,144	11,719	4,843	4,356	206,047	3,042	234,151
Total comprehensive (loss)/income:								
Net (loss)/profit for the year		–	–	–	–	(38,253)	10,247	(28,006)
Transactions with owners, recorded directly to equity:								
Dividends paid ¹	8	–	–	–	–	(1,847)	(9,460)	(11,307)
At 31 December 2021		4,144	11,719	4,843	4,356	165,947	3,829	194,838

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 ²	8	–	–	–	–	–	(9,721)	(9,721)
At 31 December 2020		4,144	11,719	4,843	4,356	206,047	3,042	234,151

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

² 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.

For information on the Company's distributable reserves, please refer to note 15 on page 95.

The notes on pages 87 to 103 form part of these financial statements.

Balance Sheet

as at 31 December 2021

	Notes	2021 US\$'000	2020 US\$'000
Fixed assets			
Investments held at fair value through profit or loss	10	212,182	251,425
Current assets			
Debtors	11	466	445
Cash and cash equivalents		463	509
Total current assets		929	954
Creditors – amounts falling due within one year			
Bank overdraft	16	(16,980)	(17,194)
Other creditors	12	(1,258)	(999)
Total current liabilities		(18,238)	(18,193)
Net current liabilities		(17,309)	(17,239)
Net current assets		194,873	234,186
Creditors – amounts falling due after more than one year			
Non-current tax liability	7,13	(11)	(11)
Non-equity redeemable shares	13	(24)	(24)
		(35)	(35)
Net assets		194,838	234,151
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	165,947	206,047
Revenue reserve	15	3,829	3,042
Total shareholders' funds	9	194,838	234,151
Net asset value per ordinary share (US\$ cents)	9	496.28	596.42

The financial statements on pages 83 to 103 were approved and authorised for issue by the Board of Directors on 31 March 2022 and signed on its behalf by Carolan Dobson, Chairman.

BlackRock Latin American Investment Trust plc

Registered in England, No. 2479975

The notes on pages 87 to 103 form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2021

	2021 US\$'000	2020 US\$'000
Operating activities		
Net loss before taxation	(27,321)	(45,389)
Add back finance costs	211	165
Losses on investments held at fair value through profit or loss	36,963	48,590
Gains on foreign exchange	(173)	(228)
Sales of investments held at fair value through profit or loss	144,427	244,537
Purchases of investments held at fair value through profit or loss	(142,206)	(238,513)
(Increase)/decrease in debtors	(21)	1,192
Increase/(decrease) in creditors	318	(795)
UK corporation tax refunds of prior years	-	2,194
Tax on investment income	(685)	(475)
Net cash generated from operating activities	11,513	11,278
Financing activities		
Interest paid	(211)	(165)
Dividends paid	(11,307)	(9,721)
Net cash used in financing activities	(11,518)	(9,886)
(Decrease)/increase in cash and cash equivalents	(5)	1,392
Cash and cash equivalents at the start of the year	(16,685)	(18,305)
Effect of foreign exchange rate changes	173	228
Cash and cash equivalents at end of the year	(16,517)	(16,685)
Comprised of:		
Cash at bank	463	509
Bank overdraft	(16,980)	(17,194)
	(16,517)	(16,685)

The notes on pages 87 to 103 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2021

1. Principal activity

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

2. Accounting policies

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

(a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the revised Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP), issued by the Association of Investment Companies (AIC) in October 2019 and updated in April 2021, 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 last resolution was put to shareholders at the 2020 AGM and the next such resolution will be put to shareholders at the AGM in May 2022 (see pages 59, 60 and 122 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 are satisfied that the Company has adequate resources to continue in operational existence for the period to 31 December 2023, being a period of at least 12 months from the date of approval of these financial statements, and therefore consider the going concern assumption to be appropriate. The Directors have considered any potential impact of the COVID-19 pandemic, its potential longer-term effects on the global economy 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 in which the bulk of the Company's assets (notably portfolio investments, cash at bank, bank overdrafts and amounts due to and from brokers) are denominated. All values are rounded to the nearest thousand US Dollars (US\$'000) except where otherwise indicated.

(b) Presentation of Income Statement

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

(c) Segmental reporting

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

(d) Income

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

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

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

Deposit interest receivable is accounted for 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 account of the Income Statement, except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital. Details of transaction costs on the purchases and sales of investments are disclosed in note 10 on page 95;
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and
- the investment management fee and finance costs have been allocated 75% to the capital account and 25% to the revenue account of the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio.

(f) Taxation

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

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

Deferred taxation is recognised in respect of all timing differences at the financial reporting date, where transactions or events that result in an obligation to pay more taxation in the future or right to less taxation in the future have occurred at the balance sheet date. Deferred 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 prepayments and accrued income in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

(i) Creditors

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

(j) Dividends payable

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

(k) Cash and cash equivalents

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

(l) Foreign currency translation

In accordance with Section 30 of FRS 102, the Company is required to 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 account 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

	2021 US\$'000	2020 US\$'000
Investment income:		
Overseas dividends	11,655	4,350
Overseas REIT distributions	307	276
Overseas special dividends	223	655
Fixed interest income	14	42
	12,199	5,323
Other income:		
Deposit interest	–	1
Interest on UK corporation tax refund	–	128
Total income	12,199	5,452

Dividends and interest received in cash during the year amounted to US\$12,285,000 and US\$12,000 (2020: US\$6,688,000 and US\$206,000).

Special dividends of US\$nil have been recognised in capital in 2021 (2020: US\$nil).

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4. Investment management fee

	2021			2020		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
Investment management fee	431	1,295	1,726	363	1,089	1,452

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

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

5. Other operating expenses

	2021 US\$'000	2020 US\$'000
Allocated to revenue:		
Custody fee	61	45
Depository fees ¹	22	19
Auditor's remuneration ²	60	42
Registrar's fees	40	37
Directors' emoluments ³	254	245
Marketing fees	101	122
Postage and printing fees	73	37
AIC fees	22	30
Broker fees	56	46
Employer NI contributions	27	23
FCA fee	12	13
Director search fees	–	30
Write back of prior year expenses ⁴	(42)	–
Other administration costs	97	115
	783	804
Allocated to capital:		
Custody transaction charges ⁵	10	58
	793	862
The Company's ongoing charges ⁶ , 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%	1.14%

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

² No non-audit services were provided by the Company's Auditor.

³ Further information on Directors' emoluments can be found in the Directors' Remuneration Report on pages 57 to 60. The Company has no employees.

⁴ Relates to prior year accrual for AIC fees and Director search fees written back during the year.

⁵ For the year ended 31 December 2021, expenses of US\$10,000 (2020: US\$58,000) were charged to the capital account of the Income Statement. These relate to transaction costs charged by the Custodian on sale and purchase trades.

⁶ Alternative Performance Measure, see Glossary on pages 114 to 118.

6. Finance costs

	2021			2020		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
Interest on bank overdraft	53	158	211	41	124	165

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

7. Taxation

(a) Analysis of charge in year

	2021			2020		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
Current taxation						
Corporation tax	223	(223)	-	253	(253)	-
Prior years UK corporation tax adjustment (note 7(d))	-	-	-	(2,065)	-	(2,065)
Double taxation relief	(223)	223	-	(253)	253	-
Capital gains tax provision reversed (note 7(c))	-	-	-	-	(227)	(227)
	-	-	-	(2,065)	(227)	(2,292)
Overseas tax	685	-	685	475	-	475
Total taxation charge/(credit) (note 7(b))	685	-	685	(1,590)	(227)	(1,817)

(b) Factors affecting total tax charge for the year

The taxation assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021			2020		
	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	10,932	(38,253)	(27,321)	4,244	(49,633)	(45,389)
Net profit/(loss) on ordinary activities multiplied by standard rate of 19.00% (2020: 19.00%)	2,077	(7,268)	(5,191)	806	(9,430)	(8,624)
Effects of:						
Capital losses not taxable	-	7,023	7,023	-	9,232	9,232
Exchange gain not taxable	-	(33)	(33)	-	(44)	(44)
Relief for overseas tax	(223)	150	(73)	(253)	186	(67)
Income not subject to corporation tax	(1,854)	-	(1,854)	(553)	-	(553)
Overseas tax suffered	685	-	685	475	-	475
Prior years adjustment	-	-	-	(2,065)	-	(2,065)
Tax losses not utilised/recognised	-	126	126	-	45	45
Capital gains tax provision reversed (note 7(c))	-	-	-	-	(227)	(227)
Disallowed expenses	-	2	2	-	11	11
Total taxation charge/(credit) (note 7(a))	685	-	685	(1,590)	(227)	(1,817)

(c) Capital gains tax liability

	2021			2020		
	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	-	11	11	-	238	238
Capital gains tax provision reversed	-	-	-	-	(227)	(227)
Balance carried forward	-	11	11	-	11	11

Notes to the Financial Statements

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7. Taxation continued

(c) Capital gains tax liability continued

	2021			2020		
	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	–	11	11
	–	11	11	–	11	11

At 31 December 2021 the Company had net surplus management expenses of US\$844,000 (2020: US\$396,000) and a non-trade loan relationship deficit of US\$1,308,000 (2020: US\$1,095,000). 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 2021 is US\$538,000 (2020: US\$283,000). The unrecognised deferred tax asset has been calculated using a UK corporation tax rate of 25% (2020: 19%).

(d) UK corporation tax refund

In the prior year, the Company received a corporation tax repayment of £1.6 million (US\$2.2 million) from Her Majesty's Revenue & Customs (HMRC). 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	2021	2020
			US\$'000	US\$'000
Quarter to 31 December 2020 – dividend of 7.45 cents	15 January 2021	8 February 2021	2,925	3,592
Quarter to 31 March 2021 – dividend of 6.97 cents	16 April 2021	10 May 2021	2,736	1,802
Quarter to 30 June 2021 – dividend of 7.82 cents	9 July 2021	6 August 2021	3,070	2,187
Quarter to 30 September 2021 – dividend of 6.56 cents	15 October 2021	8 November 2021	2,576	2,140
			11,307	9,721

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 2021, 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 2021 as issued to the market was 496.39 cents per share, and the Directors have declared a fourth quarterly interim dividend of 6.21 cents per share. The dividend was paid on 8 February 2022 to holders of ordinary shares on the register at the close of business on 14 January 2022.

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 2021, meet the relevant requirements as set out in this legislation.

Dividends paid or proposed on equity shares:	2021	2020
	US\$'000	US\$'000
Quarter to 31 March 2021 – 6.97 cents (2020: 4.59)	2,736	1,802
Quarter to 30 June 2021 – 7.82 cents (2020: 5.57)	3,070	2,187
Quarter to 30 September 2021 – 6.56 cents (2020: 5.45)	2,576	2,140
Quarter to 31 December 2021 – 6.21 cents ¹ (2020: 7.45)	2,438	2,925
	10,820	9,054

¹ Based on 39,259,620 ordinary shares in issue at 13 January 2022.

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

9. Earnings and net asset value per ordinary share

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

	2021	2020
Net revenue profit attributable to ordinary shareholders (US\$'000)	10,247	5,834
Net capital loss attributable to ordinary shareholders (US\$'000)	(38,253)	(49,406)
Total loss attributable to ordinary shareholders (US\$'000)	(28,006)	(43,572)
Total shareholders' funds (US\$'000)	194,838	234,151
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 earnings per share (US\$ cents) – basic and diluted	26.10	14.86
Capital loss per share (US\$ cents) – basic and diluted	(97.44)	(125.84)
Total loss per share (US\$ cents) – basic and diluted	(71.34)	(110.98)
	As at	As at
	31 December	31 December
	2021	2020
Net asset value per ordinary share (US\$ cents)	496.28	596.42
Ordinary share price (US\$ cents) ¹	461.19	552.93

¹ Based on an exchange rate of \$1.35445 to £1 at 31 December 2021 and \$1.3699 to £1 at 31 December 2020.

There are no dilutive securities at the year end.

10. Investments held at fair value through profit or loss

	2021	2020
	US\$'000	US\$'000
Overseas listed equity investments	212,151	251,344
Overseas unlisted fixed income investments	31	81
Valuation of investments at 31 December	212,182	251,425
Opening book cost of equity and fixed income investments	209,565	253,368
Investment holding gains	41,860	47,203
Opening fair value	251,425	300,571
Analysis of transactions made during the year:		
Purchases at cost	142,147	238,572
Sales proceeds received	(144,427)	(239,128)
Losses on investments	(36,963)	(48,590)
Closing fair value	212,182	251,425
Closing book cost of equity and fixed income investments	204,909	209,565
Closing investment holding gains	7,273	41,860
Closing fair value	212,182	251,425

The Company received US\$144,427,000 (2020: US\$239,128,000) from investments sold in the year. The bookcost of these investments when they were purchased was US\$146,803,000 (2020: US\$282,375,000). 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\$136,000 were incurred on the acquisition of investments (2020: US\$366,000). Costs relating to the disposal of investments during the year amounted to US\$178,000 (2020: US\$375,000). All transaction costs have been included within capital reserves.

Notes to the Financial Statements

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11. Debtors

	2021 US\$'000	2020 US\$'000
Prepayments and accrued income	466	445
	466	445

12. Creditors – amounts falling due within one year

	2021 US\$'000	2020 US\$'000
Purchases for future settlement	–	59
Other payables	1,258	940
	1,258	999

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

	2021 US\$'000	2020 US\$'000
Non-current tax liability (note 7 (c))	11	11
Non-equity redeemable shares	24	24
	35	35

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

14. Share capital

	Ordinary shares number	Treasury shares number	Total shares number	Nominal value US\$'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 10 cents each				
As at 31 December 2020 and 31 December 2021	39,259,620	2,181,662	41,441,282	4,144

During the period to 31 December 2021, no ordinary shares were purchased and transferred to treasury (2020: 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

	Distributable Reserves					
	Share premium account US\$'000	Capital redemption reserve US\$'000	Non-distributable reserve US\$'000	Capital reserves arising on investments sold US\$'000	Capital reserves arising on revaluation of investments held US\$'000	Revenue reserve US\$'000
At 31 December 2020	11,719	4,843	4,356	164,443	41,604	3,042
Movement during the year:						
Total comprehensive (loss)/income:						
Net (loss)/profit for the year	-	-	-	(3,896)	(34,357)	10,247
Transactions with owners, recorded directly to equity:						
Dividends paid during the year from revenue	-	-	-	-	-	(9,460)
Dividends paid during the year from capital	-	-	-	(1,847)	-	-
At 31 December 2021	11,719	4,843	4,356	158,700	7,247	3,829

The share premium account and capital redemption reserve are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the capital reserve may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments as dividends. In accordance with the Company's Articles of Association, capital reserves and the revenue reserve may be distributed by way of dividend. The capital reserve arising on the revaluation of investments of US\$7,247,000 (2020: gain of US\$41,604,000) is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The investments are subject to financial risks; as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

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 62 to 67 and in the Statement of Directors' Responsibilities on page 72, 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, including climate-related risk, and tracks the actual risk management practices being deployed across the Company. By breaking down the components of the process, RQA has the ability to determine if the appropriate risk management processes are in place. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

Notes to the Financial Statements

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16. Risk management policies and procedures continued

Risk management framework continued

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

Risk Exposures

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

(a) Market risk

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

A key metric 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 2021 and 31 December 2020 (based on a 99% confidence level) was 5.03% and 8.02%, respectively.

(i) Market risk arising from price risk

Exposure to price risk

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

The coronavirus outbreak has had a profound impact on all aspects of society in recent years. While there is a growing consensus in developed economies that the worst of the impact is now over, there is an expectation that travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, cancellations, supply chain disruptions, and lower consumer demand will create ongoing challenges. While widescale vaccination programmes are now in place in many countries and are having a positive effect, the impact of COVID-19 continues to adversely affect the economies of many nations across the globe and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. Although it is difficult to make timing predictions, it is expected that the economic effects of COVID-19 will continue to be felt for a period after the virus itself has moved from being pandemic to endemic in nature, and this in turn may continue to impact investments held by the Company.

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 2021 on its equity and fixed interest investments was US\$212,182,000 (2020: US\$251,425,000).

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 2021 and 31 December 2020 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.

	2021				2020			
	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)	106	–	25	–	131	–	20	–
Creditors (due to brokers and other payables)	–	–	(445)	–	(309)	–	(326)	–
Cash and cash equivalents	325	–	137	–	384	–	125	–
Total foreign currency exposure on net monetary items	431	–	(283)	–	206	–	(181)	–
Investments at fair value through profit or loss that are equities and fixed income	61,014	32,572	–	8,343	76,961	35,768	–	9,608
Total net foreign currency exposure	61,445	32,572	(283)	8,343	77,167	35,768	(181)	9,608

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 2021 and 31 December 2020 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.

	2021			2020		
	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	–	31	31	–	81	81
Exposure to floating interest rates:						
– Cash and cash equivalents	463	–	463	509	–	509
– Bank overdraft	(16,980)	–	(16,980)	(17,194)	–	(17,194)
Total exposure to interest rates	(16,517)	31	(16,486)	(16,685)	81	(16,604)

Management of interest rate risk

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

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

Interest received on cash balances, or paid on the bank overdraft respectively, is approximately 0.00% and 0.94% per annum (2020: 0.26% and 1.30% per annum).

The Company has modified all of its floating-rate financial liabilities indexed to Sterling LIBOR (see note 16c) to reference SOFR during the year ended 31 December 2021. As a result, the Company's IBOR exposures to non-derivative financial liabilities as at 31 December 2021 was a multi-currency overdraft indexed to SOFR.

(b) Counterparty credit risk

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

There were no past due or impaired assets as of 31 December 2021 (31 December 2020: nil).

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

Depository

The Company's Depository is The Bank of New York Mellon (International) Limited (BNYM or the Depository) (S&P long term credit rating as at 31 December 2021: AA- (2020: AA-). The Company's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNYM) as the Group's Custodian (as sub-delegated by the Depository). All of the equity, fixed interest assets and cash of the Company are held within the custodial network of the global custodian appointed by the Depository. Bankruptcy or insolvency of the Depository/Custodian may cause the Company's rights with respect to its investments held by the Depository/Custodian to be delayed or limited. The maximum exposure to this risk at 31 December 2021 is the total value of equity and fixed interest investments held with the Depository/Custodian and cash and cash equivalents in the Balance Sheet.

In accordance with the requirements of the depository agreement, the Depository is required to ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the assets of the Company. Thus in the event of insolvency or bankruptcy of the Depository, 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 Depository in relation to the Company's cash held by the Depository. In the event of the insolvency or bankruptcy of the Depository, the Company will be treated as a general creditor of the Depository in relation to cash holdings of the Company. The Board monitors the Company's risk by reviewing the Custodian's internal control reports.

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 2021	1	463	-	-	AA-
31 December 2020	1	509	-	-	AA-

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 2021 and 31 December 2020 was as follows:

	2021 US\$'000	2020 US\$'000
Debtors (prepayments and accrued income)	466	445
Cash and cash equivalents	463	509
	929	954

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 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 The Bank of New York Mellon (International) (BNYM) which it utilises for short term liquidity purposes. As at 31 December 2021, \$17.0 million of this overdraft had been utilised (2020: \$17.2 million). Interest is payable at a rate per annum equal to the Secured Overnight Financing Rate (SOFR) plus 0.97%.

The overdraft facility of 29 July 2010, as amended from time to time, between the Company and BNYM was renewed on 10 September 2021, 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 2021 and 31 December 2020, based on the earliest date on which payment can be required, were as follows:

	2021		2020	
	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	(16,980)	–	(17,194)	–
Other creditors	(1,258)	–	(999)	–
Non-current tax liability	–	(11)	–	(11)
	(18,238)	(11)	(18,193)	(11)

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 88.

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

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

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

17. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and
- to secure long-term capital growth and an attractive total return primarily through investing in quoted securities in Latin America.

Gearing will be selectively employed with the aim of enhancing returns. The Board view that 105% of the net asset value is the neutral level of gearing over the longer term and that gearing should be used actively in an approximate range of plus or minus 10% around this as measured at the time that gearing is instigated. These current parameters sit within the Company's gearing policy as set out in the investment policy on pages 35 and 36 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 2021 was US\$194,838,000 (2020: US\$234,151,000) 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) (2020: 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 49 and 50.

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 2021 amounted to US\$1,726,000 (2020: US\$1,452,000), as disclosed in note 4 to the Financial Statements on page 90. At the year end, an amount of US\$815,000 was outstanding in respect of these fees (2020: US\$480,000).

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 2021 amounted to US\$101,000 excluding VAT (2020: US\$122,000). Marketing fees of US\$108,000 (2020: US\$127,000) were outstanding at 31 December 2021.

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 2021, an amount of US\$124,000 (2020: US\$124,000) was payable to the Manager in respect of Directors' fees.

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

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 57 to 60. At 31 December 2021, an amount of US\$15,000 (2020: US\$15,000) was outstanding in respect of Directors' fees.

Significant holdings

The following investors are:

- funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. ('Related BlackRock Funds'); or
- investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are as a result, considered to be related parties to the Company ('Significant Investors').

As at 31 December 2021

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.
1.3	26.8	1

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

20. Contingent liabilities

There were no contingent liabilities at 31 December 2021 (2020: none).





Additional information



Santos Brasil was a notable contributor to performance during the period under review. The Brazilian logistics company saw both container traffic and profits grow in the second half of the year.

PHOTO COURTESY OF SANTOS BRASIL

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, please go to www.computershare.com/dealing/uk for a range of Dealing services made available by Computershare.

CREST

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

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

Electronic communications

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

Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting investorcentre.co.uk/ecomms. 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 2021/2022 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 2021

By type of holder

	Number of shares 2021	% of total 2021	% of total 2020	Number of holders 2021	% of total 2021	% of total 2020
Direct private investors	712,046	1.8	1.9	394	55.5	54.7
Bank and Nominee companies	38,243,604	97.4	97.6	297	41.9	42.7
Other	303,970	0.8	0.5	19	2.6	2.6
	39,259,620	100.0	100.0	710	100.0	100.0

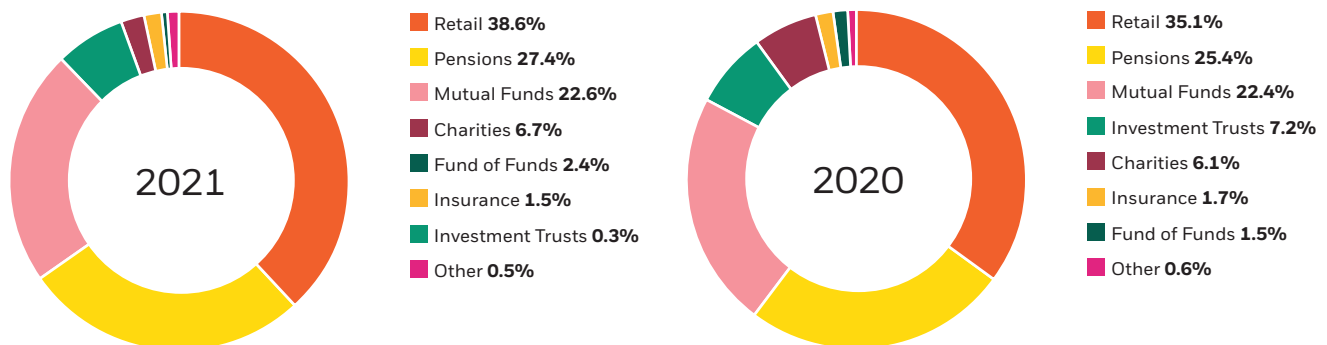
The above excludes treasury shares of 2,181,662.

By size of holding

	Number of shares 2021	% of total 2021	% of total 2020	Number of holders 2021	% of total 2021	% of total 2020
1 - 1,000	139,598	0.4	0.4	311	43.8	44.8
1,001 - 5,000	479,609	1.2	1.4	207	29.1	30.6
5,001 - 10,000	407,491	1.0	1.0	60	8.5	7.9
10,001 - 100,000	2,606,674	6.7	7.1	86	12.1	10.9
100,001 - 500,000	5,771,739	14.7	16.0	29	4.1	3.7
500,001 - 1,000,000	5,535,324	14.1	16.4	8	1.1	1.2
Over 1,000,000	24,319,185	61.9	57.7	9	1.3	0.9
	39,259,620	100.0	100.0	710	100.0	100.0

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

By style of owner¹



¹ Source: Richard Davies Investor Relations.

Ten year record

Year ended 31 December	Net assets attributable to ordinary shareholders US\$'000	Net asset value per ordinary share – debt at fair value cents	Ordinary share price cents ¹	Premium/ (discount) %	Revenue Return per ordinary share cents	Dividends per ordinary share cents	Effective gearing ² %	Ongoing charges ³ %
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
2021	194,838	496.3	461.2	(7.1)	26.10	27.56	8.9	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 114 to 118.

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

Depository

The Bank of New York Mellon (International) Limited¹
One Canada Square
London E14 5AL

Custodian and Banker

The Bank of New York Mellon (International) Limited¹
One Canada Square
London E14 5AL

Registrar

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

Independent Auditor

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

Stockbrokers

Cenkos Securities plc¹
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), as implemented and retained in the UK, 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 2021	Gross leverage as at 31 December 2021
Leverage ratio	1.09	1.08

Other risk disclosures

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 16 of the Notes to the Financial Statements on pages 95 to 102.

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
31 March 2022

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
31 March 2022

Glossary

Alternative Performance Measure (APM)

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

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

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

Annualised return with dividends reinvested*

The annualised total return of the Company and the benchmark is their average return earned each year over a given time period, in this case over 48 months.

The inputs that have been used to calculate the annualised total return of the NAV and benchmark and outperformance of the NAV over 48 months are shown in the following table.

Annualised NAV return with dividends reinvested	Page	31 December 2021
Closing NAV per share (cents)	93	496.28
Add back dividends (cents)	92	109.85
Effect of dividend reinvestment (cents)		(12.31)
Adjusted closing NAV (cents)		593.82 (a)
NAV per share as at 31 December 2017 (cents)	93	710.17 (b)
Cumulative NAV return over 48 months (c=((a-b)/b)) (%)		-16.40 (c)
Number of months in period		48 (d)
Annualised NAV return with dividends reinvested (e=((1+c)^(12/d))-1)		-4.38% (e)
Annualised benchmark return with dividends reinvested		31 December 2021
Closing benchmark		442.22 (f)
Opening benchmark as at 31 December 2017		508.61 (g)
Cumulative benchmark return over 48 months (h=((f-g)/g)) (%)		-13.05 (h)
Annualised benchmark return with dividends reinvested (j=((1+h)^(12/d))-1)		-3.44% (j)
Annualised NAV underperformance		31 December 2021
Annualised NAV return		-4.38% (e)
Annualised benchmark return		-3.44% (j)
NAV underperformance (k=e-j)		-0.94% (k)

* Alternative Performance Measure.

Benchmark

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

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

As at 31 December 2021, the Company's NAV return with dividends reinvested was -12.5% and the net return of the benchmark index with dividends reinvested was -8.1%, therefore the Company's underperformance of the benchmark index was 4.4%.

Closed end company

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

Definition of Adjusted Capital and Reserves

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

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

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

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

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

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 2021, the share price was 461.19c (2020: 552.93c) and the audited NAV per share was 496.28c (2020: 596.42c), therefore giving a discount of 7.1% (2020: 7.3%) (please see note 9 of the Financial Statements for the audited inputs to the calculations).

* Alternative Performance Measures.

The average discount over three years, calculated using the Company's daily cum income NAV and share price was 10.7%.

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

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

Gearing and borrowings*

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

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

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

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

Net gearing calculation	Page	31 December 2021	31 December 2020	
		US\$'000	US\$'000	
Net assets	85	194,838	234,151	(a)
Borrowings	85	16,980	17,194	(b)
Total assets (a+b)		211,818	251,345	(c)
Current assets ¹	85	929	954	(d)
Current liabilities (excluding borrowings)	85	(1,258)	(999)	(e)
Net current liabilities (d+e)		(329)	(45)	(f)
Net gearing figure (g=(c-f)/a)		108.9%	107.4%	(g)

¹ Includes cash at bank.

Glossary

continued

The audited inputs for this calculation can be found in the Balance Sheet on page 85.

The Company's average gearing for the year, based on month end gearing figures calculated in accordance with AIC guidelines was 10.5%.

Leverage

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

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

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

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

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

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

NAV performance (US Dollar)	Page	31 December 2021	31 December 2020
Closing NAV per share (cents)	93	496.28	596.42
Add back quarterly dividends (cents)	92	28.80	24.76
Effect of dividend reinvestment (cents)		(3.28)	4.55
Adjusted closing NAV (cents)		521.80	625.73 (a)
Opening NAV per share (cents)	93	596.42	732.15 (b)
NAV total return (c=((a-b)/b))		(12.5)	(14.5) (c)

Share price performance (US Dollar)	Page	31 December 2021	31 December 2020
Closing share price (cents) ¹	93	461.19	552.93
Add back quarterly dividends (cents)	92	28.80	24.76
Effect of dividend reinvestment (cents)		(2.45)	5.82
Adjusted closing share price (cents)		487.54	583.51 (a)
Opening share price (cents) ¹	93	552.93	643.17 (b)
Share price total return (c=((a-b)/b))		(11.8)	(9.3) (c)

¹ Based on an exchange rate of \$1.35445 to £1 at 31 December 2021 and \$1.3669 to £1 at 31 December 2020.

Share price performance (Sterling)	Page	31 December 2021	31 December 2020
Closing share price (pence)	92	340.50	404.50
Add back quarterly dividends (pence)	93	20.90	19.24
Effect of dividend reinvestment (pence)		(1.52)	3.04
Adjusted closing share price (pence)		359.88	426.78 (a)
Opening share price (pence)	92	404.50	485.50 (b)
Share price total return (c=((a-b)/b))		(11.0)	(12.1) (c)

* Alternative Performance Measures.

Net asset value per share (Cum income NAV)

This is the value of the Company's assets attributable to one ordinary share. Cum income NAV includes all current year income, less the value of any dividends paid in respect of the period together with the value of any dividends which have been declared and marked ex dividend but not yet paid. It is calculated by dividing "total shareholders' funds" by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 31 December 2021 equity shareholders' funds were worth US\$194,838,000 and there were 39,259,620 ordinary shares in issue, the NAV was therefore 496.28 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 (excluding treasury shares).

As at 31 December 2021, equity shareholders' funds less the current year revenue return (after interim dividends paid from current year revenue) amounted to US\$191,008,000 and there were 39,259,620 ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 486.53 cents per share.

Equity shareholders' funds (excluding current period revenue of US\$191,008,000) are calculated by deducting from the Company's net assets (US\$194,838,000) its current period revenue (US\$10,247,000) and adding back the interim dividends paid from revenue (US\$6,417,000).

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 2021	31 December 2020
		US\$'000	US\$'000
Management fee	90	1,726	1,452
Other operating expenses	90	783	804
Total management fee and other operating expenses		2,509	2,256 (a)
Average daily net assets in the year		219,747	197,093 (b)
Ongoing charges (c=a/b)		1.14%	1.14% (c)

Quoted securities and unquoted securities

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

Revenue profit and revenue reserves

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

Treasury shares

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

* Alternative Performance Measures.

Glossary

continued

in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Yield*

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


	Page	31 December 2021	31 December 2020	
Quarterly dividends paid/payable (cents) ¹	93	27.56	23.06	(a)
Ordinary share price (cents) ²	92	461.9	552.93	(b)
Yield (c=a/b)		6.0%	4.2%	(c)

¹ Comprising dividends declared/paid for the 12 months to 31 December.

² Based on an exchange rate of \$1.35445 to £1 at 31 December 2021 and \$1.3669 to £1 at 31 December 2020.

* Alternative Performance Measures.





Annual general meeting



In Chile, we added to our holding in Falabella. We believe the department stores company is well placed to benefit from the gradual economic reopening and improving consumption trends.

PHOTO COURTESY OF FALABELLA

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 2022. More details may be found in note 1 on page 124 and page 8 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 2022 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 12, as ordinary resolutions and, in the case of resolutions 13 and 14, 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 54 and 55.

Ordinary business

1. To receive the report of the Directors and the financial statements for the year ended 31 December 2021, together with the report of the Auditor thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2021 (excluding the Directors' Remuneration Policy as set out on pages 60 and 61).
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 Auditor of the Company until the conclusion of the next AGM of the Company.
10. To authorise the Audit Committee to determine the Auditor's remuneration.

Special business

Ordinary resolutions

11. That the Company should continue in being as an investment trust company.
12. 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 2023 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

13. That, in substitution for all existing authorities and subject to the passing of resolution 12, 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 12 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 2023, 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.
14. 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 2023 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
31 March 2022

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notice of annual general meeting

continued

Notes:

1. At present UK Government restrictions on public gatherings are no longer in force in connection with COVID-19 and the AGM can be held in the normal way with physical attendance by shareholders. However, shareholders should be aware that it is possible that such restrictions could be reimposed prior to the date of the AGM. In such event, these restrictions could mean that the AGM is required to be held as a closed meeting as happened last year with physical attendance limited to only a small number of attendees comprising the required quorum for the meeting and those persons whose attendance is necessary for the conduct of the meeting, and that any other persons will be refused entry. Accordingly, all shareholders are recommended to vote by proxy in advance of the AGM and to appoint the Chairman of the meeting as their proxy. This will ensure that shareholders' votes will be counted even if they (or any appointed proxy) are not able to attend. All votes will be taken by poll so that all proxy votes are counted. It should be noted that the appointment of a proxy does not preclude a shareholder from attending the AGM. The Company may impose entry restrictions on persons wishing to attend the AGM (including, if required, refusing entry) to secure the orderly conduct of the AGM and the safety of the attendees. BlackRock requests that shareholders intending to attend should either be fully vaccinated or obtain a negative COVID-19 test result before entering the venue. Negative test results must be obtained no earlier than one day before entering the venue and fully vaccinated shareholders are also strongly encouraged to get tested.
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 2022 (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 2022 (being 48 hours before the time of the meeting excluding Saturdays, Sundays and Bank Holidays).
4. Proximity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to www.proximity.io. Your proxy must be lodged by 12.00 noon on 17 May 2022 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity'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 close of business two business days prior to the date fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is close of business two business days prior to the date of adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
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 2022 (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 2022 (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% 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 Auditor's report and the conduct of the audit) that are to be laid before the meeting; or
 - (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual reports and financial statements were laid in accordance with Section 437 of the Act.
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 Auditor not later than the time when it makes the statement available on that website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.
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 7 April 2022, 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 39,259,620.
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



Investment scams are designed to look like genuine investments



Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

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

2 Check the FCA Warning List

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

3 Get impartial advice

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

Report a scam

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

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

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

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

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