

**SHINING A LIGHT ON THE.....
BlackRock Latin American Investment Trust**

AT A GLANCE

Investment Objective	
To secure long term capital growth and an attractive total return primarily through investing in quoted securities in Latin America. The investment portfolio will be chosen from a spread of companies which are listed in, or whose main activities are in, Latin America. We will selectively employ gearing with the aim of enhancing returns.	

Inception Date	12 July 1990
Fund Factsheet Link	http://tools.morningstar.co.uk/t92wz0sj7c/cefr/report/default.aspx?SecurityToken=EOGBR01OGLY%5D21%5D0%5DFCGBR%24%24ALL

Management	
Manager Name	Start Date
Edward Kuczma	24 December 2018
Sam Vecht	24 December 2018

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	59.72%
Large	25.42%
Medium	9.28%
Small	5.58%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	49	
Assets in Top 10 Holdings	53.64%	
Name	Sector	% of Assets
Bank Bradesco SA ADR	Financial Services	8.43%
Itau Unibanco Holding SA ADR	Financial Services	8.27%
Petroleo Brasileiro SA Petrobras ADR	Energy	5.94%
Vale SA ADR	Basic Materials	5.79%
Ambev SA ADR	Consumer Defensive	4.84%
America Movil SAB de CV ADR	Communication Services	4.48%
Fomento Economico Mexicano SAB de CV ADR	Consumer Defensive	4.33%
Petroleo Brasileiro SA Petrobras ADR	Energy	4.17%
Grupo Financiero Banorte SAB de CV Class O	Financial Services	3.84%
B3 SA - Brasil Bolsa Balcao	Financial Services	3.03%

Volatility Measurements	
3-Yr Std Dev (volatility)	13.38%
3-Yr Mean Return (average)	13.03%

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FUND PERFORMANCE

Performance from 1 January 2013 to 30 September 2019:

	2013	2014	2015	2016	2017	2018	2019
BlackRock Latin American Trust	-13.84%	-4.01%	-26.60%	45.89%	22.95%	-1.00%	9.78%
iShares MSCI EM ETF	-5.82%	2.62%	-11.15%	33.56%	24.43%	-9.25%	7.80%

Performance over 12 months, 3 years, 5 years and 10 years.

	1 year	3 years	5 years	10 years
BlackRock Latin American Trust	19.57%	29.73%	25.25%	22.10%
iShares MSCI EM ETF	2.91%	22.40%	43.48%	67.28%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

The trust is a pure play on Latin America, focusing on 40 to 60 holdings where strong management teams are in place. In terms of holding periods it tends to be around 18 months to 2 years, so this is very much a tactical short-term play.

There are four plays in Latin America – commodities, currencies, consumption and credit. Commodities is a big play in the region and could be a beneficiary of the trade war as China looks to Latin America for Oil, Gas and Copper.

In terms of currencies positive interest rates provide stability. Credit is positive especially in Brazil where interest rates have dropped from 14.25% to just 6%, and in Mexico there is low loan penetration which is opening up opportunities.

Low interest rates in Brazil and subdued inflation are helping consumption, especially the shift to e-commerce. They hold one Argentinian Stock which is an e-commerce company, but the main part of the business is focused on Brazil.

Two thirds of the portfolio is invested in Brazil where they see a more liberal political regime with both political and economic reforms. Changes in the pension age will save R\$850 billion, and the shift away from politicians running companies to more business focused boards is extremely positive for companies.

Mexico is the other main holding in the fund, who they see as being a beneficiary of the trade war. The new president has promised to double the minimum wage, but this remains low. Any increase will benefit affordable luxuries.

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They have dropped back exposure to Argentina due to political risk. Reduction in rates means they have moved to holding some bond proxy stocks like Mexican Airports and Brazilian Railroads. Structure growth has seen them invest in companies like Intermedica Participacoes who sell healthcare policies and run their own hospitals.

In summary, against the broader emerging market index this fund has significantly underperformed over the long-term. The majority of the fund is skewed towards Brazil and Mexico. If there is a believe that these economies will start to perform well then now might be a time to consider investing. We would suggest that other funds are considered especially as the fund has been weak against the Latin America Index. This is also a difficult region where politics can have a significantly negative impact.

The source of information in this note has been provided by BlackRock and is correct as at October 2019. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.