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BLACKROCK LATIN AMERICAN INVESTMENT TRUST PLC (BRLA)

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BlackRock Latin American Investment Trust Plc - Portfolio Update
 BlackRock Latin American Investment Trust Plc - Disclosure of Portfolio Holdings
 BlackRock Latin American Investment Trust Plc - Result of AGM

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BlackRock Latin American Investment Trust Plc - Portfolio Update

06/20/2023 | 04:13am EDT



The information contained in this release was correct as at 31 May 2023. Information on the Company's up to date net asset values can be found on the London Stock Exchange Website at

<https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>

BLACKROCK LATIN AMERICAN INVESTMENT TRUST PLC (LEI - UK90G5Q0CYUDFGRX4151)

All information is at **31 May 2023** and unaudited.

Performance at month end with net income reinvested

	One month	Three months	One year	Three years	Five years
	%	%	%	%	%
Sterling:					
Net asset value [^]	6.5	6.9	4.4	52.1	18.3
Share price	6.6	2.7	-7.3	45.9	22.8
MSCI EM Latin America (Net Return) ^{^^}	0.5	0.3	-2.2	48.0	17.4
US Dollars:					
Net asset value [^]	5.0	9.4	2.8	52.6	10.2
Share price	5.1	5.2	-8.8	46.4	14.5
MSCI EM Latin America (Net Return) ^{^^}	-0.9	2.7	-3.8	48.4	9.3

[^]cum income

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

Sources: BlackRock, Standard & Poor's Micropal

At month end

Net asset value - capital only:	426.42p
Net asset value - including income:	431.49p
Share price:	371.00p
Total assets#:	£127.5m
Discount (share price to cum income NAV):	14.0%
Average discount* over the month – cum income:	14.0%
Net gearing at month end**:	0.3%

World Europe America Asia

S&P 500	4394	-0.34%
DOW JONES	34122	-0.52%
NASDAQ 100	15072	-0.08%
TSX COMP	19773	-0.81%
FTSE 100	7569	-0.25%
DAX	16111	-0.55%
CAC 40	7294	-0.27%
EURO STOXX 50	4343	-0.44%
MSCI CHINA	62	-2.09%
TOPIX	2284	-0.29%
MSCI EMERGING	1012	-1.11%
MSCI WORLD	2943	-0.40%

After hours (Indicative prices)

DAX	+0.23%
FTSE 100	+0.09%
CAC 40	+0.11%

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AMAZON.COM, INC.	+0.52%
VOLKSWAGEN AG	-1.47%
WALT DISNEY COMPANY (T...)	-1.43%
ADOBE INC.	-2.19%
INTEL CORPORATION	-3.59%
ALIBABA GROUP HOLDING...	-4.69%

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SIGNATURE BANK	+0.37%
PAYPAL HOLDINGS, INC.	+3.75%
TESLA, INC.	+3.59%
WYNN RESORTS, LIMITED	+2.78%
DEVON ENERGY CORPOR...	-4.64%
ENPHASE ENERGY, INC.	-6.09%
SVB FINANCIAL GROUP	-7.35%
SOLAREDGE TECHNOLOG...	-7.77%
FIRST REPUBLIC BANK	-9.47%

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Rankings Nasdaq 100

Gearing range (as a % of net assets):	U-25%
Net yield##:	8.3%
Ordinary shares in issue(excluding 2,181,662 shares held in treasury):	29,448,641
Ongoing charges***:	1.1%

#Total assets include current year revenue.

##The yield of 8.3% is calculated based on total dividends declared in the last 12 months as at the date of this announcement as set out below (totalling 37.32 cents per share) and using a share price of 459.82 US cents per share (equivalent to the sterling price of 371.00 pence per share translated in to US cents at the rate prevailing at 31 May 2023 of \$1.2395 dollars to £1.00).

2022 Q2 Interim dividend of 5.74 cents per share (paid on 12 August 2022).

2022 Q3 Interim dividend of 6.08 cents per share (paid on 9 November 2022).

2023 Q4 Interim dividend of 6.29 cents per share plus a Special Dividend of 13.00 cents per share (paid on 12 January 2023).

2023 Q1 Interim dividend of 6.21 cents per share (Paid on 16 May 2023)

*The discount is calculated using the cum income NAV (expressed in sterling terms).

**Net cash/net gearing is calculated using debt at par, less cash and cash equivalents and fixed interest investments as a percentage of net assets.

*** The Company's ongoing charges are calculated as a percentage of average daily net assets and using the management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items for the year ended 31 December 2022.

Geographic Exposure	% of Total Assets	% of Equity Portfolio *	MSCI EM Latin America Index
Brazil	60.5	60.6	59.0
Mexico	25.8	25.7	31.0
Chile	5.6	5.6	6.1
Argentina	4.1	4.1	0.0
Colombia	2.4	2.4	1.0
Panama	1.6	1.6	0.0
Peru	0.0	0.0	2.9
Net current Assets(inc. fixed interest)	0.0	0.0	0.0
	----	----	----
Total	100.0	100.0	100.0
	=====	=====	=====

^Total assets for the purposes of these calculations exclude bank overdrafts, and the net current assets figure shown in the table above therefore excludes bank overdrafts equivalent to 0.4% of the Company's net asset value.

Sector	% of Equity Portfolio*	% of Benchmark*
Financials	26.2	25.3
Materials	17.5	19.8
Consumer Staples	14.1	16.8
Energy	12.3	10.6
Industrials	11.7	8.9
Consumer Discretionary	5.3	2.0
Health Care	4.1	1.9
Real Estate	3.7	0.8
Communication Services	2.7	7.0
Information Technology	2.4	0.5
Utilities	0.0	6.4
	----	----
Total	100.0	100.0
	=====	=====

*excluding net current assets & fixed interest

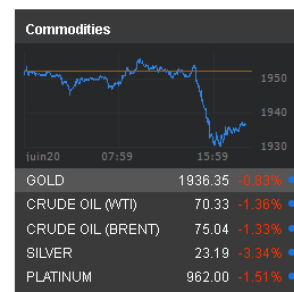
Company	Countr y of Risk	% of Equity Portfolio	% of Benchmark
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Petrobrás – ADR:	Brazil		
Equity		7.8	3.9
Preference Shares		1.5	4.4
Banco Bradesco – ADR:	Brazil		
Equity		4.9	0.7
Preference Shares		1.7	2.9
Grupo Financiero Banorte	Mexico	6.2	3.7
Vale – ADS	Brazil	5.6	8.6
FEMSA - ADR	Mexico	5.4	3.5
B3	Brazil	4.8	2.9
AmBev – ADR	Brazil	3.5	2.4
Itaú Unibanco – ADR	Brazil	3.4	4.5
Gerdau – Preference shares	Brazil	3.2	1.0
Grupo Aeroportuario del Pacifico - ADS	Mexico	3.1	1.0

Commenting on the markets, Sam Vecht and Christoph Brinkmann, representing the Investment Manager noted;

The Company's NAV was up 6.5% in May, outperforming the benchmark, MSCI EM Latin America Index which returned 0.5% on a net basis over the same period. All performance figures are in sterling terms with dividends reinvested.¹

In Latin America, Argentina and Brazil outperformed in May (USD +3.8%/m/m and +0.6% m/m respectively), while the rest of the region was down, Colombia (USD -6.7%/m/m), Mexico (USD -2.6%/m/m) and Chile (USD -3.3%/m/m).

From a country perspective, Brazil has been the key contributor to performance. We have been overweight domestic, interest-rate sensitive stocks in Brazil since the start of the year and this position has finally paid off in May. There has been a material shift in sentiment in the Brazilian market after the fiscal outlook improved and inflation undershot expectations for several months. This has led investors to move forward their expectations for the start of the easing cycle in Brazil, which shifted the yield curve down and supported asset prices.

Separately, our underweight and stock positioning in Mexico and Peru also helped relative returns. There were no detractors from country positioning, we saw positive relative returns in all country positions.

From a single name perspective, Hapvida, a Brazilian health care service provider, has been the best performer. The stock sold off sharply in March as the market focused on 4Q23 results, but since then the balance sheet has been recapitalized and the company decided to raise prices more significantly, which should improve margins going forward. We had added to this position during the sell-off in March. Low-income homebuilder MRV and investment management platform XP also performed very well as their earnings outlook is sensitive to lower interest rates (as lower rates make housing more affordable in the case of MRV and lead to flows from fixed income to equities in the case of XP). Our underweight position in Vale, a Brazilian iron ore miner, continued to help relative returns, as iron ore prices declined on the back of disappointing commodity demand in China. Globant, a software company based in Argentina, performed strongly after reporting stronger revenue growth than most global peers.

On the other side, our overweight in Brazilian supermarket chain, Assai, has continued to underperform as food retail sales were below expectations in April/May. Tenaris, the off-benchmark steel pipe manufacturer in Argentina, underperformed as it's been trading down together with the weakness in the oil price. Banorte, a leading Mexican bank, detracted as the market is anticipating an end to the rate hiking cycle in Mexico. Chilean brewer CCU, weighed on returns post weak Q1 earnings results reported in May.

Considering the very strong performance of domestic Brazilian assets during May, we have started to trim our positions in Brazil, as a result our exposure to Brazil has been reduced. We added to our position in Globant, taking advantage of the underperformance as an opportunity to add to our position. We reduced our position in Braskem after the stock spiked on the back of a buyout offer and we trimmed our position in Cemex, a cement supplier in Mexico, to reduce our exposure to US cyclicality. We also initiated positions in two names in May, Mag Silver, a silver miner operating in Mexico, which is ramping up its key asset this year and recently reached commercial production. In addition, we initiated a position in [Ecopetrol](#), an oil and gas company in Colombia, where the government has committed to pay outstanding receivables that the government owes the company.

Our largest overweight is in Argentina as we hold two off-benchmark names. While we have reduced the weight in Brazil, by taking profit in several names, it remains the second largest overweight. We are most underweight Mexico and Peru.

Outlook

In Brazil, domestic activity has slowed down materially as monetary policy is very restrictive. Inflation has already declined significantly to 3.94% in May, which means that the policy rate can likely be lowered from the current high level of 13.75% over the next six months. The government's fiscal framework is more orthodox versus market expectations, which helps to reduce uncertainty regarding the fiscal outlook and is key for the central bank to start reducing rates. A reduction in interest rates is the most important support for both the economy and the equity market.

Mexico remains defensive as both fiscal and the current account are in order however, concerns remain on how the market will behave if the US goes into a recession. Banxico has raised their interest rates to 11% and with inflation receding to 6%, they can stay on hold there before reducing rates later in the year. High interest rates have attracted financial flows in the form of carry trades and the Mexican peso has appreci-

ated strongly year-to-date. Our lower allocation in Mexico is largely a result of locking in strong performance.

In Peru, political uncertainty and social unrest will continue to weigh on market performance. The lack of support for the government and increased fragmentation in congress represent a difficult environment to form an effective government.

The recent constitutional election in Chile has resulted in a very strong outcome for the conservative, right-wing parties, in a sign that the population has lost confidence in the policies of leftist President Boric. We believe this is positive from a market perspective, as it should result in stronger checks and balances on the government and removes the risk of a radical new constitution. However, we have not yet increased our exposure because economic activity continues to be weak due to the hangover from past years' pension withdrawals.

There have been some negative developments in Colombia in recent months. President Petro removed the majority of his cabinet including the orthodox Finance Minister, who had been the last point of trust and stability from a market perspective. We believe this is a sign that Petro will act in a more radical way going forward.

We continue to have a negative view on the Argentinian economy as the government's policies of increasing the monetary base while being unwilling to devalue the currency creates large imbalances and inflation. Our off-benchmark positions in Argentina are not exposed to the domestic economy as they generate revenues from exports globally.

¹Source: BlackRock, as of 31 May 2023.

20 June 2023

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Latest information is available by typing www.blackrock.com/uk/brla on the internet, "BLRKINDEX" on Reuters, "BLRK" on Bloomberg or "8800" on Topic 3 (ICV terminal). Neither the contents of the Manager's website nor the contents of any website accessible from hyperlinks on the Manager's website (or any other website) is incorporated into, or forms part of, this announcement.

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