

BlackRock Latin American IT

New experienced lead managers

BlackRock Latin American Investment Trust (BRLA) has two experienced new co-managers, Ed Kuczma and Sam Vecht, who are part of BlackRock's well-resourced global emerging markets equities team and were appointed to manage BRLA in December 2018, following the resignation of former lead manager Will Landers. Kuczma had worked closely with Landers for a number of years and says the transition should be smooth. The managers are constructive on the outlook for Latin American equities in 2019, following a series of headwinds in 2018, citing improving economies, attractive valuations and a more benign political environment. BRLA's board adopted a new, higher dividend policy in FY18. The trust yields 4.0% based on three interim payments during the last financial year; the total distribution should rise in FY19 based on four quarterly dividend payments.

12 months ending	Share price (%)	NAV (%)	MSCI EM Latin America (%)	FTSE All-Share (%)	MSCI World (%)
28/02/15	(0.4)	2.7	1.2	5.6	17.6
29/02/16	(22.8)	(22.3)	(22.3)	(7.3)	(0.7)
28/02/17	60.0	59.7	65.8	22.8	36.6
28/02/18	12.7	13.9	9.7	4.4	6.6
28/02/19	0.1	(1.6)	(1.4)	1.7	4.6

Source: Refinitiv. Note: All % on a total return basis in pounds sterling.

Investment strategy: Bottom-up stock selection

The managers are able to draw on the deep research resources at BlackRock to construct a portfolio of c 50 Latin American equities, aiming to generate long-term capital growth and an attractive total return. They seek companies with quality management teams, robust fundamentals and strong balance sheets that are trading at reasonable valuations. Reflecting the country's dominance and prospects within the region, the majority of the portfolio is invested in Brazil. Gearing of up to 25% of NAV is permitted (net gearing of 8.9% at end January 2019).

Market outlook: Reasons for optimism

Latin American equities faced a series of headwinds in 2018, such as presidential elections in Brazil and Mexico, a strong US dollar and weak commodity prices. Brazil has by far the largest economy in the region and is experiencing a broad-based economic recovery after emerging from recession. Latin American equity valuations are relatively attractive versus history – the 15.9% discount to world equities on a forward P/E basis is much wider than the 3.6% 10-year average, which provides support for investors considering exposure to the region.

Valuation: New, higher dividend policy

BRLA's current 14.9% discount to cum-income NAV is wider than the 14.7%, 13.8% and 12.7% average discounts over the last one, three and five years respectively. The trust has adopted a new dividend policy, paying quarterly dividends based on 1.25% of quarter-end \$ NAV, rather than semi-annual dividends based on BRLA's level of income. FY18 was a transitional year with three quarterly dividends paid totalling 23.55c per share, which is equivalent to a 4.0% dividend yield.

Investment trusts

5 March 2019

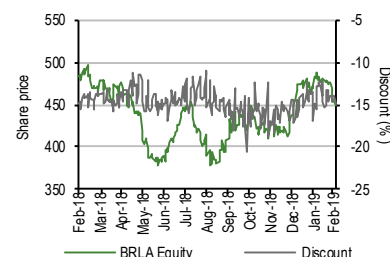
Price 449.5p
Market cap £176.5m
AUM £225.3m

NAV* 525.5p
Discount to NAV 14.5%
NAV** 528.4p
Discount to NAV 14.9%

*Excluding income. **Including income. As at 1 March 2019.

Yield (based on FY18 interim dividends) 4.0%
Ordinary shares in issue 39.3m
Code BRLA
Primary exchange LSE
AIC sector Latin America
Benchmark MSCI EM Latin America

Share price/discount performance



Three-year performance vs index



52-week high/low 498.0p 378.0p
NAV** high/low 576.4p 442.1p

**Including income.

Gearing

Net* 8.9%

*As at 31 January 2019.

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BlackRock Latin American Investment Trust is a research client of Edison Investment Research Limited

Exhibit 1: Trust at a glance

Investment objective and fund background

BlackRock Latin American Investment Trust seeks long-term capital growth and an attractive total return, primarily through investing in quoted Latin American securities. The trust was launched in 1990 and management was transferred to BlackRock on 31 March 2006 following a tender process. The managers follow a mainly bottom-up approach (taking top-down views into account) that is flexible but seeks growth at a reasonable price. The trust has an indefinite life subject to a two-yearly continuation vote. The benchmark is the MSCI Emerging Markets Latin America index.

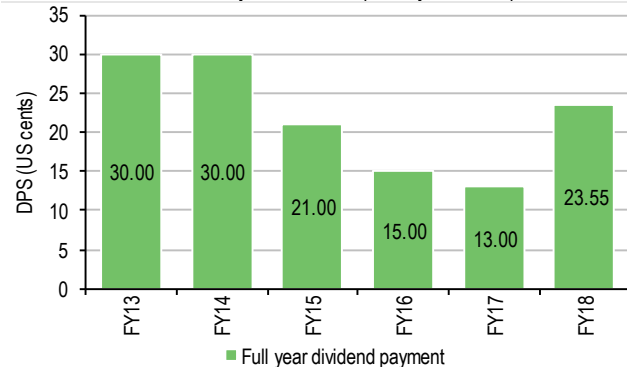
Recent developments

- 2 January 2019: announcement of third quarterly dividend of 8.13c/share.
- 24 December 2018: appointment of co-managers Ed Kuczma and Sam Vecht following the resignation of Will Landers.
- 21 December 2018: appointment of Craig Cleland as non-executive director, with effect from 1 January 2019.
- 2 October 2018: announcement of second quarterly interim dividend of 7.85c/share.

Forthcoming		Capital structure		Fund details	
AGM	May 2019	Ongoing charges	1.1% (FY17)	Group	BlackRock Fund Managers
Final results	March 2019	Net gearing	8.9%	Managers	Ed Kuczma and Sam Vecht
Year end	31 December	Annual mgmt fee	0.8% of NAV	Address	12 Throgmorton Avenue, London, EC2N 2DL
Dividend paid	Quarterly	Performance fee	None	Phone	+44 (0) 20 7743 3000
Launch date	July 1990	Trust life	Indefinite, subject to vote	Website	www.blackrock.co.uk/brla
Continuation vote	Two-yearly – next 2020 AGM	Loan facilities	Up to \$40m		

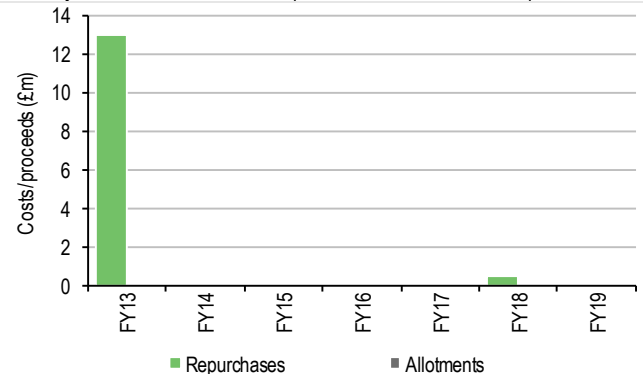
Dividend policy and history (financial years)

Starting in FY18, dividends paid quarterly, equivalent to 1.25% of quarter-end \$ NAV. FY18 was a transitional year with three quarterly dividends paid.

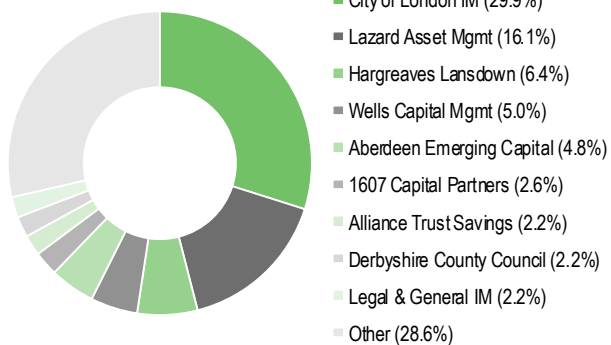


Share buyback policy and history (financial years)

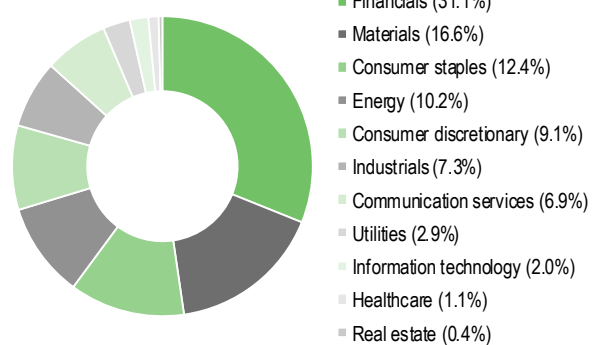
Renewed annually, BRLA is authorised both to repurchase up to 14.99% of its ordinary shares and to allot shares up to 5% of the issued share capital.



Shareholder base (as at 31 January 2019)



Portfolio exposure by sector (as at 31 January 2019)



Top 10 holdings (as at 31 January 2019)

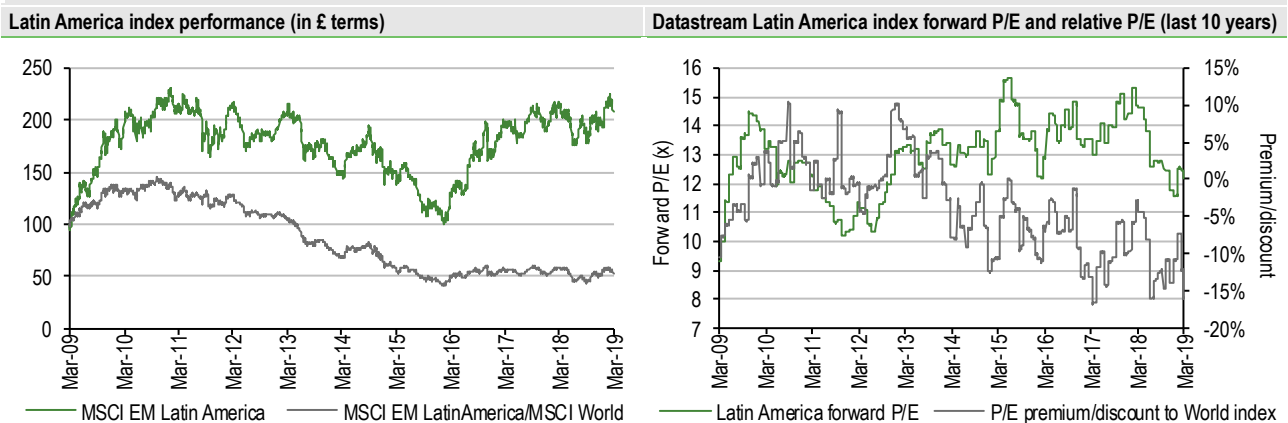
Company	Country	Sector	Portfolio weight		Benchmark weight	Active weight vs benchmark
			31 January 2019	31 January 2018*		
Petrobras	Brazil	Energy	9.6	7.3	7.7	1.9
Itaú Unibanco	Brazil	Banks	9.1	8.4	7.7	1.4
Banco Bradesco	Brazil	Banks	8.6	7.4	7.9	0.7
Vale	Brazil	Materials	6.8	7.7	5.9	0.9
America Movil	Mexico	Telecommunication services	4.7	5.4	4.0	0.7
Femsa	Mexico	Food, beverages & tobacco	3.5	3.6	2.7	0.8
Ambev	Brazil	Food, beverages & tobacco	3.5	4.8	3.4	0.1
B3**	Brazil	Diversified financial	3.3	3.2	2.7	0.6
Lojas Renner	Brazil	Department stores	3.1	N/A	1.3	1.8
Grupo Financiero Banorte	Mexico	Banks	3.1	2.7	2.2	0.9
Top 10 (% of holdings)			55.3	53.1		

Source: BlackRock Latin American Investment Trust, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-January 2018 top 10. **Formerly BM&F Bovespa.

Market outlook: More constructive backdrop

Exhibit 2 (LHS) shows the performance of Latin American equities (in sterling terms) over the last decade. They have been in a solid uptrend since early 2016 and have modestly outperformed global equities over this period, although they have significantly underperformed over the longer term. Latin American share prices were volatile in 2018 as the region faced a series of headwinds, including a strong US dollar, commodity price weakness and presidential elections in Brazil and Mexico. The prospects for Latin America look brighter for 2019, as the key Brazilian economy looks more robust, with data points indicating a broad-based recovery, and the political environment in the region is more benign. Valuations in Latin America are also supportive: equities are trading on a forward P/E multiple of 12.2x – a 15.9% discount to the world market – which is much wider than the 3.6% average discount over the last 10 years. This more constructive backdrop in 2019 may provide opportunities for investors looking to diversify their exposure away from developed markets, which are facing slower economic growth, such as in the US as the benefits of tax cuts fade and in Europe, where the German economy has slowed significantly and ongoing Brexit negotiations are affecting sentiment and business decisions.

Exhibit 2: Market performance and valuation



Source: Refinitiv, Edison Investment Research. Note: At 4 March 2019.

Fund profile: Latin American equity specialist

BRLA has been managed by BlackRock since March 2006. Its shares are quoted, in sterling, on the Main Market of the London Stock Exchange, while its financial statements are reported in US dollars and its NAV is quoted in both currencies. On 24 December 2018, BRLA announced the appointment of co-managers Ed Kuczma and Sam Vecht, with immediate effect, following the resignation of former lead manager Will Landers. Kuczma is a Latin America specialist within BlackRock's global emerging markets equities team; he joined the firm in 2015 and has more than 15 years' investment experience across all sectors and countries in the region. Vecht is a managing director in BlackRock's global emerging markets equities team. He joined Merrill Lynch Investment Managers in 2000, which merged with BlackRock in 2006, and has managed a number of UK-domiciled funds since 2004, including those investing in Latin America.

The managers aim to generate long-term capital growth and an attractive total return from a diversified portfolio of Latin American equities. There are a series of broad investment limits:

- The portfolio weightings in Brazil, Mexico, Chile, Argentina, Peru, Colombia and Venezuela are each limited to plus or minus 20pp of the benchmark MSCI Emerging Markets Latin America index weights, while for all other Latin American countries the limit is plus or minus 10pp.

- The managers may invest in quoted companies that are not incorporated in, or listed on an exchange in Latin America, but whose main activities are in the region.
- At the time of investment, up to 15% of the portfolio may be in a single company and a maximum 10% of gross assets may be invested in unquoted securities.

Derivatives can be used for efficient portfolio management (covering up to 20% of the portfolio) and currency exposure is unhedged. Gearing of up to 25% of NAV is permitted (with the board considering 5% geared a neutral position, within a range of 5% net cash to 15% geared); at end January 2019 net gearing was 8.9%.

The fund managers: Ed Kuczma and Sam Vecht

The managers' view: Optimistic outlook, especially for Brazil

Kuczma describes Brazil as the 'rock star' within Latin America and BRLA's main driver of performance. The country makes up more than 60% of the MSCI EM Latin America index and around three-quarters of the BRLA portfolio, making it the trust's largest active weight. Brazil's new president Jair Bolsonaro has a very market-friendly agenda, targeting institutional reforms such as pensions and company privatisations. He is a former military captain and the manager says that Brazil's population is drawn to his stern attitude, given the country has been blighted by corruption. Bolsonaro has hired former investment banker Paulo Guedes as his economic tsar, which is deemed positive for the market, as Guedes has liberal views on the economy and pension reform is high on his agenda. Kuczma says Brazil has experienced a couple of years of GDP contraction, so positive comparisons in 2019 should be easy as economic activity is already accelerating. He explains that there has been an improvement in consumer confidence indicators, and the widespread economic recovery is evidenced by measures such as industrial production and retail sales. The key Selic interest rate remains at a historic low of 6.5%, down from 14.25% around 18 months ago; inflation is relatively low, running at around 4% year-on-year; and the unemployment rate has peaked and is coming down. The manager explains that during the recession in Brazil, many companies undertook cost-cutting, meaning that they now have opportunities for margin expansion in a higher demand environment. Kuczma says that Brazilian GDP growth expectations of +2.5% for 2019 could prove to be too conservative, and he also notes that with interest rates so low, there is a lot of pent-up domestic demand for equities, as pension funds shift their allocations away from fixed income securities.

The manager explains that developed markets have experienced high levels of stock market volatility in recent months, driven by investor concerns including the US government shutdown, ongoing Brexit uncertainty and policy reforms in Italy and Spain. Kuczma also notes there is now more political stability in Latin America, with shifts from left to right, even in Venezuela, which are seen as market-positive changes. He suggests these two factors make it easier for global investors to look outside of developed markets. The manager adds that there has been a decade of 'US exceptionalism' in terms of total returns and while Latin America is now a smaller part of global indices, more political stability and an improving economic backdrop should warrant increased interest from investors.

Kuczma is less optimistic about the prospects for Mexico, where the presidential race saw an election win for Andrés Manuel López Obrador (AMLO), a left-wing candidate with a socialist agenda, proposing increased welfare spending; a reduction in banking fees; and higher infrastructure investment. Projects include two proposed oil refineries in AMLO's home state of Tabasco, which the manager considers to be a poor allocation of capital. Kuczma also suggests that AMLO has set unachievable financial targets, such as a 1% primary budget surplus versus GDP in 2019, and no increase in the government debt-to-GDP ratio. As a result, he believes that AMLO's finance minister 'will have a lot of apologising to do'. At the Mexican corporate level, the

manager says companies are adopting a more ‘wait and see’ approach, to gauge the impacts from AMLO’s election as president; they are hesitant to increase capex until there is a clearer picture.

Asset allocation

Investment process: Detailed, bottom-up stock selection

Kuczma and Vecht aim to generate long-term capital growth and an attractive total return from a diversified portfolio of Latin American equities. Stocks are selected on a bottom-up basis following thorough in-depth analysis. The managers seek companies with:

- a quality management team, with a good corporate governance track record and a regard for minority shareholders;
- positive fundamentals in terms of good long-term earnings growth, strong cash flow generation and a robust balance sheet; and
- an attractive valuation – trading at a discount to their assessed underlying value.

The managers are able to draw on BlackRock’s deep research resources, which include its proprietary active equity investigation of data platform. They also undertake an extensive programme of meetings with companies, their suppliers and competitors, as well as with pertinent bodies such as governments, central banks and industry regulators. BRLA invests across the market cap spectrum, although c 70% of the portfolio is held in larger-cap companies (>\$10bn). There are typically around 50 holdings and annual portfolio turnover is in a range of 40–60% (44% in 2018, mainly topping up or reducing position sizes rather than new holdings or complete disposals). Kuczma explains there are c 100 names in the MSCI EM Latin America benchmark and c 250 in BRLA’s investment universe from which to select investments. He says that following the change in lead managers, there will be more of a focus on the macro environment (led by Sam Vecht); although stock selection will continue to be on a bottom-up basis. A macroeconomist within BlackRock’s emerging markets investment team has a screening process to monitor the evolution of macro factors and the ranking of individual countries, and Kuczma believes this will provide a valuable framework for BRLA’s research process. The manager explains there are four main drivers (four Cs) to the regional economy that must be considered when constructing a portfolio of Latin American equities: commodities (neutral view – lower demand from China); consumption (positive – especially in Brazil, but even in Mexico because of higher welfare spending); currencies (positive view); and credit (positive – growth in Brazil and stabilisation in Argentina). Kuczma says he is able to use the macro framework to highlight relative value and then use the four Cs to cross-check where to allocate the portfolio risk budget.

Commenting on the change in BRLA’s lead managers, Kuczma explains the transition should be smooth as he had worked closely with former manager Landers for a number of years, and there will be continuity in terms of investment style and portfolio positioning. He already works closely with Vecht on a number of emerging market accounts. The manager notes the breadth of BlackRock’s research platform and the firm’s commitment to Latin American investments and says the trust’s board has been very supportive of the changes. While Kuczma is a bottom-up investor, Vecht has complementary skills in terms of portfolio construction (including a consideration of the macro environment), thematic investing and utilising BRLA’s gearing policy. Kuczma says that Vecht has political acumen and can bring a different perspective, while his contrarian nature can provide ‘fantastic insight’.

Current portfolio positioning

BRLA’s top 10 positions made up 55.3% of the portfolio at end-January 2019, which was a modest increase in concentration compared with 53.1% a year earlier; nine positions were common to both periods. Over the last year, in terms of geographic exposure, the largest changes are an increase in

Brazil (+5.3pp) and a complete exit from Peru (-2.6pp). The trust's largest active position is a 10.4pp overweight exposure in Brazil compared with the benchmark. While all of BRLA's Argentine exposure was sold earlier in 2018, the manager says he is now 'dipping his toe back in the water'. Recent purchases include bank Grupo Financiero Galicia, which should benefit from wider interest rate spreads and economic stabilisation in the country in terms of higher loan growth and lower non-performing assets, and utility company Pampa Energía, which offers lower-risk exposure to an improving Argentine economy and is trading at an attractive valuation.

Exhibit 3: Portfolio geographic exposure vs benchmark (% unless stated)

	Portfolio end-January 2019	Portfolio end-January 2018	Change (pp)	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
Brazil	73.1	67.8	5.3	62.7	10.4	1.2
Mexico	21.7	23.6	(1.9)	21.9	(0.2)	1.0
Chile	3.1	1.8	1.3	8.8	(5.7)	0.4
Argentina	2.1	3.9	(1.8)	0.0	2.1	N/A
Colombia	0.0	0.3	(0.3)	3.3	(3.3)	0.0
Peru	0.0	2.6	(2.6)	3.3	(3.3)	0.0
	100.0	100.0		100.0		

Source: BlackRock Latin American Investment Trust, Edison Investment Research. Note: The trust weightings exclude net current assets/liabilities and fixed interest.

There have been very modest changes to BRLA's sector exposure over the last 12 months. Its largest active weights versus the benchmark are overweight consumer discretionary (+3.9pp) and underweight financials (-3.5pp).

Exhibit 4: Portfolio sector exposure vs benchmark (% unless stated)

	Portfolio end-January 2019	Portfolio end-January 2018	Change (pp)	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
Financials	31.1	31.0	0.1	34.6	(3.5)	0.9
Materials	16.6	15.6	1.0	14.6	2.0	1.1
Consumer staples	12.4	13.7	(1.3)	14.4	(2.0)	0.9
Energy	10.2	10.1	0.1	10.4	(0.2)	1.0
Consumer discretionary	9.1	12.4	(3.3)	5.2	3.9	1.8
Industrials	7.3	5.9	1.4	6.3	1.0	1.2
Communication services	6.9	7.2	(0.3)	6.7	0.2	1.0
Utilities	2.9	1.9	1.0	5.2	(2.3)	0.6
Information technology	2.0	0.5	1.5	0.6	1.4	3.3
Healthcare	1.1	0.4	0.7	0.5	0.6	2.2
Real estate	0.4	1.3	(0.9)	1.5	(1.1)	0.3
	100.0	100.0		100.0		

Source: BlackRock Latin American Investment Trust, Edison Investment Research. Note: The trust weightings exclude net current assets/liabilities and fixed interest.

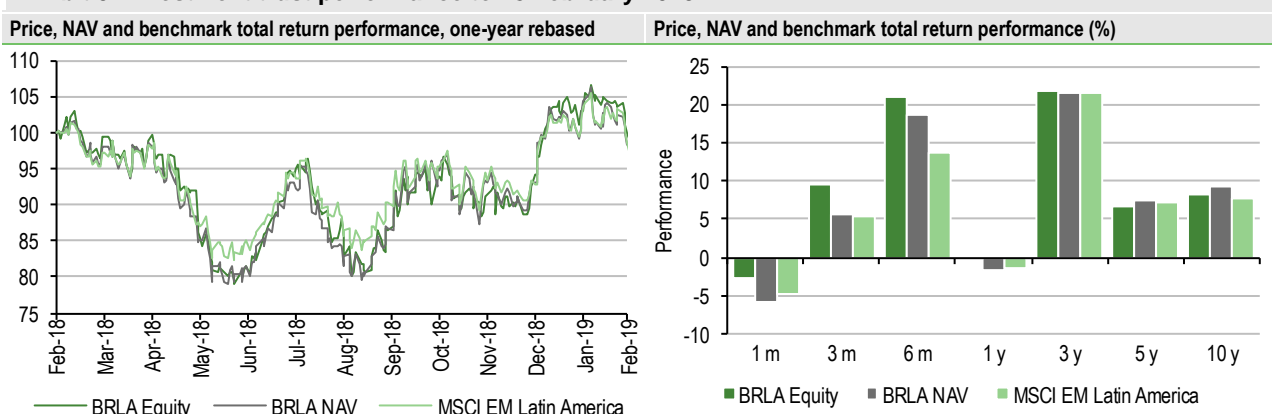
BRLA's largest holding is oil company Petrobras, which has been increased over the last 12 months as the Brazilian government's influence wanes. The company has a vast, valuable resource base and production is rising. It is improving its financial position by selling non-core assets, such as petrol stations, fuel storage facilities, pipelines and mature fields, which Kuczma believes will lead to a higher company valuation on a sum-of-the-parts basis. He says Petrobras's management team has strong capital discipline and has committed to returning cash to shareholders in the form of both dividends and share repurchases. Kuczma and Vecht have recently initiated a position in AmBev (now a top 10 holding) following a period of share price weakness. A prior position in Ambev was sold in H118, which proved to be the correct strategy: not owning the company as its share price fell made a significant contribution to the trust's performance in 2018. Lojas Renner is now one of BRLA's top 10 investments. It is the largest department store chain in Brazil, where consumption trends are strong. According to Kuczma, the company's management team has a disciplined capital allocation programme and is expanding the firm's operations with a selective rollout of stores in Argentina. BRLA's managers have taken some profits in a few of the trust's Brazilian holdings, such as ecommerce company B2W, whose shares performed well following

strong Q418 earnings but which now faces concerns about increased competition; and Banco Bradesco, which appreciated to a 2.0x price-to-book ratio.

Performance: Long-term record of outperformance

Although returns from Latin American equities may be volatile, as shown in Exhibit 5 (RHS) over the last three years, BRLA's investors have enjoyed absolute sterling total returns in excess of 20% pa. The trust's NAV and share price total returns of +21.4% pa and +21.7% pa respectively are broadly in line with the benchmark's +21.5% pa total return. BRLA's relative returns are shown in Exhibit 6; its NAV total return has outperformed the benchmark MSCI EM Latin America index over five and 10 years, while delivering a similar performance to the index over one and three years.

Exhibit 5: Investment trust performance to 28 February 2019



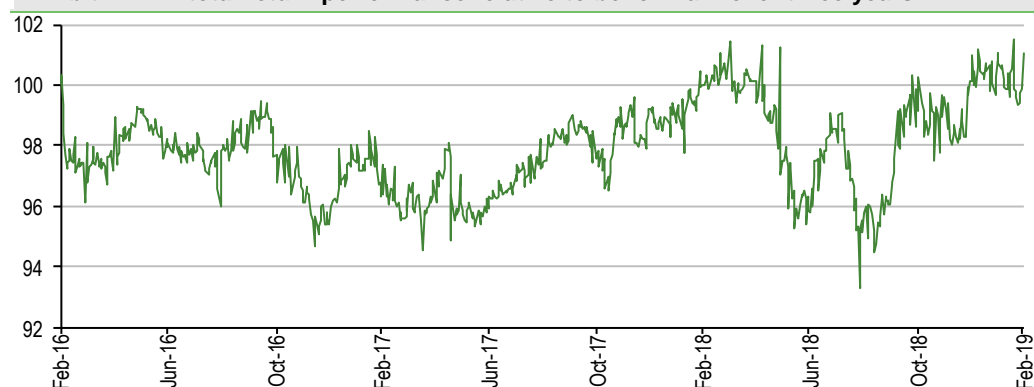
Source: Refinitiv, Edison Investment Research. Note: Three, five and 10-year performance figures annualised.

Exhibit 6: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to MSCI EM Latin America	2.1	3.8	6.3	1.6	0.7	(1.6)	6.5
NAV relative to MSCI EM Latin America	(1.2)	0.2	4.3	(0.1)	(0.1)	1.4	16.0
Price relative to FTSE All-Share	(4.9)	6.7	25.6	(1.6)	38.4	8.7	(22.6)
NAV relative to FTSE All-Share	(8.0)	3.0	23.2	(3.2)	37.3	12.0	(15.7)
Price relative to MSCI World	(4.6)	11.1	27.7	(4.3)	18.5	(22.0)	(42.3)
NAV relative to MSCI World	(7.7)	7.3	25.3	(5.9)	17.6	(19.6)	(37.1)

Source: Refinitiv, Edison Investment Research. Note: Data to end-February 2019. Geometric calculation.

Exhibit 7: NAV total return performance relative to benchmark over three years



Source: Refinitiv, Edison Investment Research

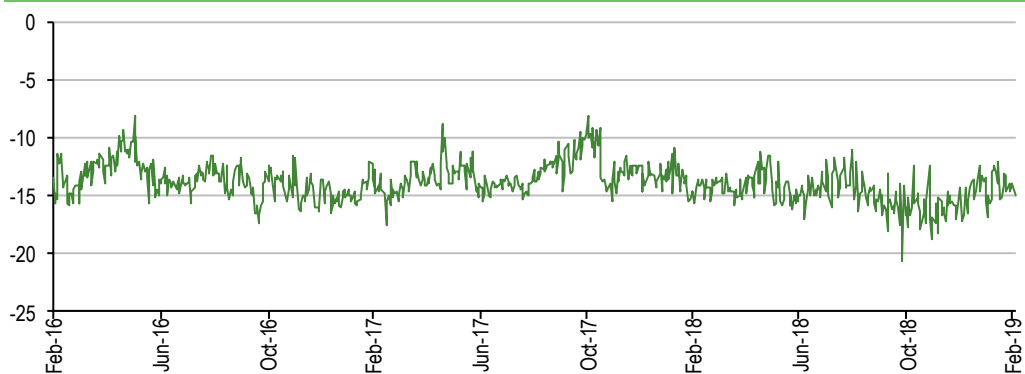
Kuczma explains that BRLA's geographic positioning was favourable in 2018, when there were two key presidential elections. The trust had an overweight exposure to Brazil ahead of its vote in October, where the election of conservative candidate Jair Bolsonaro was seen as a market-friendly outcome. BRLA was underweight Mexico ahead of its mid-year election, in which anti-establishment

candidate AMLO was victorious; this was also positive for the trust's performance. This relative positioning has continued to be beneficial so far in 2019. However, Kuczma says that BRLA's Argentine exposure was a detractor in 2018, as the macro backdrop declined rapidly, with a spike in inflation and a falling currency. The Argentine holdings were sold early in 2018, but the manager is now adding exposure to the country as both inflation and the currency have stabilised helped by a large support package from the International Monetary Fund, ahead of a presidential election in H219.

Discount: Broadly in line with historical averages

BRLA is trading at a 14.9% discount to cum-income NAV, which compares with the range of 11.0% to a 10-year high of 20.6% (in October 2018) over the last 12 months. The current discount is not dissimilar to the 14.7%, 13.8% and 12.7% average discounts over the last one, three and five years respectively. The board employs a discount control mechanism whereby a 14.99% tender is triggered (subject to passing the biennial continuation votes in 2020 and 2022) if the trust underperforms the benchmark by more than 1% pa over a four-year period (ending 31 December 2021) and the average share price discount to cum-income NAV exceeds 12% over this time.

Exhibit 8: Share price discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Capital structure and fees

BRLA is a conventional investment trust with one class of share in issue; there are 39.3m ordinary shares outstanding. The trust has an overdraft facility for up to \$40m with Bank of New York Mellon at an annual rate of Libor+1%. Gearing of up to 25% of NAV is permitted; at end January 2019, net gearing was 8.9%, which compares with the historical range of a modest net cash position to c 12% geared. With effect from 1 January 2017, BlackRock is paid an annual management fee of 0.80% of NAV (formerly 0.85% of NAV), which is charged 75% and 25% to the capital and income accounts respectively, while the performance fee has been removed. In FY17 BRLA's ongoing charge was 1.1%, which was 10bp below the 1.2% charged in FY16.

The trust is subject to a two-yearly continuation vote, with the next due at the May 2020 AGM.

Dividend policy and record

BRLA adopted a new dividend policy in FY18. Rather than paying semi-annual dividends based on the company's level of income, shareholders will receive quarterly distributions equivalent to 1.25% of quarter-end \$ NAV in February, May, August and November. Although FY18 was a transitional

year, with three quarterly dividends paid, totalling 23.55c per share, this was considerably higher than the 13.00c paid in FY17 (Exhibit 1). Distributions may be paid out of capital or income and the board believes higher dividend payments could contribute to a narrower discount. When deemed appropriate, the managers can boost portfolio income by writing options.

Based on the FY18 total dividend of 23.55c, BRLA is yielding 4.0%. However, had the new policy been in place for the whole of FY18, the March dividend would have been 9.76c, meaning a total annual distribution of 33.31c, which equates to a c 5.4% dividend yield.

Peer group comparison

BRLA is one of two trusts classified in the AIC Latin America sector, so to enable a broader comparison, in Exhibit 9 we also include a selection of open-ended funds that invest in the region. BRLA's NAV total returns are above those of the Aberdeen Latin American Income Fund over one, three and five years (although a direct comparison cannot be made as c 45% of Aberdeen Latin American Income Fund's portfolio is invested in government bonds). They are also ahead of the open-ended fund averages, ranking joint second over one year, second over three years, and first over five and 10 years. BRLA's charges are the lowest of all the funds shown, and it also offers a relatively attractive 4.0% dividend yield.

Exhibit 9: Selected peer group as at 4 March 2019*										
% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (cum-fair)	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
BlackRock Latin American	176.5	(2.0)	75.9	44.4	139.5	(15.4)	1.1	No	109	4.0
Aberdeen Latin American Income	39.5	(4.5)	65.2	28.6		(14.1)	2.0	No	112	5.2
Average	108.0	(3.2)	70.5	36.5	139.5	(14.8)	1.6		110	4.6
BRLA rank	1	1	1	1	1	2	2		2	2
Open-ended funds							TER			
Aberdeen Latin American Equity	131.7	(2.9)	83.0	38.6			1.6			0.7
Fidelity Latin America	1,078.6	(4.3)	59.2	33.2	121.7		1.9			0.6
Schroder ISF Latin American	186.9	(1.4)	66.2	27.4	80.9		1.9			2.7
Templeton Latin America	815.8	(2.0)	61.9	24.1	77.9		2.3			0.9
Threadneedle Latin America	430.7	(2.7)	57.9	16.1	80.5		1.7			1.0
Average	528.7	(2.6)	65.6	27.9	90.3		1.9			1.2

Source: Morningstar, Edison Investment Research. Note: *Performance as at 1 March 2019 based on ex-par NAV. TR = total return. TER = total expense ratio. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

There are six directors on BRLA's board, all of whom are non-executive and independent of the manager. Carolan Dobson was appointed as a director on 1 January 2016 and assumed the role of chairman on 2 March 2017. The senior independent director and chairman of the audit committee is Antonio Monteiro de Castro; who joined the board on 12 November 2007. Laurence Whitehead was appointed on 3 December 2003, Mahrukh Doctor on 17 November 2009 and Nigel Webber on 1 April 2007. Monteiro de Castro and Whitehead have announced their intention to step down prior to the end of March 2019 and the end of May 2019 respectively, and BRLA has recently appointed a new director, Craig Cleland, who joined the board on 1 January 2019. He is head of corporate development/investment trusts at CQS (UK), a specialist fund manager. Cleland is also on the board of the Invesco Perpetual Select Trust.

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