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# **BlackRock Latin American Investment Trust plc**

Half Yearly Financial Report 30 June 2024



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# Financial highlights

as at 30 June 2024

**489.79c**

Net asset value (NAV) per ordinary share

**-22.0%<sup>1,2</sup>**

**437.38c**

Ordinary share price

**-21.0%<sup>1,2</sup>**

**538.99**

Benchmark index<sup>2</sup>

**-15.7%<sup>1,2</sup>**

**12.86c**

Revenue profit per ordinary share

**13.52c**

Total dividends per ordinary share

**-1.7%<sup>3</sup>**

**6.5%<sup>1,4</sup>**

Dividend yield

The above financial highlights are at 30 June 2024 and percentage comparisons are against 31 December 2023. The percentage change for revenue profit per ordinary share is against six months ended 30 June 2023.

<sup>1</sup> Alternative Performance Measures, see Glossary on pages 33 to 38.

<sup>2</sup> NAV, mid-market share price and benchmark index are calculated in US Dollar terms with dividends reinvested. The Company's benchmark index is the MSCI EM Latin America Index (net return, on a US Dollar basis).

<sup>3</sup> Dividends declared in respect of the six-month period ended 30 June 2024 of 13.52 cents per share compared to dividends declared in respect of the six-month period ended 30 June 2023 of 13.75 cents per share.

<sup>4</sup> Yield calculated based on four quarterly dividends for the twelve months to 30 June 2024 of 28.59 cents per share and the share price as at 30 June 2024 of 437.38 cents.

# 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.

✓ The Board actively seeks to maintain control over the level and volatility of the discount between share price and the net asset value (NAV).

✓ As an actively managed fund our primary aims over the medium term are significant outperformance of our benchmark index (the MSCI Emerging Markets Latin America Index (net return, on a US Dollar basis)) and most of our competitors on a risk adjusted basis. Our portfolio and performance will diverge from the returns obtained simply by investing in the index.

✓ We will selectively employ gearing with the aim of enhancing returns. The Board believes that 105% of NAV is the neutral level of gearing over the longer term and that gearing should be used actively in an approximate range of plus or minus 10% around this as measured at the time that gearing is instigated.

✓ The portfolio will be chosen from a spread of companies which are listed in, or whose main activities are in, Latin America.

✓ 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.

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

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# Performance record

|   | As at<br>30 June<br>2024                          | As at<br>31 December<br>2023                    |             |
|---|---|---|-------------|
| Net assets (US\$'000) <sup>1</sup>  | 144,237   | 189,719   |             |
| Net asset value per ordinary share (US\$ cents)                             | 489.79  | 644.24  |             |
| Ordinary share price (mid-market) (US\$ cents) <sup>2</sup>                 | 437.38  | 569.84  |             |
| Ordinary share price (mid-market) (pence)                                   | 346.00  | 447.00  |             |
| Discount <sup>3</sup>   | 10.7%   | 11.5%   |             |
|   | For the<br>six months<br>ended<br>30 June<br>2024 | For the<br>year<br>ended<br>31 December<br>2023 |             |
| <b>Performance (with dividends reinvested)</b>                              |   |   |             |
| Net asset value per share (US\$ cents) <sup>3</sup>                         | -22.0%  | 37.8%   |             |
| Ordinary share price (mid-market) (US\$ cents) <sup>2,3</sup>               | -21.0%  | 35.3%   |             |
| Ordinary share price (mid-market) (pence) <sup>3</sup>                      | -20.3%  | 27.6%   |             |
| MSCI EM Latin America Index (net return, on a US Dollar basis) <sup>4</sup> | -15.7%  | 32.7%   |             |
|   | For the six<br>months ended<br>30 June 2024       | For the six<br>months ended<br>30 June 2023     | Change<br>% |
| <b>Revenue</b>  |   |   |             |
| Net profit on ordinary activities after taxation (US\$'000)                 | 3,786   | 4,494   | -15.8       |
| Revenue earnings per ordinary share (US\$ cents)                            | 12.86   | 15.26   | -15.7       |
| <b>Dividends per ordinary share (US\$ cents)</b>                            |   |   |             |
| Quarter to 31 March   | 7.39  | 6.21  | +19.0       |
| Quarter to 30 June  | 6.13  | 7.54  | -18.7       |
| <b>Total dividends payable/paid</b>   | <b>13.52</b>                                      | <b>13.75</b>                                    | <b>-1.7</b> |

## Annual performance from 1 January 2019 to 30 June 2024



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

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

<sup>2</sup> Based on an exchange rate of US\$1.26 to £1 at 30 June 2024 and US\$1.27 to £1 at 31 December 2023.

<sup>3</sup> Alternative Performance Measures, see Glossary on pages 33 to 38.

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

# Chairman's statement

# Dear Shareholder



**Carolan Dobson**  
Chairman

## Market overview

Latin American markets have underperformed both developed markets and the MSCI Emerging Markets indices over the period under review, with the MSCI EM Latin America Index net return of -15.7% in US Dollar terms, compared to a rise in the MSCI Emerging Markets EMEA Index net return of 2.9% in US Dollar terms and an increase in the MSCI World Index net return of 12.0% in US Dollar terms. All performance figures are calculated in US Dollar terms with dividends reinvested.

## Performance

Over the six months ended 30 June 2024 the Mexican peso fell circa 9%, an unusually large amount by historical standards, which contributed to the fall of 22% in the Company's net asset value per share over the same period (NAV calculations in US Dollar terms with dividends reinvested). In comparison the benchmark fell by 15.7% and the share price fell by 21.0% (all in US Dollar terms with income reinvested). The largest contributor to performance was driven by the precious metals exposure in Ecuador and in Mexico. The portfolio overweight to Colombia and off-benchmark exposure to Panama also helped relative performance. The biggest detractor to performance was the portfolio overweight in domestic Brazil, with stock selection in several interest rate sensitive sectors impacting negatively. The larger than expected Brazilian fiscal deficit reported in June put pressure on the market. Mexico, the second largest country market exposure was hit with negative market sentiment, with potentially detrimental judicial reforms being introduced by the new government, creating volatility for the Mexican financial stocks with the Mexican peso depreciating significantly as a result.

This followed the Mexican presidential landslide win in early June 2024, giving the new government unopposed law making powers.

Further information on investment performance is given 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. The Board is pleased to note that the Investment Managers have used gearing actively throughout the period with a high at 111.4% of NAV in June 2024. Average gearing for the six months ended 30 June 2024 was 107.5% of NAV (year to 31 December 2023 was 103.1% of NAV).

## Dividends declared in respect of the year to 30 June 2024

|                              | Dividend           | Pay date        |
|------------------------------|--------------------|-----------------|
| Quarter to 30 September 2023 | 7.02 cents         | 9 November 2023 |
| Quarter to 31 December 2023  | 8.05 cents         | 9 February 2024 |
| Quarter to 31 March 2024     | 7.39 cents         | 16 May 2024     |
| Quarter to 30 June 2024      | 6.13 cents         | 13 August 2024  |
| <b>Total</b>                 | <b>28.59 cents</b> |                 |

## Revenue returns and dividends

Revenue return for the six months ended 30 June 2024 was 12.86 cents per share (2023: 15.26 cents per share). The decrease of 15.7% was largely due to the reduction in dividends paid by portfolio companies. Under the Company's dividend policy dividends are calculated and paid quarterly, based on 1.25% of the US Dollar NAV at close of business on the last working day of March, June, September and December respectively. Dividends will be financed through a combination of available net income in each financial year and revenue and capital reserves.

The Company has declared interim dividends totalling 28.59 cents per share in respect of the twelve months to 30 June 2024 as detailed in the table on the previous page; this represented a yield of 6.5% (calculated based on the Company's share price of 437.38 cents per share, equivalent to the Sterling price of 346.00 pence per share translated into cents at a rate of US\$1.26 prevailing at 30 June 2024).

As at 30 June 2024, a balance of US\$5,115,000 million remained in revenue reserves. Dividends may be funded out of capital reserves to the extent that current year revenue and revenue reserves are insufficient. The Board believes that this removes pressure from the investment managers to seek a higher income yield from the underlying portfolio itself which could detract from total returns. The Board also believes the Company's dividend policy will enhance demand for the Company's shares and help to narrow the Company's discount, whilst maintaining the portfolio's ability to generate attractive total returns.

## Discount management and new discount control mechanism

The Board remains committed to taking appropriate action to ensure that the Company's shares do not trade at a significant discount to their prevailing NAV and have sought to reduce discount volatility by offering shareholders a new discount control mechanism covering the four years to 31 December 2025. This mechanism will offer shareholders a tender for 24.99% of the shares in issue excluding treasury shares (at a tender price reflecting the latest cum-income NAV less 2% and related portfolio realisation costs) in the event that the continuation vote to be put to the Company's AGM in 2026 is approved, where either of the following conditions have been met:

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

In respect of the above conditions, the Company's annualised total NAV return on a US Dollar basis for the period from 1 January 2022 to 30 June 2024 was 5.8%, underperforming the annualised benchmark return of 8.5% over the calculation period by 2.7% (equivalent to 270 basis points).

The cum-income discount of the Company's ordinary shares over the calculation period has averaged 11.0%.

For the current six month period under review the cum-income discount has ranged from 16.5% to 4.5%, ending the period under review on a discount of 10.7% at 30 June 2024.

The Company has not bought back any shares during the six month period ended 30 June 2024 and up to the date of publication of this report.

## **Outlook**

We have seen the first reduction in US interest rates, which should benefit Latin American economies. Declining interest rates throughout the region should result in better economic activity going forward and thus see a favourable environment for asset prices. While both absolute and relative performance in the first half have been disappointing, we strongly believe that investing in Latin America requires patience and an ability to maintain and add to portfolio positions when others in the market are heading for the exit. To that end, and reflecting our view of the opportunity set, it should be noted that we have increased our leverage by 10.8% since the end of 2023.

### **Carolán Dobson**

Chairman

27 September 2024

# Investment Manager's report



**Sam Vecht**



**Christoph  
Brinkmann**

## Market overview

Latin America has endured a very tough start to 2024, declining -15.5% in the first six months of the year where Brazil (-18.7%) and Mexico (-15.7%) were the primary drivers of the region's underperformance. For reference, the MSCI AC Asia Pacific ex Japan Index was up 7.2% while the MSCI Emerging Markets EMEA Index climbed 2.9% in the first six months of 2024. The region also underperformed the MSCI USA Index, which was up 14.9%, and developed market equities, as represented by the MSCI World Index, up 12.0%. All performance figures are calculated in US Dollar terms with dividends reinvested.

Strong economic data out of the US at the beginning of the year weighed on emerging markets more broadly as expectations of a Federal Reserve rate cut were pushed out. This negatively impacted sentiment, particularly in Brazil, as it raised concerns around the central bank's ability to cut rates further. In May, Brazil faced additional challenges with severe flooding that disrupted agricultural output, leading to inflation concerns. More recently, fiscal uncertainty has also put pressure on the market after a larger-than-expected fiscal deficit was reported in June.

Mexico held presidential elections in early June and welcomed their first ever female president. Claudia Sheinbaum, leader for the ruling party Morena, won a landslide ~59% of the votes in what turned out to be the highest voter turnout in Mexican (democratic) history. The outcome of the elections has created a lot of volatility for Mexican financial assets, with the peso depreciating significantly. Investors are concerned that the landslide win of president-elect Sheinbaum and the Morena party will result in reduced checks and balances for the government and detrimental judicial reforms.

Elsewhere in our universe, Argentina was the strongest performer, returning +21.4%. The market has been excited about Milei's push for economic reforms which, coupled with easing inflation pressures and rising commodity prices, has helped support the stock market. Peru was also among the best performing markets, climbing +18.1%, helped by higher copper prices.

## Performance review and positioning

The Company underperformed its benchmark over the six month period ended 30 June 2024, returning -22.0% on a total return basis in US Dollar terms. Over the same time horizon, the Company's benchmark, the MSCI EM Latin America Index, returned -15.7% on a net basis in US Dollar terms.

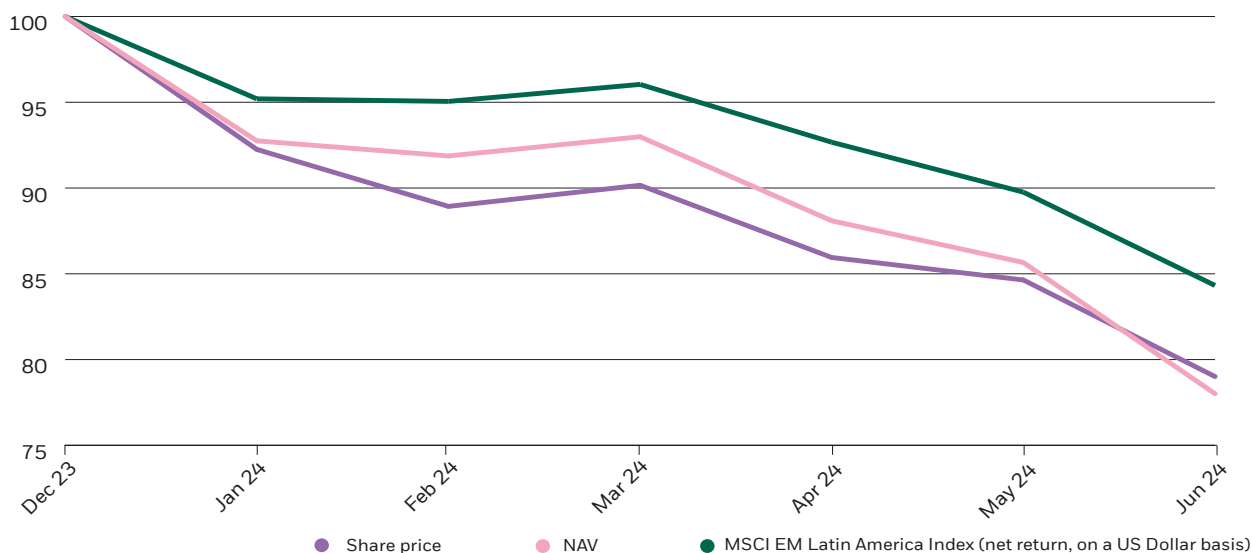
The most notable positive contributor to performance was our precious metals exposure in Ecuador and in Mexico. Our overweight to Colombia and off-benchmark exposure to Panama also helped relative performance. Our position in MAG Silver Corp, the Mexican silver miner, was the largest contributor to relative returns over the period. Another precious metals stock that helped performance was Lundin Gold, a Canadian based mining company with operations in Ecuador. Both stocks have been propelled higher by rising gold and silver prices and the former has also shown strong operational resilience, delivering first quarter of 2024 EBITDA results up +18% quarter over quarter and +6% year over year. Elsewhere, Colombian exposure through bank Bancolombia was also supportive of relative returns. So was off-benchmark exposure in Argentina through steel pipe manufacturer Tenaris. The stock rose following a fourth quarter of 2023 EBITDA beat, where results had been helped due to an increase in shipments to the Middle East and for offshore pipeline projects. Overweight in Beclé Sab De, a Mexican producer and supplier of alcoholic beverages most famously known for their high-end tequila brand Jose Cuervo, also helped returns. The company delivered strong results for the fourth quarter of 2023, beating consensus by 15%.

However, these positives were more than offset by developments in Brazil. The biggest economy in Latin America drove the majority of the underperformance on concerns surrounding the central bank's ability to cut rates, amidst US rate cut expectations being pushed out and domestic fiscal challenges.

Within Brazil, a collection of rate sensitive names detracted. The largest detractor was our overweight position in EZTEC Empreendimentos e Participacoes, a Brazilian homebuilder. The company has struggled with elevated inventory levels, but this has improved over the second quarter of 2024. While the position has detracted, it remains a high conviction position for us as the company is net cash and trades on a cheap private equity multiple. Another detractor was Brazilian retailer, Lojas Renner, as their latest earnings report surprised to the downside. Warm weather during Brazil's winter months and the flooding in Rio Grande do Sul, Renner's home state, have negatively affected sales. However, we regard both as short-term issues that do not affect the medium term outlook. Positioning in Banco Bradesco also hurt after the company reported weak loan growth paired with conservative guidance from their new CEO. While it has taken longer than expected, we continue to believe they will benefit from falling rates in Brazil and subsequently, an improvement in asset quality. Elsewhere, not owning Peruvian miner Southern Copper weighed on performance due to the increase in copper prices.

Over the period, we have increased our exposure to Mexico. We initiated a position in Beclé Sab De, the Mexican producer and supplier of alcoholic beverages, on the back of declining agave prices which should have a positive impact on the company's margins. We also initiated a position in Mexican highway operator PINFRA, which is a well-run, conservative business that trades on low multiples. Later in the period, we took advantage of the relative weakness going into and following the election result to add to Grupo Financiero Banorte as we believe the market overreacted regarding concerns around banking taxes. We reduced our exposure to convenience store operator FEMSA on concerns around labour cost pressures in Mexico and its impact on their results.

## Performance from 1 January 2024 to 30 June 2024



Sources: BlackRock and LSEG Datastream.

Performance figures are calculated in US Dollar terms, with dividends reinvested, rebased to 100 as at 1 January 2024.

Brazil is another country we have increased our exposure to, taking advantage of the meaningful underperformance of this market. We topped up our holding in retailer Lojas Renner as the management has been making proactive changes, including opening a new distribution centre which we think will help their costs and make them more competitive. We also added to our holding in Brazilian oil and gas company Petrobrás, as we believe the government is highly dependent on the company's dividends for its fiscal budget, resulting in a very attractive dividend yield.

Elsewhere, we exited Chilean pulp and paper company Empresas CMPC on the back of relative performance. Pulp prices went up on supply disruptions and we believe the overall market will become more oversupplied going forward. In Argentina, we exited steel pipe manufacturer Tenaris as our investment case has played out. We also further diversified our bets by adding to IT services company Globant.

Brazil is the largest portfolio overweight at the end of the period. Mexico is our second largest overweight. On the other hand, we remain underweight in Peru due to its political and economic uncertainty. The second largest portfolio underweight is Chile.

## Outlook

We remain optimistic about the outlook for Latin America. Central banks have been proactive in increasing interest rates to help control inflation, which has fallen significantly across the region. As such we have started to see central banks beginning to lower interest rates, which is supporting both economic activity and asset prices. In addition, the whole region is benefitting from being relatively isolated from global geopolitical conflicts. We believe that this will lead to both an increase in foreign direct investment and an increase in allocation from investors across the region.

Brazil is the highlight of this thesis, with the central bank having already cut the policy rate and economic activity improving strongly, while realised inflation remains benign. However, fiscal trends have disappointed in the first half of the year, which has led to higher inflation expectations and a sell-off in both the currency and interest rates. After carefully examining the data, we believe that the market is overreacting. The fiscal expenditure year-to-date looks artificially high because the government has decided to accelerate some of the spending that was planned over the full year into the first half of the year 2024. We therefore expect better fiscal results over the next few months. Nevertheless, the Brazilian central bank is pausing its rate cutting cycle and is instead hiking interest rates in the short term to prevent the currency from selling off further. We remain comfortable with our equity positioning because the underlying earnings trends are positive, driven by the strong economic activity.

We remain positive on the outlook for the Mexican economy as it is a key beneficiary of the friend-shoring of global supply chains. Mexico remains defensive as both fiscal and the current accounts are in order. The outcome of the presidential elections in early June has created a lot of volatility for Mexican financial assets, with the peso depreciating significantly. Investors are concerned that the landslide win of president-elect Sheinbaum and the Morena party will result in reduced checks and balances for the government. The passing of the controversial judicial reform in early September is a good example of this. We are certainly concerned about the implications of the reform for judicial independence. We have visited Mexico in the week after the election to meet with investors, business owners and political advisors. Our conclusion from that trip is that we believe the government will remain relatively pragmatic and fiscally prudent, even more so than during AMLO's (President Andrés Manuel López Obrador) term. Since the election, Sheinbaum has made an extensive effort to seek dialogue with the business community, which we see as a positive sign. We have therefore used the market correction to add to certain positions.

We continue to closely monitor the political and economic situation in Argentina, after libertarian Javier Milei unexpectedly won the presidential elections in November. Milei is facing a very difficult situation, with inflation around 270% year-on-year, foreign exchange reserves depleted and multiple economic imbalances. To further gauge sentiment on the ground, we travelled to the country in January 2024. The trip further instilled our cautious view on the economic outlook for the country, and we see no fundamental reasons as to why we would want to buy into this market now. We have become incrementally more cautious on Argentina over the past month, as the weakening of the informal exchange rate suggests that official exchange rate might be overvalued. Therefore, we see the risk of another exchange rate devaluation, which could reignite inflationary pressures.

The recent data in the United States supports our thesis that the US labour market is slowing down, which has led the Federal Reserve to reduce its monetary policy rates by 50bps in September. This should be supportive for Emerging Market carry countries, including Latin America. We maintain our view that declining interest rates throughout the region will result in better economic activity going forward and thus see a favourable environment for asset prices. While both absolute and relative performance in the first half have been disappointing, we strongly believe that investing in Latin America requires patience and an ability to maintain and add to portfolio positions when others in the market are heading for the exit. To that end, and reflecting our view of the opportunity set, it should be noted that we have increased our leverage by 10.8% since the end of 2023.

**Sam Vecht**

**and Christoph Brinkmann**

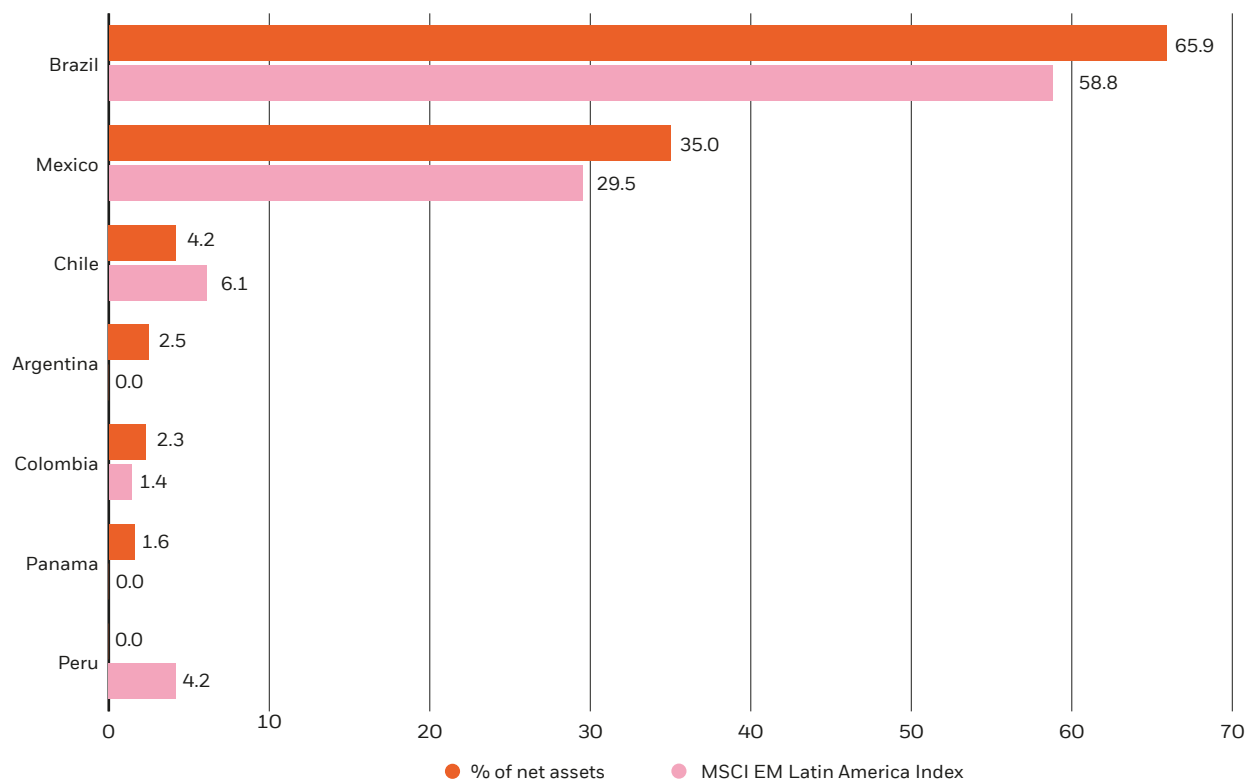
BlackRock Investment Management (UK) Limited

27 September 2024

# Portfolio analysis

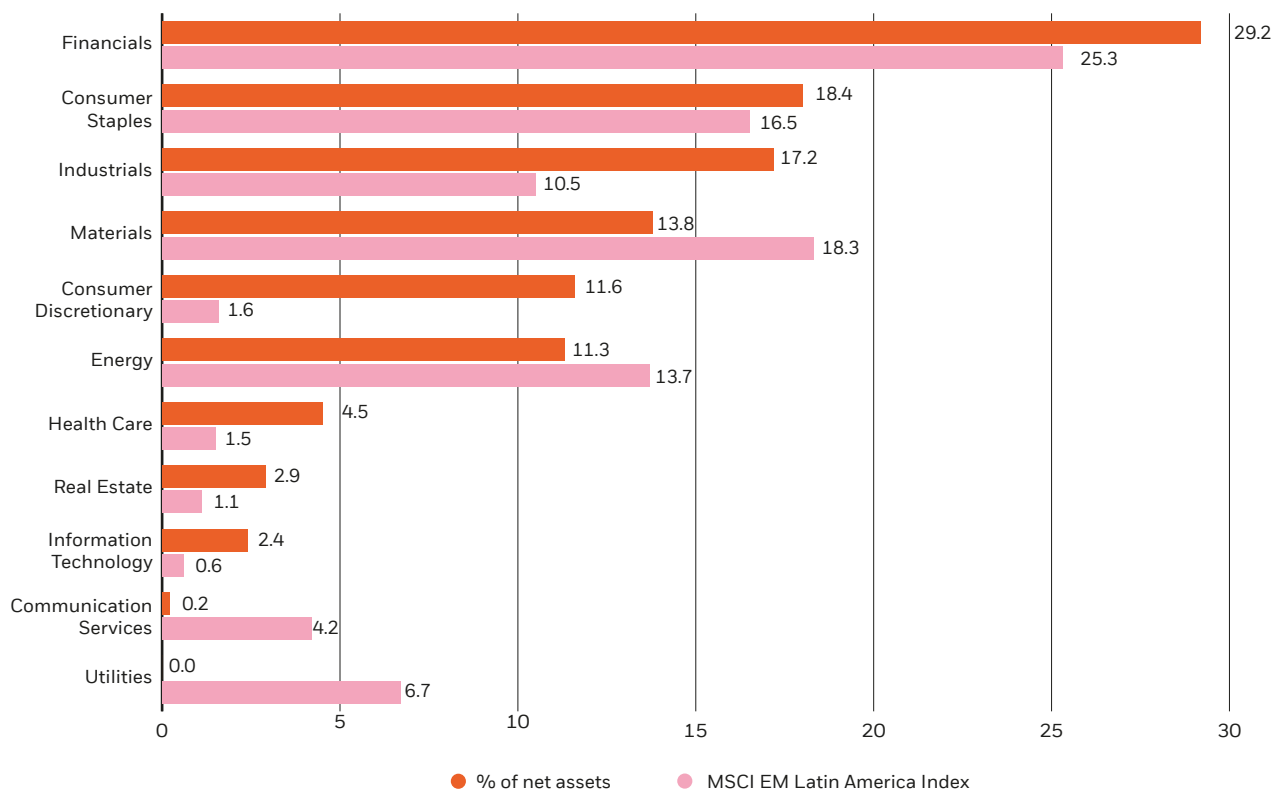
as at 30 June 2024

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



Sources: BlackRock and MSCI.

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



Sources: BlackRock and MSCI.

# Ten largest investments

as at 30 June 2024

Together, the ten largest investments represented 54.8% of total investments of the Company's portfolio as at 30 June 2024 (31 December 2023: 55.3%).

## 1 ▲ Petrobrás (2023: 2nd)

### Energy

Market value – American depositary receipt (ADR): US\$9,165,000

Market value – preference shares ADR: US\$3,803,000

Market value – ordinary shares: US\$3,310,000

Share of investments: 10.1% (2023: 8.6%)

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

## 2 ▼ Vale (2023: 1st)

### Materials

Market value – American depositary share (ADS): US\$11,882,000

Market value – ordinary shares: US\$1,460,000

Share of investments: 8.3% (2023: 9.6%)

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

## 3 ▲ Grupo Financiero Banorte (2023: 10th)

### Financials

Market value – ordinary shares: US\$11,664,000

Share of investments: 7.2% (2023: 3.1%)

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

## 4 ► Walmart de México y Centroamérica (2023: 4th)

### Consumer Staples

Market value – ordinary shares: US\$9,268,000

Share of investments: 5.8% (2023: 5.9%)

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

## 5 ▼ Banco Bradesco (2023: 3rd)

### Financials

Market value – ADR: US\$6,248,000

Market value – preference shares: US\$2,759,000

Share of investments: 5.6% (2023: 6.2%)

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

# Ten largest investments

continued

## **6 ▼ B3** (2023: 5th)

### **Financials**

**Market value – ordinary shares: US\$7,045,000**

**Share of investments: 4.4% (2023: 5.1%)**

is a stock exchange located in Brazil, providing trading services in an exchange and OTC environment. B3's scope of activities includes 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.

## **7 ▲ Grupo Aeroportuario del Pacifico** (2023: 8th)

### **Industrials**

**Market value – ADS: US\$6,635,000**

**Share of investments: 4.1% (2023: 4.0%)**

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

## **8 ▲ Itaú Unibanco** (2023: 9th)

### **Financials**

**Market value – ADR: US\$5,317,000**

**Share of investments: 3.3% (2023: 3.8%)**

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

## **9 ▲ Hapvida Participacoes** (2023: 11th)

### **Health Care**

**Market value – ADR: US\$4,914,000**

**Share of investments: 3.1% (2023: 3.0%)**

is a Brazilian holding healthcare company. The company operates with a vertical service structure and is one of the largest healthcare solutions providers in the country. The company provides medical assistance and dental care plans and their operating structure includes facilities such as hospitals, walk-in emergencies, clinics and diagnostic imaging units.

## **10 ▲ Lojas Renner** (2023: 21st)

### **Consumer Discretionary**

**Market value – ordinary shares: US\$4,602,000**

**Share of investments: 2.9% (2023: 2.0%)**

is a fashion and lifestyle company operating in Brazil, Uruguay, and Argentina. The company operates in Retail and Financial Products segments. It trades in a variety of products including clothes, sports products, shoes, accessories, perfumery, housewares, towels and linen, furniture and decoration articles.

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

The percentages in brackets represent the value of the holding as at 31 December 2023.

Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 31 December 2023.

# Portfolio of investments

as at 30 June 2024

|  | Market<br>value<br>US\$'000 | % of<br>investments |
|--|-----------------------------|---------------------|
| <b>Brazil</b>                          |                             |                     |
| Petrobrás - ADR                        | 9,165                       | 10.1                |
| Petrobrás - preference shares ADR      | 3,803                       |                     |
| Petrobrás                              | 3,310                       |                     |
| Vale - ADS                             | 11,882                      | 8.3                 |
| Vale                                   | 1,460                       |                     |
| Banco Bradesco - ADR                   | 6,248                       | 5.6                 |
| Banco Bradesco - preference shares     | 2,759                       |                     |
| B3                                     | 7,045                       | 4.4                 |
| Itaú Unibanco - ADR                    | 5,317                       | 3.3                 |
| Hapvida Participacoes                  | 4,914                       | 3.1                 |
| Lojas Renner                           | 4,602                       | 2.9                 |
| Rumo                                   | 4,315                       | 2.7                 |
| EZTEC Empreendimentos e Participacoes  | 3,742                       | 2.3                 |
| Sendas Distribuidora                   | 3,671                       | 2.3                 |
| Arezzo Industria e Comercio            | 3,253                       | 2.0                 |
| Alpargatas                             | 3,064                       | 1.9                 |
| XP                                     | 3,006                       | 1.9                 |
| IRB Brasil Resseguros                  | 2,782                       | 1.7                 |
| Vamos                                  | 2,494                       | 1.5                 |
| AmBev - ADR                            | 2,039                       | 1.5                 |
| AmBev                                  | 406                         |                     |
| CCR                                    | 2,118                       | 1.3                 |
| Grupo De Moda Soma                     | 2,027                       | 1.3                 |
| Rede D'or Sao Luiz                     | 1,582                       | 1.0                 |
|  | <b>95,004</b>               | <b>59.1</b>         |
| <b>Mexico</b>                          |                             |                     |
| Grupo Financiero Banorte               | 11,664                      | 7.2                 |
| Walmart de México y Centroamérica      | 9,268                       | 5.8                 |
| Grupo Aeroportuario del Pacifico - ADS | 6,635                       | 4.1                 |
| MAG Silver Corp                        | 4,228                       | 2.6                 |
| Fibra Uno Administracion - REIT        | 4,155                       | 2.6                 |
| Becle Sab De                           | 3,528                       | 2.2                 |
| Kimberly-Clark                         | 3,012                       | 1.9                 |
| PINFRA                                 | 2,810                       | 1.7                 |
| FEMSA - ADR                            | 2,536                       | 1.6                 |
| Grupo México                           | 2,289                       | 1.4                 |
| America Movil - ADR                    | 277                         | 0.2                 |
|  | <b>50,402</b>               | <b>31.3</b>         |

# Portfolio of investments

continued

|                                 | Market<br>value<br>US\$'000 | % of<br>investments |
|---------------------------------|-----------------------------|---------------------|
| <b>Chile</b>                    |                             |                     |
| Sociedad Química Y Minera - ADR | 4,080                       | 2.5                 |
| Cia Cervecerias Unidas          | 1,209                       | 1.3                 |
| Cia Cervecerias Unidas - ADR    | 877                         |                     |
|                                 | <b>6,166</b>                | <b>3.8</b>          |
| <b>Argentina</b>                |                             |                     |
| Globant                         | 3,558                       | 2.2                 |
|                                 | <b>3,558</b>                | <b>2.2</b>          |
| <b>Colombia</b>                 |                             |                     |
| Bancolombia                     | 3,332                       | 2.1                 |
|                                 | <b>3,332</b>                | <b>2.1</b>          |
| <b>Panama</b>                   |                             |                     |
| Copa Holdings                   | 2,355                       | 1.5                 |
|                                 | <b>2,355</b>                | <b>1.5</b>          |
| <b>Total investments</b>        | <b>160,817</b>              | <b>100.0</b>        |

All investments are in equity shares unless otherwise stated.

The total number of investments held at 30 June 2024 was 41 (31 December 2023: 39). At 30 June 2024, the Company did not hold any equity interests comprising more than 3% of any company's share capital (31 December 2023: nil).

# Interim Management Report and Responsibility Statement

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

## Principal risks and uncertainties

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

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

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 December 2023. A detailed explanation can be found on pages 42 to 47 and in note 16 on pages 98 to 106 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at [www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla).

The Board and the Investment Manager continue to monitor investment performance in line with the Company's investment objectives, and the operations of the Company and the publication of net asset values are continuing.

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

## Going concern

The Board is mindful of the risk that unforeseen or unprecedented events including (but not limited to) heightened geopolitical tensions such as the wars in Ukraine and the Middle East, their longer-term effects on the global economy, high inflation and the current cost of living crisis could have a significant impact on global markets. Notwithstanding this significant degree of uncertainty, the Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective, the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound.

## Related party disclosure and transactions with the Manager

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

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

## Directors' responsibility statement

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

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with the applicable UK Accounting Standard FRS 104 'Interim Financial Reporting'; and

# Interim Management Report and Responsibility Statement continued

- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

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

The Half Yearly Financial Report was approved by the Board on 27 September 2024 and the above responsibility statement was signed on its behalf by the Chairman.

**Carolán Dobson**

For and on behalf of the Board

27 September 2024

# Income statement

for the six months ended 30 June 2024

|   | Notes    | Six months ended<br>30 June 2024<br>(unaudited) |                 |                 | Six months ended<br>30 June 2023<br>(unaudited) |               |                | Year ended<br>31 December 2023<br>(audited) |                |                |
|---|----------|---|-----------------|-----------------|---|---------------|----------------|---|----------------|----------------|
|   |          | Revenue   | Capital         | Total           | Revenue   | Capital       | Total          | Revenue                                     | Capital        | Total          |
|   |          | US\$'000  | US\$'000        | US\$'000        | US\$'000  | US\$'000      | US\$'000       | US\$'000                                    | US\$'000       | US\$'000       |
| (Losses)/gains on investments held at fair value through profit or loss           |          | –   | (44,039)        | (44,039)        | –   | 33,031        | 33,031         | –   | 45,717         | 45,717         |
| Gains on foreign exchange   |          | –   | 46              | 46              | –   | 25            | 25             | –   | 22             | 22             |
| Income from investments held at fair value through profit or loss                 | 2        | 4,674   | –               | 4,674           | 5,503   | –             | 5,503          | 10,915                                      | –              | 10,915         |
| Other income  | 2        | 13  | –               | 13              | 21  | –             | 21             | 49  | –              | 49             |
| <b>Total income/(loss)</b>  |          | <b>4,687</b>                                    | <b>(43,993)</b> | <b>(39,306)</b> | <b>5,524</b>                                    | <b>33,056</b> | <b>38,580</b>  | <b>10,964</b>                               | <b>45,739</b>  | <b>56,703</b>  |
| <b>Expenses</b>   |          |   |                 |                 |   |               |                |   |                |                |
| Investment management fee   | 3        | (158)   | (476)           | (634)           | (161)   | (482)         | (643)          | (339)                                       | (1,019)        | (1,358)        |
| Other operating expenses  | 4        | (395)   | (4)             | (399)           | (382)   | (7)           | (389)          | (724)                                       | (19)           | (743)          |
| <b>Total operating expenses</b>   |          | <b>(553)</b>                                    | <b>(480)</b>    | <b>(1,033)</b>  | <b>(543)</b>                                    | <b>(489)</b>  | <b>(1,032)</b> | <b>(1,063)</b>                              | <b>(1,038)</b> | <b>(2,101)</b> |
| <b>Net profit/(loss) on ordinary activities before finance costs and taxation</b> |          | <b>4,134</b>                                    | <b>(44,473)</b> | <b>(40,339)</b> | <b>4,981</b>                                    | <b>32,567</b> | <b>37,548</b>  | <b>9,901</b>                                | <b>44,701</b>  | <b>54,602</b>  |
| Finance costs   |          | (83)  | (248)           | (331)           | (43)  | (128)         | (171)          | (88)  | (263)          | (351)          |
| <b>Net profit/(loss) on ordinary activities before taxation</b>                   |          | <b>4,051</b>                                    | <b>(44,721)</b> | <b>(40,670)</b> | <b>4,938</b>                                    | <b>32,439</b> | <b>37,377</b>  | <b>9,813</b>                                | <b>44,438</b>  | <b>54,251</b>  |
| Taxation charge   |          | (265)   | –               | (265)           | (444)   | –             | (444)          | (846)                                       | –              | (846)          |
| <b>Net profit/(loss) on ordinary activities after taxation</b>                    |          | <b>3,786</b>                                    | <b>(44,721)</b> | <b>(40,935)</b> | <b>4,494</b>                                    | <b>32,439</b> | <b>36,933</b>  | <b>8,967</b>                                | <b>44,438</b>  | <b>53,405</b>  |
| <b>Earnings/(loss) per ordinary share (US\$ cents)</b>                            | <b>7</b> | <b>12.86</b>                                    | <b>(151.86)</b> | <b>(139.00)</b> | <b>15.26</b>                                    | <b>110.15</b> | <b>125.41</b>  | <b>30.45</b>                                | <b>150.90</b>  | <b>181.35</b>  |

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

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

# Statement of changes in equity

for the six months ended 30 June 2024

|  | Note | Called<br>up share<br>capital<br>US\$'000 | Share<br>premium<br>account<br>US\$'000 | Capital<br>redemption<br>reserve<br>US\$'000 | Non-<br>distributable<br>reserve<br>US\$'000 | Capital<br>reserves<br>US\$'000 | Revenue<br>reserve<br>US\$'000 | Total<br>US\$'000 |
|--|------|---|---|--|--|---------------------------------|--------------------------------|-------------------|
| <b>For the six months ended 30 June 2024 (unaudited)</b> |      |   |   |  |  |                                 |                                |                   |
| At 31 December 2023                                      |      | 3,163                                     | 11,719                                  | 5,824  | 4,356  | 158,781                         | 5,876                          | 189,719           |
| Total comprehensive (loss)/income:                       |      |   |   |  |  |                                 |                                |                   |
| Net (loss)/profit for the period                         |      | –   | –                                       | –  | –  | (44,721)                        | 3,786                          | (40,935)          |
| Transactions with owners, recorded directly to equity:   |      |   |   |  |  |                                 |                                |                   |
| Dividends paid <sup>1</sup>                              | 5    | –   | –                                       | –  | –  | –                               | (4,547)                        | (4,547)           |
| <b>At 30 June 2024</b>                                   |      | <b>3,163</b>                              | <b>11,719</b>                           | <b>5,824</b>                                 | <b>4,356</b>                                 | <b>114,060</b>                  | <b>5,115</b>                   | <b>144,237</b>    |
| <b>For the six months ended 30 June 2023 (unaudited)</b> |      |   |   |  |  |                                 |                                |                   |
| At 31 December 2022                                      |      | 3,163                                     | 11,719                                  | 5,824  | 4,356  | 114,343                         | 8,706                          | 148,111           |
| Total comprehensive income:                              |      |   |   |  |  |                                 |                                |                   |
| Net profit for the period                                |      | –   | –                                       | –  | –  | 32,439                          | 4,494                          | 36,933            |
| Transactions with owners, recorded directly to equity:   |      |   |   |  |  |                                 |                                |                   |
| Dividends paid <sup>2</sup>                              | 5    | –   | –                                       | –  | –  | –                               | (7,509)                        | (7,509)           |
| <b>At 30 June 2023</b>                                   |      | <b>3,163</b>                              | <b>11,719</b>                           | <b>5,824</b>                                 | <b>4,356</b>                                 | <b>146,782</b>                  | <b>5,691</b>                   | <b>177,535</b>    |
| <b>For the year ended 31 December 2023 (audited)</b>     |      |   |   |  |  |                                 |                                |                   |
| At 31 December 2022                                      |      | 3,163                                     | 11,719                                  | 5,824  | 4,356  | 114,343                         | 8,706                          | 148,111           |
| Total comprehensive income:                              |      |   |   |  |  |                                 |                                |                   |
| Net profit for the year                                  |      | –   | –                                       | –  | –  | 44,438                          | 8,967                          | 53,405            |
| Transactions with owners, recorded directly to equity:   |      |   |   |  |  |                                 |                                |                   |
| Dividends paid <sup>3</sup>                              | 5    | –   | –                                       | –  | –  | –                               | (11,797)                       | (11,797)          |
| <b>At 31 December 2023</b>                               |      | <b>3,163</b>                              | <b>11,719</b>                           | <b>5,824</b>                                 | <b>4,356</b>                                 | <b>158,781</b>                  | <b>5,876</b>                   | <b>189,719</b>    |

<sup>1</sup> Quarterly dividend of 8.05 cents per share for the year ended 31 December 2023, declared on 2 January 2024 and paid on 9 February 2024; and quarterly dividend of 7.39 cents per share for the year ending 31 December 2024, declared on 2 April 2024 and paid on 16 May 2024.

<sup>2</sup> Quarterly dividend of 6.29 cents per share for the year ended 31 December 2022, declared on 3 January 2023 and paid on 8 February 2023; special dividend of 13.00 cents per share for the year ended 31 December 2022, declared on 3 January 2023 and paid on 8 February 2023; and quarterly dividend of 6.21 cents per share for the year ending 31 December 2023, declared on 3 April 2023 and paid on 16 May 2023.

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

For information on the Company's distributable reserves, please refer to note 9 on page 27.

The notes on pages 23 to 30 form part of these financial statements.

# Balance sheet

as at 30 June 2024

|   | Notes    | 30 June<br>2024<br>(unaudited)<br>US\$'000 | 30 June<br>2023<br>(unaudited)<br>US\$'000 | 31 December<br>2023<br>(audited)<br>US\$'000 |
|---|----------|--|--|--|
| <b>Fixed assets</b>   |          |  |  |  |
| Investments held at fair value through profit or loss           |          | 160,817                                    | 172,973                                    | 190,875                                      |
| <b>Current assets</b>   |          |  |  |  |
| Debtors   |          | 1,336                                      | 1,671                                      | 2,135  |
| Cash and cash equivalents                                       |          | 1,886                                      | 4,076                                      | 274  |
| <b>Total current assets</b>                                     |          | <b>3,222</b>                               | <b>5,747</b>                               | <b>2,409</b>                                 |
| <b>Creditors – amounts falling due within one year</b>          |          |  |  |  |
| Bank overdraft  |          | (18,560)                                   | –  | (2,658)                                      |
| Other creditors   |          | (1,218)                                    | (1,161)                                    | (883)  |
| <b>Total current liabilities</b>                                |          | <b>(19,778)</b>                            | <b>(1,161)</b>                             | <b>(3,541)</b>                               |
| <b>Net current (liabilities)/assets</b>                         |          | <b>(16,556)</b>                            | <b>4,586</b>                               | <b>(1,132)</b>                               |
| <b>Total assets less current liabilities</b>                    |          | <b>144,261</b>                             | <b>177,559</b>                             | <b>189,743</b>                               |
| <b>Creditors – amounts falling due after more than one year</b> |          |  |  |  |
| Non-equity redeemable shares                                    | 6        | (24)                                       | (24)                                       | (24)   |
|   |          | <b>(24)</b>                                | <b>(24)</b>                                | <b>(24)</b>                                  |
| <b>Net assets</b>   |          | <b>144,237</b>                             | <b>177,535</b>                             | <b>189,719</b>                               |
| <b>Capital and reserves</b>                                     |          |  |  |  |
| Called up share capital   | 8        | 3,163                                      | 3,163                                      | 3,163  |
| Share premium account   |          | 11,719                                     | 11,719                                     | 11,719                                       |
| Capital redemption reserve                                      |          | 5,824                                      | 5,824                                      | 5,824  |
| Non-distributable reserve                                       |          | 4,356                                      | 4,356                                      | 4,356  |
| Capital reserves  |          | 114,060                                    | 146,782                                    | 158,781                                      |
| Revenue reserve   |          | 5,115                                      | 5,691                                      | 5,876  |
| <b>Total shareholders' funds</b>                                | <b>7</b> | <b>144,237</b>                             | <b>177,535</b>                             | <b>189,719</b>                               |
| <b>Net asset value per ordinary share (US\$ cents)</b>          | <b>7</b> | <b>489.79</b>                              | <b>602.86</b>                              | <b>644.24</b>                                |

The financial statements on pages 19 to 30 were approved and authorised for issue by the Board of Directors on 27 September 2024 and signed on its behalf by Carolan Dobson, Chairman.

BlackRock Latin American Investment Trust plc

Registered in England, No. 02479975

The notes on pages 23 to 30 form part of these financial statements.

# Statement of cash flows

for the six months ended 30 June 2024

|   | Six months<br>ended<br>30 June<br>2024<br>(unaudited)<br>US\$'000 | Six months<br>ended<br>30 June<br>2023<br>(unaudited)<br>US\$'000 | Year<br>ended<br>31 December<br>2023<br>(audited)<br>US\$'000 |
|---|---|---|---|
| <b>Operating activities</b>   |   |   |   |
| Net (loss)/profit on ordinary activities before taxation                | (40,670)  | 37,377  | 54,251  |
| Add back finance costs  | 331   | 171   | 351   |
| Losses/(gains) on investments held at fair value through profit or loss | 44,039  | (33,031)  | (45,717)  |
| Gains on foreign exchange   | (46)  | (25)  | (22)  |
| Sales of investments held at fair value through profit or loss          | 47,126  | 65,988  | 114,570   |
| Purchase of investments held at fair value through profit or loss       | (61,107)  | (47,848)  | (101,634)   |
| Decrease/(increase) in other debtors                                    | 799   | (93)  | (569)   |
| Increase/(decrease) in other creditors                                  | 335   | 207   | (71)  |
| Taxation on investment income   | (265)   | (444)   | (846)   |
| <b>Net cash (used in)/generated from operating activities</b>           | <b>(9,458)</b>  | <b>22,302</b>   | <b>20,313</b>   |
| <b>Financing activities</b>   |   |   |   |
| Interest paid   | (331)   | (171)   | (351)   |
| Dividends paid  | (4,547)   | (7,509)   | (11,797)  |
| <b>Net cash used in financing activities</b>                            | <b>(4,878)</b>  | <b>(7,680)</b>  | <b>(12,148)</b>   |
| <b>(Decrease)/increase in cash and cash equivalents</b>                 | <b>(14,336)</b>   | <b>14,622</b>   | <b>8,165</b>  |
| Cash and cash equivalents at the beginning of the period/year           | (2,384)   | (10,571)  | (10,571)  |
| Effect of foreign exchange rate changes                                 | 46  | 25  | 22  |
| <b>Cash and cash equivalents at the end of the period/year</b>          | <b>(16,674)</b>   | <b>4,076</b>  | <b>(2,384)</b>  |
| <b>Comprised of:</b>  |   |   |   |
| Cash at bank  | 1,886   | 4,076   | 274   |
| Bank overdraft  | (18,560)  | —   | (2,658)   |
|   | <b>(16,674)</b>   | <b>4,076</b>  | <b>(2,384)</b>  |

The notes on pages 23 to 30 form part of these financial statements.

# Notes to the financial statements

for the six months ended 30 June 2024

## 1. Principal activity and basis of preparation

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

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

The accounting policies and estimation techniques applied for the condensed set of financial statements are as set out in the Company's Annual Report and Financial Statements for the year ended 31 December 2023.

At 30 June 2024 the Company had net surplus management expenses of US\$nil (30 June 2023: US\$868,000; 31 December 2023: US\$ nil) and a non-trade loan relationship deficit of US\$2,131,000 (30 June 2023: US\$1,606,000; 31 December 2023: US\$1,883,000). A deferred tax asset was not recognised in the period ended 30 June 2024 or in the year ended 31 December 2023 as it was unlikely that there would be sufficient future taxable profits to utilise these expenses.

## 2. Income

|                                | Six months<br>ended<br>30 June<br>2024<br>(unaudited)<br>US\$'000 | Six months<br>ended<br>30 June<br>2023<br>(unaudited)<br>US\$'000 | Year<br>ended<br>31 December<br>2023<br>(audited)<br>US\$'000 |
|--------------------------------|---|---|---|
| <b>Investment income:</b>      |   |   |   |
| Overseas dividends             | 4,464   | 5,261   | 10,339  |
| Overseas REIT distributions    | 198   | 212   | 416   |
| Overseas special dividends     | 12  | 30  | 160   |
| <b>Total investment income</b> | <b>4,674</b>  | <b>5,503</b>  | <b>10,915</b>   |
| <b>Other income:</b>           |   |   |   |
| Deposit interest               | 13  | 21  | 47  |
| Interest from Cash Fund        | –   | –   | 2   |
|                                | <b>13</b>   | <b>21</b>   | <b>49</b>   |
| <b>Total income</b>            | <b>4,687</b>  | <b>5,524</b>  | <b>10,964</b>   |

Dividends and interest received in cash during the period amounted to US\$5,267,000 and US\$13,000 (six months ended 30 June 2023: US\$5,058,000 and US\$21,000; year ended 31 December 2023: US\$9,671,000 and US\$49,000).

There were no special dividends recognised in capital in the period (six months ended 30 June 2023: US\$nil; year ended 31 December 2023: US\$nil).

# Notes to the financial statements

continued

## 3. Investment management fee

|                                  | Six months ended<br>30 June 2024<br>(unaudited) |          |          | Six months ended<br>30 June 2023<br>(unaudited) |          |          | Year ended<br>31 December 2023<br>(audited) |          |          |
|----------------------------------|---|----------|----------|---|----------|----------|---|----------|----------|
|                                  | Revenue   | Capital  | Total    | Revenue   | Capital  | Total    | Revenue                                     | Capital  | Total    |
|                                  | US\$'000  | US\$'000 | US\$'000 | US\$'000  | US\$'000 | US\$'000 | US\$'000                                    | US\$'000 | US\$'000 |
| <b>Investment management fee</b> | 158   | 476      | 634      | 161   | 482      | 643      | 339   | 1,019    | 1,358    |

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.

## 4. Other operating expenses

|  | Six months ended<br>30 June<br>2024<br>(unaudited)<br>US\$'000 | Six months ended<br>30 June<br>2023<br>(unaudited)<br>US\$'000 | Year ended<br>31 December<br>2023<br>(audited)<br>US\$'000 |
|--|--|--|--|
| <b>Allocated to revenue:</b>                   |  |  |  |
| Custody fee                                    | 17   | 15   | 33   |
| Depository fees <sup>1</sup>                   | 8  | 7  | 16   |
| Auditors' remuneration <sup>2</sup>            | 30   | 31   | 58   |
| Registrar's fees                               | 20   | 21   | 40   |
| Directors' emoluments                          | 102  | 117  | 222  |
| Marketing fees                                 | 41   | 48   | 104  |
| Postage and printing fees                      | 65   | 46   | 65   |
| AIC fees                                       | –  | –  | 2  |
| Broker fees                                    | 21   | 22   | 45   |
| Employer NI contributions                      | 11   | 16   | 27   |
| FCA fees                                       | 5  | 6  | 10   |
| Write back of prior year expenses <sup>3</sup> | –  | (6)  | (6)  |
| Other administration costs                     | 75   | 59   | 108  |
|  | <b>395</b>   | <b>382</b>   | <b>724</b>   |
| <b>Allocated to capital:</b>                   |  |  |  |
| Custody transaction charges <sup>4</sup>       | 4  | 7  | 19   |
|  | <b>399</b>   | <b>389</b>   | <b>743</b>   |

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

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

<sup>3</sup> No expenses have been written back during the six month period ended 30 June 2024 (six months ended 30 June 2023: AIC fees and miscellaneous fees; year ended 31 December 2023: AIC fees and other administration costs).

<sup>4</sup> For the six month period ended 30 June 2024, expenses of US\$4,000 (six months ended 30 June 2023: US\$7,000; year ended 31 December 2023: US\$19,000) were charged to the capital account of the Income Statement. These relate to transaction costs charged by the custodian on sale and purchase trades.

The direct transaction costs incurred on the acquisition of investments amounted to US\$54,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: US\$51,000; year ended 31 December 2023: US\$97,000). Costs relating to the disposal of investments amounted to US\$41,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: US\$83,000; year ended 31 December 2023: US\$125,000). All transaction costs have been included within the capital reserves.

## 5. Dividend

The Company's cum-income US Dollar NAV at 31 March 2024 was 591.29 cents per share, and the Directors declared a first quarterly interim dividend of 7.39 cents per share. The dividend was paid on 16 May 2024 to holders of ordinary shares on the register at the close of business on 12 April 2024.

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

Dividends on equity shares paid during the period were:

|   | Six months<br>ended<br>30 June<br>2024<br>(unaudited)<br>US\$'000 | Six months<br>ended<br>30 June<br>2023<br>(unaudited)<br>US\$'000 | Year<br>ended<br>31 December<br>2023<br>(audited)<br>US\$'000 |
|---|---|---|---|
| Quarter to 31 December 2022 – dividend of 6.29 cents  | –   | 1,852   | 1,852   |
| Year to 31 December 2022 – dividend of 13.00 cents    | –   | 3,828   | 3,828   |
| Quarter to 31 March 2023 – dividend of 6.21 cents     | –   | 1,829   | 1,829   |
| Quarter to 30 June 2023 – dividend of 7.54 cents      | –   | –   | 2,221   |
| Quarter to 30 September 2023 – dividend of 7.02 cents | –   | –   | 2,067   |
| Quarter to 31 December 2023 – dividend of 8.05 cents  | 2,371   | –   | –   |
| Quarter to 31 March 2024 – dividend of 7.39 cents     | 2,176   | –   | –   |
|   | <b>4,547</b>  | <b>7,509</b>  | <b>11,797</b>   |

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

|                              | As at<br>30 June<br>2024<br>(unaudited)<br>US\$'000 | As at<br>30 June<br>2023<br>(unaudited)<br>US\$'000 | As at<br>31 December<br>2023<br>(audited)<br>US\$'000 |
|------------------------------|---|---|---|
| Non-equity redeemable shares | 24  | 24  | 24  |

The redeemable shares of £1 each carry the right to receive a fixed dividend at the rate of 0.1% per annum on the nominal amount thereof. They are capable of being redeemed by the Company at any time and confer no rights to receive notice of, attend or vote at general meetings except where the rights of holders are to be varied or abrogated. On a winding up, the capital paid up on such shares ranks pari passu with, and in proportion to, any amounts of capital paid to the holders of ordinary shares, but does not confer any further right to participate in the surplus assets of the Company.

# Notes to the financial statements

continued

## 7. (Loss)/earnings and net asset value per ordinary share

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

|  | Six months ended<br>30 June<br>2024<br>(unaudited) | Six months ended<br>30 June<br>2023<br>(unaudited) | Year ended<br>31 December<br>2023<br>(audited)      |
|--|--|--|---|
| Net revenue profit attributable to ordinary shareholders (US\$'000)  | 3,786  | 4,494  | 8,967   |
| Net capital (loss)/profit attributable to ordinary shareholders (US\$'000)   | (44,721)   | 32,439   | 44,438  |
| <b>Total (loss)/profit attributable to ordinary shareholders (US\$'000)</b>  | <b>(40,935)</b>                                    | <b>36,933</b>                                      | <b>53,405</b>                                       |
| <b>Total shareholders' funds (US\$'000)</b>  | <b>144,237</b>                                     | <b>177,535</b>                                     | <b>189,719</b>                                      |
| <b>Earnings per share</b>  |  |  |   |
| The weighted average number of ordinary shares in issue during the period on which the earnings per ordinary share was calculated was:     | 29,448,641   | 29,448,641   | 29,448,641  |
| The actual number of ordinary shares in issue at the end of the period on which the net asset value per ordinary share was calculated was: | 29,448,641   | 29,448,641   | 29,448,641  |
| Revenue earnings per share (US\$ cents) – basic and diluted  | 12.86  | 15.26  | 30.45   |
| Capital (loss)/earnings per share (US\$ cents) – basic and diluted   | (151.86)   | 110.15   | 150.90  |
| <b>Total (loss)/earnings per share (US\$ cents) – basic and diluted</b>  | <b>(139.00)</b>                                    | <b>125.41</b>                                      | <b>181.35</b>                                       |
|  | <b>As at<br/>30 June<br/>2024<br/>(unaudited)</b>  | <b>As at<br/>30 June<br/>2023<br/>(unaudited)</b>  | <b>As at<br/>31 December<br/>2023<br/>(audited)</b> |
| Net asset value per ordinary share (US\$ cents)  | 489.79   | 602.86   | 644.24  |
| Ordinary share price (mid-market) (US\$ cents) <sup>1</sup>  | 437.38   | 513.63   | 569.84  |

<sup>1</sup> Based on an exchange rate of US\$1.26 to £1 (30 June 2023: US\$1.27; 31 December 2023: US\$1.27).

There were no dilutive securities at 30 June 2024 (30 June 2023: nil; 31 December 2023: nil).

## 8. Called up share capital

| (unaudited)  | Ordinary<br>shares<br>number | Treasury<br>shares<br>number | Total<br>shares<br>number | Nominal<br>value<br>US\$'000 |
|--|------------------------------|------------------------------|---------------------------|------------------------------|
| <b>Allotted, called up and fully paid share capital comprised:</b> |                              |                              |                           |                              |
| <b>Ordinary shares of 10 cents each:</b>                           |                              |                              |                           |                              |
| <b>At 31 December 2023</b>   | <b>29,448,641</b>            | <b>2,181,662</b>             | <b>31,630,303</b>         | <b>3,163</b>                 |
| <b>At 30 June 2024</b>   | <b>29,448,641</b>            | <b>2,181,662</b>             | <b>31,630,303</b>         | <b>3,163</b>                 |

During the six months ended 30 June 2024, no ordinary shares were repurchased (six months ended 30 June 2023: nil; year ended 31 December 2023: nil).

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

## 9. Reserves

The share premium 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 such as dividends. In accordance with the Company's Articles of Association, capital reserve and the revenue reserve may be distributed by way of dividend. The loss on the capital reserve arising on the revaluation of investments of US\$23,534,000 (30 June 2023: gain of US\$24,454,000; 31 December 2023: gain of US\$28,638,000) is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The investments are subject to financial risks, as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

## 10. Financial risks and valuation of financial instruments

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The risks are substantially consistent with those disclosed in the previous annual financial statements with the exception of those outlined below.

### Market risk arising from price risk

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

### Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash and cash equivalents and overdrafts). Section 34 of FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note on pages 90 and 91 of the Annual Report and Financial Statements for the year ended 31 December 2023.

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

The fair value hierarchy has the following levels:

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

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

#### Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

# Notes to the financial statements

continued

## 10. Financial risks and valuation of financial instruments continued

### Level 3 - Valuation techniques using significant unobservable inputs

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

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

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

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability, including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in measurement of Level 3 assets or liabilities.

### Fair values of financial assets and financial liabilities

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

| Financial assets at fair value through profit or loss at 30 June 2024<br>(unaudited)      | Level 1<br>US\$'000 | Level 2<br>US\$'000 | Level 3<br>US\$'000 | Total<br>US\$'000 |
|---|---------------------|---------------------|---------------------|-------------------|
| Equity investments  | 160,817             | –                   | –                   | 160,817           |
| <b>Total</b>  | <b>160,817</b>      | <b>–</b>            | <b>–</b>            | <b>160,817</b>    |
| Financial assets at fair value through profit or loss at 30 June 2023<br>(unaudited)      | Level 1<br>US\$'000 | Level 2<br>US\$'000 | Level 3<br>US\$'000 | Total<br>US\$'000 |
| Equity investments  | 172,973             | –                   | –                   | 172,973           |
| <b>Total</b>  | <b>172,973</b>      | <b>–</b>            | <b>–</b>            | <b>172,973</b>    |
| Financial assets at fair value through profit or loss at 31 December<br>2023<br>(audited) | Level 1<br>US\$'000 | Level 2<br>US\$'000 | Level 3<br>US\$'000 | Total<br>US\$'000 |
| Equity investments  | 190,875             | –                   | –                   | 190,875           |
| <b>Total</b>  | <b>190,875</b>      | <b>–</b>            | <b>–</b>            | <b>190,875</b>    |

The Company held no Level 3 securities as at 30 June 2024 (30 June 2023: none; 31 December 2023: none).

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 business risks, including climate change risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

## 11. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)).

Further details of the investment management contract are disclosed on page 51 of the Directors' Report in the Company's Annual Report and Financial Statements for the year ended 31 December 2023.

The investment management fee is levied quarterly, based on 0.80% per annum of the net asset value. The investment management fee due for the six months ended 30 June 2024 amounted to US\$634,000 (six months ended 30 June 2023: US\$643,000; year ended 31 December 2023: US\$1,358,000). At the period end, an amount of US\$634,000 was outstanding in respect of these fees (30 June 2023: US\$643,000; 31 December 2023: US\$383,000).

In addition to the above services BIM (UK) has provided the Company with marketing services. The total fees paid or payable for these services for the period ended 30 June 2024 amounted to US\$41,000 excluding VAT (six months ended 30 June 2023: US\$48,000; year ended 31 December 2023: US\$104,000). At the period end, an amount of US\$128,000 was outstanding in respect of these fees (30 June 2023: US\$128,000; 31 December 2023: US\$86,000).

During the period, the Manager pays the amounts due to the Directors. These fees are then reimbursed by the Company for the amounts paid on its behalf. As at 30 June 2024, an amount of US\$214,000 (30 June 2023: US\$227,000; 31 December 2023: US\$213,000) was payable to the Manager in respect of Directors' fees.

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

## 12. Related party disclosure

### Directors' emoluments

The Board consists of four non-executive Directors, all of whom are considered to be independent of the Manager by the Board. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £52,800, the Chairman of the Audit Committee receives an annual fee of £40,600, the Senior Independent Director and Chairman of the Remuneration Committee receives an annual fee of £38,100 and each of the other Directors receives an annual fee of £36,100.

At the period end members of the Board held ordinary shares in the Company as set out below:

|                           | As at<br>30 June<br>2024<br>Ordinary<br>shares | As at<br>30 June<br>2023<br>Ordinary<br>shares | As at<br>31 December<br>2023<br>Ordinary<br>shares |
|---------------------------|--|--|--|
| Carolán Dobson (Chairman) | 6,842  | 4,792  | 4,792  |
| Craig Cleland             | 12,000   | 12,000   | 12,000   |
| Laurie Meister            | 2,915  | 2,915  | 2,915  |
| Nigel Webber              | 5,000  | 5,000  | 5,000  |

# Notes to the financial statements

continued

## 12. Related party disclosure continued

### Significant holdings

The following investors are:

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

|                        | 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. |
|------------------------|---|--|--|
| As at 30 June 2024     | 1.0   | 22.2   | 1  |
| As at 30 June 2023     | 1.2   | 21.2   | 1  |
| As at 31 December 2023 | 1.0   | 21.6   | 1  |

## 13. Contingent liabilities

There were no contingent liabilities at 30 June 2024 (30 June 2023: none; 31 December 2023: none).

## 14. Publication of non statutory accounts

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 30 June 2024 and 30 June 2023 has not been audited or reviewed by the Company's auditor.

The information for the year ended 31 December 2023 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditor in those financial statements contained no qualification or statement under Sections 498(2) or (3) of the Companies Act 2006.

## 15. Annual results

The Board expects to announce the annual results for the year ending 31 December 2024 in March 2025. Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or by email at [cosec@blackrock.com](mailto:cosec@blackrock.com). The Annual Report and Financial Statements should be available by mid-March 2025, with the Annual General Meeting being held in May 2025.

# Directors, management and other service providers

## Directors

Carolyn Dobson (Chairman)  
Craig Cleland (Chairman of the Audit Committee)  
Laurie Meister  
Nigel Webber

## Registered Office

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

## Alternative Investment Fund Manager

BlackRock Fund Managers Limited<sup>1,2</sup>  
12 Throgmorton Avenue  
London EC2N 2DL  
Telephone: 020 7743 3000

## Investment Manager and Secretary

BlackRock Investment Management (UK) Limited<sup>1,3</sup>  
12 Throgmorton Avenue  
London EC2N 2DL  
Telephone: 020 7743 3000  
Email: [cosec@blackrock.com](mailto:cosec@blackrock.com)

## Auditor

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

## Depository, Custodian and Banker

The Bank of New York Mellon (International) Limited<sup>1</sup>  
160 Queen Victoria Street  
London EC4V 4LA

## Stockbroker

Cavendish Securities plc<sup>1</sup>  
6-8 Tokenhouse Yard  
London EC2R 7AS

## Solicitors

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

## Registrar

Computershare Investor Services PLC<sup>1</sup>  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
Telephone: 0370 707 1112

<sup>1</sup> Authorised and regulated by the Financial Conduct Authority.

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

<sup>3</sup> BIM (UK) Limited has delegated certain of its responsibilities and functions, including its discretionary management of the Company's portfolio, to the US based equity income investments' team who are employed by BlackRock Investment Management LLC (BIM LLC), a limited liability company incorporated in Delaware which is regulated by the US Securities and Exchange Commission. The registered address of BIM LLC is 100 Bellevue Parkway, Wilmington, Delaware 19809, USA.

# Shareholder information

## Contact information

General enquiries about the Company should be directed to:

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

## Website

[www.blackrock.com/uk/brla](http://www.blackrock.com/uk/brla)

## Shareholder enquiries

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

Computershare's website address is [investorcentre.co.uk](http://investorcentre.co.uk). Alternatively, please contact the registrar on 0370 707 1112.

Changes of name or address must be notified in writing either through Computershare's website, or sent to:

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

## Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio is £500. 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 continues to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

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

## Results

Full year announced in March/April.

Half year announced in September.

## Annual general meeting

May.

# Glossary

## Alternative Performance Measure (APM)

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

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

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

## 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 | 30 June 2024 |     |
|--|------|--------------|-----|
| Closing NAV per share (cents)  | 26   | 489.79       |     |
| Add back dividends (cents)   | 25   | 121.11       |     |
| Effect of dividend reinvestment (cents)  |      | (14.14)      |     |
| Adjusted closing NAV (cents)   |      | 596.76       | (a) |
| NAV per share as at 30 June 2020 (cents)   |      | 445.97       | (b) |
| Cumulative NAV return over 48 months ( $c = ((a - b)/b)$ ) (%)                       |      | 33.80        | (c) |
| Number of months in period   |      | 48           | (d) |
| Annualised NAV return with dividends reinvested ( $e = ((1 + c)^{(12/d))} - 1$ ) (%) |      | 7.55         | (e) |

| Annualised benchmark return with dividends reinvested                                      | 30 June 2024 |     |
|--|--------------|-----|
| Closing benchmark  | 538.99       | (f) |
| Opening benchmark as at 30 June 2020   | 361.53       | (g) |
| Cumulative benchmark return over 48 months ( $h = ((f - g)/g)$ ) (%)                       | 49.09        | (h) |
| Annualised benchmark return with dividends reinvested ( $j = ((1 + h)^{(12/d))} - 1$ ) (%) | 10.50        | (j) |

| Annualised NAV underperformance          | 30 June 2024 |     |
|--|--------------|-----|
| Annualised NAV return (%)                | 7.55         | (e) |
| Annualised benchmark return (%)          | 10.50        | (j) |
| NAV underperformance ( $k = e - j$ ) (%) | (2.95)       | (k) |

## Benchmark

The Company's benchmark index, used for performance comparative purposes is the MSCI EM Latin America Index (net return, on a US Dollar basis) 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 30 June 2024, the Company's NAV return in US Dollar terms with dividends reinvested was -22.0% and the net return of the benchmark index with dividends reinvested was -15.7%, therefore the Company's underperformance of the benchmark index for the period was 6.3%.

\* Alternative Performance Measure.

# Glossary

continued

## Closed-end company

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

## Definition of Adjusted Capital and Reserves

As noted on page 34 of the Annual Report and Financial Statements, the Company's Articles limit borrowing to 100% of Adjusted Capital and Reserves. Adjusted Capital and Reserves is defined for these purposes as follows:

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

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

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

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

## Discount and premium\*

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

As at 30 June 2024, the share price was 437.38c (30 June 2023: 513.63c; 31 December 2023: 569.84c) and the NAV per share was 489.79c (30 June 2023: 602.86c; 31 December 2023: 644.24c), giving a discount of 10.7% (30 June 2023: 14.8%; 31 December 2023: 11.5%) (please see note 7 of the financial statements on page 26 for the inputs to the calculation).

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 | 30 June<br>2024<br>(unaudited)<br>US\$'000 | 30 June<br>2023<br>(unaudited)<br>US\$'000 | 31 December<br>2023<br>(audited)<br>US\$'000 |            |
|---|------|--|--|--|------------|
| Net assets                                      | 21   | 144,237                                    | 177,535                                    | 189,719                                      | (a)        |
| Borrowings                                      | 21   | 18,560                                     | –  | 2,658  | (b)        |
| Total assets (a + b)                            |      | 162,797                                    | 177,535                                    | 192,377                                      | (c)        |
| Current assets <sup>1</sup>                     | 21   | 3,222                                      | 5,747                                      | 2,409  | (d)        |
| Current liabilities (excluding borrowings)      | 21   | (1,218)                                    | (1,161)                                    | (883)  | (e)        |
| Cash and cash equivalents (d + e)               |      | 2,004                                      | 4,586                                      | 1,526  | (f)        |
| <b>Net gearing figure (g = (c - f) / a) (%)</b> |      | <b>111.5</b>                               | <b>nil</b>                                 | <b>100.6</b>                                 | <b>(g)</b> |

<sup>1</sup> Includes cash at bank.

The inputs for this calculation can be found in the Balance Sheet on page 21.

The Company's average gearing for the period, based on month end gearing figures calculated in accordance with AIC guidelines, was 7.5%.

\* Alternative Performance Measure.

# Glossary

continued

## Leverage

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

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

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

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

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

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

| NAV performance (US Dollar)                   | Page | Six months to<br>30 June<br>2024<br>(unaudited) | Six months to<br>30 June<br>2023<br>(unaudited) | Year ended<br>31 December<br>2023<br>(audited) |
|---|------|---|---|--|
| Closing NAV per share (cents)                 | 26   | 489.79  | 602.86  | 644.24   |
| Add back interim and final dividends (cents)  | 25   | 15.44   | 25.50   | 40.06  |
| Effect of dividend reinvestment (cents)       |      | (2.65)  | 4.12  | 8.92   |
| Adjusted closing NAV (cents)                  |      | 502.58  | 632.48  | 693.22 (a)                                     |
| Opening NAV per share (cents)                 | 26   | 644.24  | 502.95  | 502.95 (b)                                     |
| <b>NAV total return (c = ((a - b)/b)) (%)</b> |      | <b>(22.0)</b>                                   | <b>25.8</b>                                     | <b>37.8 (c)</b>                                |

| Share price performance (US Dollar)                   | Page | Six months to<br>30 June<br>2024<br>(unaudited) | Six months to<br>30 June<br>2023<br>(unaudited) | Year ended<br>31 December<br>2023<br>(audited) |
|---|------|---|---|--|
| Closing share price (cents) <sup>1</sup>              | 26   | 437.38  | 513.63  | 569.84   |
| Add back quarterly dividends (cents)                  | 25   | 15.44   | 25.50   | 40.06  |
| Effect of dividend reinvestment (cents)               |      | (2.61)  | 2.61  | 8.36   |
| Adjusted closing share price (cents)                  |      | 450.21  | 541.74  | 618.26 (a)                                     |
| Opening share price (cents) <sup>1</sup>              | 26   | 569.84  | 457.10  | 457.10 (b)                                     |
| <b>Share price total return (c = ((a - b)/b)) (%)</b> |      | <b>(21.0)</b>                                   | <b>18.5</b>                                     | <b>35.3 (c)</b>                                |

<sup>1</sup> Based on an exchange rate of US\$1.26 to £1 at 30 June 2024 (30 June 2023: US\$1.27; 31 December 2023: US\$1.27).

\* Alternative Performance Measure.

| Share price performance (Sterling)                    | Page | Six months to<br>30 June<br>2024<br>(unaudited) | Six months to<br>30 June<br>2023<br>(unaudited) | Year ended<br>31 December<br>2023<br>(audited) |
|---|------|---|---|--|
| Closing share price (pence)                           | 26   | 346.00  | 404.00  | 447.00   |
| Add back quarterly dividends (pence)                  | 25   | 12.30   | 20.58   | 32.20  |
| Effect of dividend reinvestment (pence)               |      | (2.09)  | 1.27  | 5.63   |
| Adjusted closing share price (pence)                  |      | 356.21  | 425.85  | 484.83 (a)                                     |
| Opening share price (pence)                           | 26   | 447.00  | 380.00  | 380.00 (b)                                     |
| <b>Share price total return (c = ((a - b)/b)) (%)</b> |      | <b>(20.3)</b>                                   | <b>12.1</b>                                     | <b>27.6 (c)</b>                                |

### 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 30 June 2024 equity shareholders' funds were worth US\$144,237,000 (30 June 2023: US\$177,535,000; 31 December 2023: US\$189,719,000) and there were 29,448,641 (30 June 2023: 29,448,641; 31 December 2023: 29,448,641) ordinary shares in issue; therefore, the NAV was 489.79 cents per share (30 June 2023: 602.86c; 31 December 2023: 644.24c) (please see note 7 of the notes to the financial statements for the inputs to the calculation).

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

### 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 30 June 2024, equity shareholders' funds less the current year revenue return (after interim dividends paid from current year revenue) amounted to US\$142,627,000 (30 June 2023: US\$174,870,000; 31 December 2023: US\$186,868,000) and there were 29,448,641 (30 June 2023: 29,448,641; 31 December 2023: 29,448,641) ordinary shares in issue (excluding treasury shares); therefore, the capital only NAV was 484.32 cents per share (30 June 2023: 593.81c; 31 December 2023: 634.56c).

Equity shareholders' funds (excluding current period revenue) of US\$142,627,000 (30 June 2023: US\$174,870,000; 31 December 2023: US\$186,868,000) are calculated by deducting from the Company's net assets US\$144,237,000 (30 June 2023: US\$177,535,000; 31 December 2023: US\$189,719,000) its current period revenue US\$3,786,000 (30 June 2023: US\$4,494,000; 31 December 2023: US\$8,967,000) and adding back the interim dividends paid from revenue US\$2,176,000 (30 June 2023: US\$1,829,000; 31 December 2023: US\$6,116,000).

### 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. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management fees.

As recommended by the AIC in its guidance, ongoing charges are the Company's management fee and all other operating

\* Alternative Performance Measure.

# Glossary

continued

expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

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

| Ongoing charges calculation                       | Page | 31 December<br>2023<br>US\$'000<br>(audited) | 31 December<br>2022<br>US\$'000<br>(audited) |            |
|---|------|--|--|------------|
| Management fee                                    | 24   | 1,358  | 1,332  |            |
| Other operating expenses                          | 24   | 730  | 632  |            |
| Total management fee and other operating expenses |      | 2,088  | 1,964  | (a)        |
| Average daily net assets in the year              |      | 163,209                                      | 173,086                                      | (b)        |
| <b>Ongoing charges (c = a/b) (%)</b>              |      | <b>1.28</b>                                  | <b>1.13</b>                                  | <b>(c)</b> |

## Quoted securities and unquoted securities

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

## Treasury shares

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

## Total dividends and yield\*

Total dividends represent total quarterly and final dividends declared by the Company for a particular year. The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from the total return.

|   | Page | As at<br>30 June<br>2024<br>(unaudited) | As at<br>30 June<br>2023<br>(unaudited) | As at<br>31 December<br>2023<br>(audited) |            |
|---|------|---|---|---|------------|
| Quarterly dividends paid/payable (cents) <sup>1</sup> | 20   | 28.59                                   | 39.12                                   | 28.82                                     | (a)        |
| Ordinary share price (cents)                          | 26   | 437.38                                  | 513.63                                  | 569.84                                    | (b)        |
| <b>Yield (c = a/b) (%)</b>                            |      | <b>6.5</b>                              | <b>7.6</b>                              | <b>5.1</b>                                | <b>(c)</b> |

<sup>1</sup> Comprising dividends declared/paid for the twelve months to 30 June and 31 December.

\* Alternative Performance Measure.

# 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](http://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](http://www.actionfraud.police.uk)

Find out more at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

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

SGN001



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