Aberdeen Standard Investments

Aberdeen Latin American Income Fund Limited

A total return closed-end fund investing its portfolio in a region with high yield potential

Half Yearly Report
28 February 2019

Contents

The Company

Aberdeen Latin American Income Fund Limited (the "Company") is a Jersey-incorporated, closed-end investment company and its shares are traded on the London Stock Exchange ("LSE"). The Company is a member of the Association of Investment Companies.

Investment Objective

The investment objective of the Company is to provide Ordinary Shareholders with a total return, with an above average yield, primarily through investing in Latin American securities.

Manager

The Company is managed by Aberdeen Private Wealth Management Limited ("APWML"), which is registered with the Jersey Financial Services Commission ("JFSC") for the conduct of fund services business. The investment management of the Company has been delegated by APWML to Aberdeen Asset Managers Limited ("AAM"). APWML and AAM are both wholly-owned subsidiaries of Standard Life Aberdeen PLC ("Aberdeen"), a publicly-quoted company on the LSE. Aberdeen Standard Investments is a brand of the investment businesses of the merged entity.

References throughout this document to Aberdeen Standard Investments refer to both APWML and AAM and their responsibilities as Manager and Investment Manager to the Company.

The cover image is of The Museum of Tomorrow (Museu do Amanha), designed by Spanish architect Santiago Calatrava, in Rio de Janeiro, Brazil.

Highlights, Performance and Financial Calendar

Financial Highlights

	28 February 2019	31 August 2018	% change
Total assets (£'000)	52,716	48,825	+8.0
Equity shareholders' funds (£'000)	46,216	42,325	+9.2
Net asset value per Ordinary share	78.22p	70.34p	+11.2
Ordinary share price (mid-market)	68.20p	60.80p	+12.2
Discount to net asset value on Ordinary shares[A]	12.8%	13.6%	
Net gearing[A]	13.5%	14.2%	
Ongoing charges ratio[A]	2.00%	2.00%	

[A] Considered to be an Alternative Performance Measure as defined on pages 18 and 19.

Performance (total return[A])

	Six months ended 28 February 2019	Year ended 31 August 2018
Net asset value	+13.8%	–18.8%
Ordinary share price	+15.3%	–18.5%
Composite MSCI EM Latin American 10/40 Index/JP Morgan GBI-EM Global Diversified Index (Latin America carve out)(sterling adjusted)	+11.2%	–10.9%

[A] Considered to be an Alternative Performance Measure as defined on page 18.
Source: Aberdeen Standard Investments, Lipper and Morningstar.

Financial Calendar

29 April 2019	Announcement of Half-Yearly results for the six months ended 28 February 2019
May 2019	Half-Yearly Report posted to shareholders
17 May 2019	Payment of second interim dividend
26 July 2019	Payment of third interim dividend
31 August 2019	Year end
October 2019	Announcement of results for the year ending 31 August 2019
25 October 2019	Payment of fourth interim dividend
29 January 2020	Payment of first interim dividend

Interim Board Report – Chairman's Statement

Overview

The Company's Net Asset Value ("NAV") total return (capital return plus dividends reinvested) rose by 13.8% during the six month period ended 28 February 2019, ahead of the composite benchmark's 11.2% gain. During the period, the Ordinary shares delivered a share price total return of 15.3%.

Latin American equities and bonds performed strongly in the six months under review, despite a litany of global worries, such as prolonged trade tensions between the US and China, the US Federal Reserve's accelerated policy normalisation and concerns over a slowdown in global economic growth. The key events that shaped the performance, however, predominantly came from within the region, specifically the election outcomes and policies of the governments in Brazil and Mexico.

At the beginning of the period, the market snapped back from the aftermath of the third-quarter of 2018, when the fiscal crisis in Argentina had sent markets into a tailspin. The rebound began in Mexico, where early optimism over President Andrés Manuel López Obrador's ("AMLO") seemingly market friendly rhetoric and structural reform agenda wooed investors. Additionally, the preliminary US-Mexico-Canada trade agreement ("USMCA") boosted sentiment. In Brazil, stocks rebounded ahead of Jair Bolsonaro's win in the presidential elections in October, and maintained its upward momentum on the back of higher investor confidence in the new government's reform agenda.

Soon after, however, share prices declined and continued to fall until the period end. Mexican stocks sold-off after the AMLO government cancelled a multi-billion dollar international airport project, based on a controversial referendum. Growing concerns over the government's use of such public consultations to decide on key infrastructure projects, as well as its policy limiting the banking sector's ability to charge fees, kept investors at bay. Tightening monetary conditions brought on by the Fed's fourth rate hike in December put pressure on local currencies and hampered returns. Currency depreciation was more pronounced in Mexico, Peru, Colombia and Argentina. Mexican and Argentinian central banks were compelled to followed suit, raising their rates, while Colombia held its rate unchanged. Despite fresh austerity measures and an increased IMF bailout, Argentina struggled to get the peso and its economy back on track.

Mitigating losses were gains in Brazil, where the real bounced back and markets rallied amid sustained investor confidence in the economic and structural reform policies of the Bolsonaro government, in particular the much-watched pension reform bill that was submitted to Congress in February. Despite a devastating disaster in Minas Gerais in January that shook up the mining industry, Brazilian equities held up well, and even gained on the back of higher iron-ore prices. The spike in iron ore was due to speculation of possible supply shortages stemming from the authorities shutting down several other mining operations run by Vale, the operator involved in the disaster.

Since the beginning of 2019, markets rebounded on positive sentiment over the Fed's decision to hold fire and take a more patient approach towards further tightening. Still, headwinds prevailed from continued uncertainty about the Mexican government's increasingly interventionist policies and doubts about its commitment to push through effective reforms in the energy sector. Overall, the energy sector experienced some volatility over the period due to unstable oil prices. Brazilian state-owned oil company Petrobas, which the Manager introduced in the period, emerged a winner in this environment. However, the portfolio's relatively lower exposure to the company capped gains.

Dividends

We have declared a second interim dividend of 0.875p per Ordinary share in respect of the year to 31 August 2019 payable on 17 May 2019 to Ordinary shareholders on the register on the record date of 3 May 2019.

Board Changes

Martin Adams retired as a non-executive Director of the Company on 13 December 2018, having served on the Board since launch in 2010. The Board wishes to express their sincere thanks to Martin for his significant contribution to the Company during his tenure.

The Board regularly considers Board composition and succession planning and was delighted to welcome Heather MacCallum as a non-executive Director with effect from 24 April 2019. Heather was previously a partner of KPMG LLP and has extensive financial services and investment companies experience, and the Board looks forward to working with her.

Share Capital

During the period the Company purchased 1,090,000 Ordinary shares for cancellation at a weighted average discount of 13.0% to the prevailing NAV per share (ex income). The Board will continue to make selective use of share buybacks, subject to prevailing market conditions and where to do so would be in Shareholders' interests. Subsequent to the period end a further 330,000 Ordinary shares have been purchased for cancellation. At the date of this report, there are 58,755,324 Ordinary Shares in issue and 6,107,500 held in treasury and the Ordinary shares are trading at a discount of 12.4% to the NAV (ex income).

Gearing

The level of drawings under the Company's three year £8 million multi-currency revolving facility agreement with Scotiabank (Ireland) Designated Activity Company remained constant at £6.5 million throughout the six months under review. This represents net gearing of 13.5% at the period end. The Board will continue to monitor the level of gearing under recommendation from the Investment Manager and in the light of market conditions.

Ongoing Charges

As previously indicated, the Board is pleased to have secured agreement from the Manager to ensure that the Company's ongoing charges ratio ("OCR") will not exceed 2.0% when calculated annually as at 31 August. To the extent that the OCR exceeds 2.0% the Manager will rebate part of its fees in order to bring that ratio down to 2.0%.

Outlook

Coming into the new year, the outlook for the global economy has somewhat improved with the possibility of the US-China trade spat being resolved soon. Despite this, investors remain nervous as GDP growth forecasts have been downgraded. Acknowledging this deterioration in the global economic momentum, the Fed responded with a wait-and-see stance and markets have cheered the prospect of a suspension in rate hikes for the first half of 2019. Emerging markets stand to benefit from this, as the pressure on their central banks to defend their currencies ease.

In Latin America, regional politics continues to be a determinant of market direction. In Brazil, investors are watchful over the progress of the pension bill that was submitted to Congress. While confident that the bill will eventually pass, it is likely the original proposal will be diluted and take longer than previously expected since a Constitutional amendment, backed by a qualified majority of 60% in both the lower house and Senate is necessary. Despite brewing political scandals, investors seem encouraged by the administration's commitment towards fiscal and structural reforms. Bolsonaro's attempt to improve relations with the US might also open doors for increased bilateral trade between the two largest nations in the Americas.

Investors, however, are less enamoured with developments in Mexico. The AMLO government's "public consultation" reflects populism, which will weigh on confidence and serves to keep foreign investors aloof. The central bank shaved its growth forecast and the peso has yet to recover from oil price volatility.

Despite the short-term uncertainties, I remain optimistic about your Company's high-quality portfolio, given its resilience. I also have confidence in your Manager's ability to select investments backed by solid fundamentals and long-term growth potential that will continue to deliver robust yields.

Richard Prosser
Chairman
26 April 2019

Interim Board Report – Investment Manager's Review

Performance Commentary

Latin American equities faced increased volatility during the period under review but edged higher ahead of other emerging markets in sterling terms. On the global front, investors were more optimistic amid signs that the US-China trade spat was nearing an end, as well as continued reassurances from the US Federal Reserve that no further rate hikes were planned for the first half of the year. However, the key events that shaped the market during the six months came from within the region. Jair Bolsonaro's presidential election win in October helped the market recover on expectation that his proposed reforms agendas could boost economic health. In contrast, Mexico sold-off on increased concerns around controversial policies under the newly-elected President López Obrador. The central bank also lowered its growth forecast following fuel rationing and lower crude production.

Against this backdrop, your Company's equity portfolio advanced significantly by 16.49% in sterling terms, ahead of the benchmark MSCI Emerging Markets Latin America 10/40 Index's 13.83% gain.

The choice of holdings in Brazil and Mexico added to performance. At the stock level, the main contributor was Lojas Renner. Its robust performance benefited from the recovery in consumption and continued good execution. Software provider Linx also did well, as it revealed the launch of its payment business. Arezzo, Multiplan and Ultrapar contributed to gains as stock prices recovered from earlier weakness, on improved sentiment and positive economic outlook under the new Brazilian president. Meanwhile, not holding Mexican America Movil and Grupo Televisa was also positive for your company, as these led the market decline on disappointing results, affected by the weaker Mexican peso.

On the flip side, your portfolio's lower exposure to Petrobras was the main detractor as the Brazilian state-owned oil company performed well, driven by positive sentiment around the presidential election outcome. Mexican bank Banorte suffered on the back of concerns around potential government intervention in the banking sector, particularly on fee-income and the pension business.

In the six months under review both the regional and the broader global environment became more positive for the Latin American debt markets. Currencies broadly stabilised after the significant depreciation seen in the first half of last year. Inflation started to converge towards the central banks' inflation targets, while economic activity was weaker than expected, allowing the monetary authorities to end the rate hiking cycles and move towards a neutral stance. This policy shift was further supported by the Federal Reserve stepping back from its rate hiking policy. The recovery of the commodities markets towards the end of the review period was also helpful.

Within the region, performance varied between countries. Brazil was the outperformer, with both the currency and local bonds recording significant gains. This can largely be explained by the election of Jair Bolsonaro as president in October, and his choice of a credible and market-friendly economic team. As a result markets went from pricing in 400 basis points of rate hikes before the elections to completely pricing out any tightening, bringing down the entire yield curve. On the other side, Argentina substantially underperformed its regional peers. Despite the economic recession, fiscal consolidation and very high interest rates, inflation continued to rise throughout the review period, putting pressure on the local bond market and also the currency.

Against this backdrop, your Company's bond portfolio advanced by 8.24% in sterling terms, ahead of the benchmark JPM GBI-EM Global Diversified Latin America Index's 7.12% gain.

Portfolio Activity

During the period, we made several changes to the equity holdings within your portfolio, adding and paring stocks based out their performance and outlook. Notably, we exited Hering, Iguatemi and Bancolombia after share price outperformance and reinvested the proceeds in other high-conviction names. Your portfolio now includes Petrobras and Notre Dame Intermedica. Petrobras is the largest petroleum company in Brazil. We added the company on its improving outlook and higher conviction to its overall deleveraging drive. Meanwhile, Notre Dame Intermedica is a high quality integrated healthcare operator in a segment with plenty of potential growth. We also remain positive on its outlook.

In the bond portfolio, we reduced exposure to Mexican rates and currency, concerned by the new president's unorthodox and populist economic policies. We increased our exposure to the Colombian peso, as the currency weakened following the big drop in international oil prices in the last quarter of 2018. However, we have trimmed our duration exposure in Colombia after the strong performance of local rates. We also added exposure in Argentina, through the most defensive short dated policy rate linked instruments, which provide an exceptionally high coupon yield.

Outlook

It is likely to be a volatile year for Latin America, as global concerns around trade developments, the direction of the

US dollar as well as the oil price will continue to pose risks. Within the region, local politics, reform and infrastructure developments will determine investor sentiment. While the political calendar is much quieter than last year, when we saw elections in Brazil, Mexico and Colombia, the election in Argentina in October will keep investors excited. Beyond that, political volatility should be less impactful than 2018, allowing the region to focus on delivering stable, sustainable and inclusive growth. This should have a positive impact on corporate earnings and share prices. In the longer term, population growth, a more affluent middle class and low labour costs, should be positive for the domestic economy. The economic push will be supportive for most companies, in particular financials and consumer companies. Moreover, valuations remain compelling relative to their global peers.

We continue to believe that the region offers great value for long term investors and are optimistic about your Company's outlook. Latin American countries in general have seen their external balances improved in the last few years, while the rate hikes last year demonstrated the authorities' ability to react in the face of market pressures. We have also seen efforts to improve the fiscal balances, although there remains a lot to be done for many countries.

Against this backdrop, the bond portfolio continues to generate sufficient income, while the equity portfolio remains focused on selecting stocks that can benefit from stable growth, healthy consumption and structural improvements. This, along with their solid balance sheets and good management provide us with added confidence. We continue to engage with company's management to ensure that their goals continue to be aligned with that of the shareholders' and remain diligent in our efforts to drive improvement and shareholder returns. At the same time, we continue to look out for other investment opportunities that can take advantage of new growth opportunities, to ensure that the portfolio remains well-positioned for the future.

Aberdeen Asset Managers Limited
26 April 2019

Interim Board Report

Going Concern

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets, including those of its subsidiary, consist of a diverse portfolio of listed equities, equity-related investments and fixed income investments which, in most circumstances, are realisable within a very short timescale.

The Directors are mindful of the principal risks and uncertainties disclosed below and review on a regular basis forecasts detailing revenue and liabilities and the Company's operational expenses. Consequently the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Half-Yearly Report. Accordingly, they continue to adopt the going concern basis in preparing the Half-Yearly Report.

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Company are set out in detail on page 10 of the Annual Report and Financial Statements for the year ended 31 August 2018 and have not changed. They can be summarised under the following headings:

- Investment strategy and objectives;
- Investment portfolio, investment management;
- Financial obligations;
- Financial and regulatory;
- Operational; and
- Income and dividend risk.

Directors' Responsibility Statement

The Directors are responsible for preparing this Half-Yearly Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting" and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and,

- the Interim Board Report contained within the Half-Yearly Report includes 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 Report includes a fair review of the information required on material transactions with related parties and any changes to those described in the Annual Report.

For and on behalf of the Board

Richard Prosser
Chairman
26 April 2019

Investment Portfolio – Equities

As at 28 February 2019

Company	Country	Valuation £'000	Total assets[C] %
Banco Bradesco ADR[A]	Brazil	2,669	5.1
Itau Unibanco Holdings ADR[A]	Brazil	2,308	4.4
Petrobras[B]	Brazil	1,946	3.7
Lojas Renner[B]	Brazil	1,184	2.2
Grupo Financiero Banorte	Mexico	1,176	2.2
Fomento Economico Mexicano ADR	Mexico	1,158	2.2
Bradespar[B]	Brazil	1,103	2.1
Grupo Aeroportuario Sureste ADR	Mexico	1,057	2.0
Ambev[B]	Brazil	995	1.9
Vale ADR	Brazil	950	1.8
Top ten equity investments		**14,546**	**27.6**
Multiplan Empreendimentos[B]	Brazil	902	1.7
Wal-Mart de Mexico	Mexico	886	1.7
B3 Brasil Bolsa Balco[B]	Brazil	886	1.7
Localiza Rent A Car[B]	Brazil	685	1.3
Arca Continental	Mexico	670	1.3
Arezzo Industria e Comercio[B]	Brazil	636	1.2
Ultrapar Participacoes ADR	Brazil	556	1.1
Banco Santander-Chile ADR	Chile	486	0.9
Parque Arauco[B]	Chile	484	0.9
Embotelladora Andina 'A' Pref[B]	Chile	471	0.9
Top twenty equity investments		**21,208**	**40.3**
S.A.C.I. Falabella[B]	Chile	466	0.9
WEG[B]	Brazil	454	0.9
Infraestructura Energetica Nova	Mexico	443	0.8
TOTVS[B]	Brazil	440	0.8
Odontoprev[B]	Brazil	390	0.7
Linx[B]	Brazil	372	0.7
Globant	Argentina	368	0.7
Wilson, Sons[B]	Brazil	367	0.7
Grupo Finaciero Santander	Mexico	362	0.7
Itausa Investimentos Itau Pref[B]	Brazil	354	0.7
Top thirty equity investments		**25,224**	**47.9**
Cementos Pacasmayo	Peru	320	0.6
Notredame Intermedica[B]	Brazil	302	0.6
Tenaris ADR	Argentina	298	0.6
Hoteles City Express	Mexico	283	0.5
BBVA Banco Frances	Argentina	270	0.5
Raia Drogasil[B]	Brazil	265	0.5
Kimberly-Clark de Mexico	Mexico	257	0.5
Grupo Lala	Mexico	228	0.4
Valid Solucoes[B]	Brazil	223	0.4
Brasil Foods[B]	Brazil	203	0.4
Top forty equity investments		**27,873**	**52.9**
Brasil Foods Sponsored ADR	Brazil	138	0.3
Grupo Aeroportuario Centro Norte	Mexico	127	0.2
Grana Y Montero	Peru	124	0.2
Ultrapar Participacoes[B]	Brazil	102	0.2
Fossal	Peru	2	0.0
Total equity investments		**28,366**	**53.8**

[A] Holding includes investment in common and ADR lines.

[B] Held in Subsidiary.

[C] Excluding bank loans of £6,500,000.

Investment Portfolio – Bonds

As at 28 February 2019

Issue	Valuation £'000	Total assets[B] %
Brazil (Fed Rep of) 10% 01/01/25[A]	4,557	8.6
Colombia (Rep of) 9.85% 28/06/27	3,397	6.4
Brazil (Fed Rep of) 10% 01/01/21[A]	3,011	5.7
Mex Bonos Desarr Fix Rt 10% 20/11/36	2,005	3.8
Mex Bonos Desarr Fix Rt 8.5% 18/11/38	1,720	3.3
Uruguay (Rep of) 4.375% 15/12/28	1,699	3.2
Peru (Rep of) 6.95% 12/08/31	1,276	2.4
Argentina (Rep of) Frn 21/06/20	1,136	2.2
Petroleos Mexicanos 7.47% 12/11/26	826	1.6
Uruguay (Rep of) 9.875% 20/06/22	781	1.5
Top ten bond investments	**20,408**	**38.7**
Uruguay (Rep of) 4.25% 05/04/27	757	1.4
Brazil (Fed Rep of) 10% 01/01/27[A]	616	1.2
Mex Bonos Desarr Fix Rt 10% 05/12/24	581	1.1
Peru (Rep of) 6.95% 12/08/31	405	0.8
Argentina (Rep of) 15.5% 17/10/26	308	0.6
Mexico (United Mexican States) 7.75% 13/11/42	125	0.3
Petroleos Mexicanos 7.19% 12/09/24	120	0.2
Peru (Rep of) 6.15% 12/08/32	58	0.1
Total value of bonds	**23,378**	**44.4**
Total value of equity investments	**28,366**	**53.8**
Total value of portfolio investments	**51,744**	**98.2**
Other net assets held in subsidiary	**310**	**0.6**
Total investments	**52,054**	**98.8**
Net current assets[B]	**662**	**1.2**
Total assets[B]	**52,716**	**100.0**

[A] Held in Subsidiary.
[B] Excluding bank loans of £6,500,000.

Distribution of Investments

As at 28 February 2019

Country	Equities %	Bonds %	Total %
Argentina	1.8	2.8	4.6
Brazil	35.5	15.8	51.3
Chile	3.7	–	3.7
Colombia	–	6.6	6.6
Mexico	12.8	10.4	23.2
Peru	0.9	3.4	4.3
Uruguay	–	6.3	6.3
	54.7	**45.3**	**100.0**

Condensed Statement of Comprehensive Income

	Notes	Six months ended 28 February 2019 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months ended 28 February 2018 (unaudited) Revenue £'000	Capital £'000	Total £'000	Year ended 31 August 2018 (audited) Revenue £'000	Capital £'000	Total £'000
Income										
Income from investments	3	1,641	–	1,641	1,600	–	1,600	3,095	–	3,095
Gains/(losses) on financial assets held at fair value through profit or loss		–	4,589	4,589	–	(3,639)	(3,639)	–	(12,043)	(12,043)
Currency (losses)/gains		–	(66)	(66)	–	13	13	–	44	44
Gains/(losses) on forward currency contracts held at fair value		–	60	60	–	(43)	(43)	–	(42)	(42)
		1,641	4,583	6,224	1,600	(3,669)	(2,069)	3,095	(12,041)	(8,946)
Expenses										
Investment management fee		(104)	(156)	(260)	(117)	(175)	(292)	(222)	(333)	(555)
Other operating expenses	4	(216)	–	(216)	(261)	–	(261)	(473)	–	(473)
Profit/(loss) before finance costs and taxation		1,321	4,427	5,748	1,222	(3,844)	(2,622)	2,400	(12,374)	(9,974)
Finance costs		(24)	(36)	(60)	(20)	(30)	(50)	(42)	(63)	(105)
Profit/(loss) before taxation		1,297	4,391	5,688	1,202	(3,874)	(2,672)	2,358	(12,437)	(10,079)
Taxation		(25)	–	(25)	(33)	–	(33)	(45)	(171)	(216)
Profit/(loss) for the period		**1,272**	**4,391**	**5,663**	**1,169**	**(3,874)**	**(2,705)**	**2,313**	**(12,608)**	**(10,295)**
Earnings per Ordinary share (pence)	5	**2.13**	**7.36**	**9.49**	**1.89**	**(6.27)**	**(4.38)**	**3.78**	**(20.62)**	**(16.84)**

The profit/(loss) for the period is also the comprehensive income for the period.

The total columns of this statement represent the Statement of Comprehensive Income, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

The accompanying notes are an integral part of the financial statements.

Condensed Balance Sheet

	Notes	As at 28 February 2019 (unaudited) £'000	As at 28 February 2018 (unaudited) £'000	As at 31 August 2018 (audited) £'000
Non-current assets				
Investments held at fair value through profit or loss		52,054	57,603	48,277
Current assets				
Cash		290	36	411
Forward foreign currency contracts		115	68	96
Other receivables		612	595	442
		1,017	699	949
Current liabilities				
Bank loan	8	(6,500)	(6,500)	(6,500)
Forward foreign currency contracts		(55)	(1)	(35)
Other payables		(300)	(203)	(366)
		(6,855)	(6,704)	(6,901)
Net current liabilities		(5,838)	(6,005)	(5,952)
Net assets		**46,216**	**51,598**	**42,325**
Equity capital and reserves				
Equity capital	9	65,936	65,936	65,936
Capital reserve		(22,195)	(16,504)	(25,861)
Revenue reserve		2,475	2,166	2,250
Equity shareholders' funds		**46,216**	**51,598**	**42,325**
Net asset value per Ordinary share (pence)	10	**78.22**	**84.47**	**70.34**

The accompanying notes are an integral part of the financial statements.

Condensed Statement of Changes in Equity

Six months ended 28 February 2019 (unaudited)

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2018		65,936	(25,861)	2,250	42,325
Profit for the period		–	4,391	1,272	5,663
Dividends paid	6	–	–	(1,047)	(1,047)
Purchase of own shares for treasury		–	(725)	–	(725)
Balance at 28 February 2019		**65,936**	**(22,195)**	**2,475**	**46,216**

Six months ended 28 February 2018 (unaudited)

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2017		65,936	(11,846)	2,080	56,170
(Loss)/profit for the period		–	(3,874)	1,169	(2,705)
Dividends paid	6	–	–	(1,083)	(1,083)
Purchase of own shares for cancellation		–	(784)	–	(784)
Balance at 28 February 2018		**65,936**	**(16,504)**	**2,166**	**51,598**

Year ended 31 August 2018 (audited)

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2017		65,936	(11,846)	2,080	56,170
(Loss)/profit for the period		–	(12,608)	2,313	(10,295)
Dividends paid	6	–	–	(2,143)	(2,143)
Purchase of own shares for treasury		–	(1,407)	–	(1,407)
Balance at 31 August 2018		**65,936**	**(25,861)**	**2,250**	**42,325**

The accompanying notes are an integral part of the financial statements.

Condensed Cash Flow Statement

	Six months ended 28 February 2019 (unaudited) £'000	Six months ended 28 February 2018 (unaudited) £'000	Year ended 31 August 2018 (audited) £'000
Operating activities			
Dividend income	147	124	508
Fixed interest income	618	660	1,510
Income from Subsidiary	497	565	1,190
Interest income	2	–	2
Investment management fee paid	(256)	(295)	(522)
Other paid expenses	(185)	(271)	(508)
Cash generated from operating activities before finance costs and taxation	823	783	2,180
Interest paid	(62)	(49)	(104)
Withholding taxes paid	(11)	(8)	(42)
Net cash inflow from operating activities	750	726	2,034
Cash flows from investing activities			
Purchases of investments	(3,055)	(6,386)	(7,853)
Proceeds from sales of investments	3,787	6,063	8,483
Receipts from Subsidiary	232	864	651
Net cash inflow from investing activities	964	541	1,281
Cash flows from financing activities			
Equity dividends paid	(1,047)	(1,083)	(2,143)
Repurchase of own shares	(720)	(771)	(1,415)
Net cash outflow from financing activities	(1,767)	(1,854)	(3,558)
Net decrease in cash	(53)	(587)	(243)
Foreign exchange	(68)	(30)	1
Cash at start of period	411	653	653
Cash and cash equivalents at end of period	**290**	**36**	**411**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

1. Principal activity

The Company is a closed-end investment company incorporated in Jersey. Its Ordinary shares are traded on the London Stock Exchange and are listed in the premium segment of the Financial Conduct Authority's Official List. The Company's principal activity is investing in Latin American securities.

The principal activity of its Delaware incorporated wholly owned subsidiary, Aberdeen Latin American Income Fund LLC, is similar in all relevant respects to that of its parent.

2. Accounting policies – basis of preparation

The Half–Yearly Report has been prepared in accordance with International Accounting Standards (IAS) 34 – 'Interim Financial Reporting'. It has also been prepared using the same accounting policies applied for the year ended 31 August 2018 financial statements (which received an unqualified audit report), and which were prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on a going concern basis. In accordance with the Financial Reporting Council's guidance on 'Going Concern and Liquidity Risk' the Directors have undertaken a review of the Company's assets which primarily consist of a diverse portfolio of listed equity shares, equity-related investments and fixed income investments which, in most circumstances, are realisable within a very short timescale.

3. Income from investments

	Six months ended 28 February 2019 £'000	Six months ended 28 February 2018 £'000	Year ended 31 August 2018 £'000
Dividend income	227	267	545
Fixed interest income	803	735	1,409
Income from Subsidiary	609	598	1,139
	1,639	1,600	3,093
Other Income			
Deposit interest	2	–	2
	1,641	**1,600**	**3,095**

Notes to the Financial Statements continued

4. Other operating expenses – revenue	Six months ended 28 February 2019 £'000	Six months ended 28 February 2018 £'000	Year ended 31 August 2018 £'000
Directors' fees	44	38	82
Promotional activities	12	20	41
Secretarial and administration fees	36	59	96
Auditor's remuneration:			
– fees payable for the audit of the annual accounts	16	15	32
Legal and advisory fees	12	30	34
Custodian and overseas agents' charges	28	36	69
Broker fees	15	15	30
Stock Exchange fees	10	9	20
Registrar's fees	12	13	22
Printing	12	12	18
Other	19	14	29
	216	**261**	**473**

5. Earnings per share	Six months ended 28 February 2019 pence	Six months ended 28 February 2018 pence	Year ended 31 August 2018 pence
Ordinary share – basic			
Revenue return	2.13	1.89	3.78
Capital return	7.36	(6.27)	(20.62)
Total return	**9.49**	**(4.38)**	**(16.84)**

The figures above are based on the following:

	£'000	£'000	£'000
Revenue return	1,272	1,169	2,313
Capital return	4,391	(3,874)	(12,608)
Total return	**5,663**	**(2,705)**	**(10,295)**
Weighted average number of Ordinary shares in issue	**59,673,169**	**61,743,487**	**61,152,947**

6. Dividends on Ordinary shares

	Six months ended 28 February 2019 £'000	Six months ended 28 February 2018 £'000	Year ended 31 August 2018 £'000
Distributions to equity holders in the period:			
Second interim dividend for 2018 – 0.875p	–	–	531
Third interim dividend for 2018 – 0.875p	–	–	529
Fourth interim dividend for 2018 – 0.875p (2017 – 0.875p)	526	543	543
First interim dividend for 2019 – 0.875p (2018 – 0.875p)	521	540	540
	1,047	**1,083**	**2,143**

7. Transaction costs

During the period expenses incurred in acquiring or disposing of investments held at fair value though profit or loss have been expensed through the capital column of the Condensed Statement of Comprehensive Income, included within gains/(losses) on financial assets held at fair value through profit or loss. The total costs were as follows:

	Six months ended 28 February 2019 £'000	Six months ended 28 February 2018 £'000	Year ended 31 August 2018 £'000
Purchases	4	3	5
Sales	4	2	3
	8	**5**	**8**

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

8. Bank loan

The Company has a £8 million three year revolving multi–currency facility with Scotiabank (Ireland) Designated Activity Company. At the period end, £6,500,000 (28 February 2018 – £6,500,000; 31 August 2018 – £6,500,000) had been drawn down in Sterling under the facility, fixed to 18 March 2019 at an all–in rate of 1.804425% (28 February 2018 – 1.57031%; 31 August 2018 – 1.795250%).

At the date of this Report, £6,500,000 remains drawn down, fixed to 17 May 2019 at an all-in rate of 1.807630%.

9. Stated capital

	28 February 2019		28 February 2018		31 August 2018	
	Number	£'000	Number	£'000	Number	£'000
Issued and fully paid						
Ordinary shares in issue	59,085,324	65,936	61,085,324	65,936	60,175,324	65,936
Ordinary shares held in Treasury	6,107,500	–	5,487,500	–	6,107,500	–
		65,936		**65,936**		**65,936**

The Company's Ordinary shares have no par value.

During the period ended 28 February 2019, 1,090,000 (28 February 2018 – nil; 31 August 2018 290,000) Ordinary shares were bought back at a total cost of £725,000 (28 February 2018 – nil; 31 August 2018 £188,000) including expenses, for cancellation. No Ordinary shares (28 February 2018 – 1,052,500 Ordinary shares at total cost of £784,000; 31 August 2018 – 1,672,500 Ordinary shares at a total cost of £1,219,000) were bought back to be held in treasury. At 28 February 2019 there were 6,107,500 (28 February 2018– 5,487,500 ; 31 August 2018 – 6,107,500) Ordinary shares held in treasury, which represented 9.37% (28 February 2018 – 8.24%; 31 August 2018 – 9.21%) of the Company's total issued share capital on those dates.

Following the period end a further 330,000 Ordinary shares have been bought back and cancelled at a total cost of £223,000 resulting in there being 58,755,324 Ordinary shares in issue and 6,107,500 Ordinary shares held for treasury at the date this Report was approved. Ordinary shares that have been purchased for treasury are available to be cancelled or sold at a later date.

10. Net asset value per share

The net asset value per Ordinary share and the net asset values attributable to Ordinary shareholders at the period end calculated in accordance with the Articles of Association were as follows:

Basic	As at 28 February 2019	As at 28 February 2018	As at 31 August 2018
Net assets attributable to Ordinary shareholders (£'000)	46,216	51,598	42,325
Number of Ordinary shares in issue	59,085,324	61,085,324	60,175,324
Net asset value per Ordinary share (p)	78.22	84.47	70.34

11. Related party transactions and transactions with the Manager

The management fee is payable monthly in arrears based on an annual amount of 1% of the net asset value of the Company valued monthly. During the period £260,000 (28 February 2018 – £292,000; 31 August 2018 – £555,000) of management fees were payable, of which £90,000 (28 February 2018 – £49,000; 31 August 2018 – £85,000) was outstanding at the period end.

During the period fees in respect of promotional activities of £12,000 (28 February 2018 – £20,000; 31 August 2018 – £41,000) were payable with £9,000 (28 February 2018 – £7,000; 31 August 2018 – £7,000) outstanding at the period end.

The company secretarial and administration fee is based on an annual amount of £122,000 (28 February 2018 – £118,000; 31 August 2018 – £118,000), increasing annually in line with any increases in the UK Retail Price Index, payable quarterly in arrears. During the period £36,000 (28 February 2018 – £59,000; 31 August 2018 – £96,000) was payable after deduction of a rebate of £25,000 (28 February 2018 – nil; 31 August 2018 – £22,000) to bring the OCR down to 2.0%, with £36,000 (28 February 2018 – £30,000; 31 August 2018 – 7,000) outstanding at the period end.

The Manager has agreed to ensure that the Company's ongoing charges ratio ("OCR") will not exceed 2.0% when calculated annually as at 31 August. Until further notice, to the extent that the OCR ever exceeds 2.0% the Manager will rebate part of its fees in order to bring that ratio down to 2.0%.

The Company owns 100% of the share capital of the Subsidiary. The Company receives income from the Subsidiary and there are no significant restrictions on the transfer of funds to or from the Subsidiary. During the period the Subsidiary transferred £728,000 (28 February 2018 – £1,429,000; 31 August 2018 – £1,871,000) to the Company by way of income and capital returns and at 28 February 2019 the amount due to the Company by its Subsidiary was £14,572,000 (28 February 2018 – £15,712,000; 31 August 2018 – £15,300,000), which is a loan to the Subsidiary and incorporated in the fair value of the investment in the Subsidiary as at the period end.

12. Half-Yearly Financial Report

The financial information for the six months ended 28 February 2019 and for the six months ended 28 February 2018 has not been audited.

This Half-Yearly Financial Report was approved by the Board on 26 April 2019.

Alternative Performance Measures

Alternative Performance Measures

Alternative Performance Measures ("APMs") are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes IFRS and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Total return

Total return is considered to be an alternative performance measure. NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves investing the same net dividend in the NAV of the Company with debt at fair value on the date on which that dividend was earned. Share price total return involves reinvesting the net dividend in the month that the share price goes ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the six months ended 28 February 2019 and 28 February 2018 and the total return for the period.

2019	Dividend rate	NAV	Share price
31 August 2018	N/A	70.34p	60.80p
4 October 2018	0.875p	74.32p	64.40p
20 December 2018	0.875p	75.32p	63.30p
28 February 2019	N/A	78.22p	68.20p
Total return		**+13.8%**	**+15.3%**

2018	Dividend rate	NAV	Share price
31 August 2017	N/A	90.40p	78.38p
5 October 2017	0.875p	90.10p	78.00p
14 December 2017	0.875p	80.43p	72.38p
28 February 2018	N/A	84.47p	72.90p
Total return		**–4.6%**	**–4.8%**

Net gearing

Net gearing measures the total borrowings of £6,500,000 (31 August 2018 – £6,500,000) less cash and cash equivalents of £273,000 (31 August 2018 – £502,000) divided by shareholders' funds of £46,216,000 (31 August 2018 – £42,325,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due to and from brokers at the period end, in addition to cash and short term deposits.

Ongoing charges

Ongoing charges is considered to be an alternative performance measure. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year. The ratio for 28 February 2019 is based on forecast ongoing charges for the year ending 31 August 2019.

	28 February 2019	31 August 2018
Investment management fees (£'000)	525	555
Administrative expenses (£'000)	402	473
Less: non-recurring charges (£'000)	(10)	(34)
Ongoing charges (£'000)	**917**	**994**
Average net assets (£'000)	**45,826**	**49,654**
Ongoing charges ratio	**2.00%**	**2.00%**

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations.

Share price Discount to NAV per Ordinary share

The difference between the share price and NAV per Ordinary share, expressed as a percentage of NAV per Ordinary share.

Investor Information

How to buy or sell shares - Direct

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through the Aberdeen Standard Investment Plan for Children, Aberdeen Standard Investment Trust Share Plan and Investment Trust ISA.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Manager's website: invtrusts.co.uk/en/investmenttrusts/literature-library.

Suitable for Retail/NMPI Status

The Company's securities are intended for investors, primarily in the UK (including retail investors) professionally-advised private clients and institutional investors who want to benefit from the growth prospects of Latin American companies by investment in an investment company and who understand and are willing to accept the risks of exposure to equities, bonds and foreign currencies. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that the Ordinary shares can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments ("NMPIs").

The Company's shares are excluded from the FCA's restrictions which apply to NMPI products because the Company would qualify as an investment company if the Company was incorporated in the UK.

Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per investment company, while regular savers may invest from £30 per month. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investment Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the tax year 2019/2020.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Selling costs are £15 + VAT.

The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in the Aberdeen Standard Investment Trust Share Plan, Investment Plan for Children and Investment Trust ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

ISA Transfer

Investors can choose to transfer previous tax year investments to us which can be invested in the Company while retaining the ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per investment company of £250.

Literature Request Service

For literature and information on the Aberdeen Standard Investment Plan for Children, Aberdeen Standard Investment Trust Share Plan, Investment Trust ISA or ISA Transfer including application forms for the Company and the Manager's investment trust products, please contact:

Aberdeen Standard Investment Trust Administration
PO Box 11020
Chelmsford
Essex CM99 2DB
Telephone: 0808 500 0040
(free when dialing from a UK landline)
Email: inv.trusts@aberdeenstandard.com

Details are also available on invtrusts.co.uk

Terms and Conditions for Aberdeen Standard Investments managed savings products can also be found under the Literature section of our website at **invtrusts.co.uk.**

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website: latamincome.co.uk and the TrustNet website: trustnet.co.uk. Alternatively direct private investors can contact Aberdeen Standard Investors using the details above for information on the Company.

Registrars

For further information concerning any direct certificated shareholding, please contact the Company's registrars:

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
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Tel: +44 (0) 370 707 4040
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Calls to' 03' numbers cost no more than a national rate call to an '01' or ''02' number and must count towards any inclusive minutes in the same way as '01' and '02' numbers. These rules apply to calls from any type of line including mobile, BT, other fixed line and payphone.

Online Dealing details

Investor information

There are a number of other ways in which investors can buy and hold shares in this investment company.

Online dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell You Invest
Alliance Trust Savings
Barclays Stockbrokers / Smart Investor
Charles Stanley Direct
Equiniti / Shareview
Halifax Share Dealing
Hargreave Hale
Hargreaves Lansdown
iDealing
Interactive Investor / TD Direct
Selftrade
The Share Centre
Stocktrade

Discretionary private client stockbrokers

Investors with a large sum to invest may wish to contact a discretionary private client stockbroker. They can manage an investor's entire portfolio of shares and will provide advice on investments. To find a private client stockbroker visit the Wealth Management Association at **thewma.co.uk**

Financial advisers

To find an adviser who recommends on investment trusts, visit **unbiased.co.uk**

Regulation of stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Telephone: 0800 111 6768
Email: register@fca.org.uk
fca.org.uk/firms/systems-reporting/register/search

Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen Standard Investments has been contacted by investors informing them that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Standard Investments, or third parties firms. Aberdeen Standard Investments has also been notified of emails claiming that certain investment companies under its management has issued claims in the courts against individuals. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from them is required to release the supposed payment for their shares.

These callers do not work for Aberdeen Standard Investments and any third party making such offers has no link with the Manager.

Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact Aberdeen Standard Investments' investor services centre using the details provided above.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams: fca.org.uk/consumers/scams

The information above has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority

Contact Addresses

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Hazel Adam
George Baird
Heather MacCallum (appointed on 24 April 2019)

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