Aberdeen Latin American Income Fund Limited

Half Yearly Report
for the six months ended 29 February 2016

Contents

The Company

Aberdeen Latin American Income Fund Limited (the "Company") is a Jersey-incorporated, closed-ended 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"). AAM is based in London and is a wholly-owned subsidiary of Aberdeen Asset Management PLC ("Aberdeen"), a publicly-quoted company on the LSE.

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

The cover image is of Ponte Octavio Frias Di Oliveira, Sao Paolo, Brazil

Highlights, Performance and Financial Calendar

Financial Highlights

	29 February 2016	31 August 2015	% change
Total assets (£'000)	40,180	44,520	–9.7
Equity shareholders' funds (£'000)	34,180	35,872	–4.7
Net asset value per Ordinary share	52.91p	55.17p	–4.1
Ordinary share price (mid-market)	47.13p	52.50p	–10.2
Discount to net asset value on Ordinary shares	10.9%	4.8%	

Performance (total return[A])

	Six months ended 29 February 2016	Year ended 31 August 2015
Ordinary share net asset value	–0.2%	–36.8%
Ordinary share price	–6.2%	–32.3%
Composite MSCI EM Latin American 10/40 Index/JP Morgan GBI-EM Global Diversified Index (Latin America carve out)(sterling adjusted)	+0.9%	–32.2%

Source: Aberdeen Asset Management, JP Morgan, Lipper and Morningstar.
[A]Total return represents the capital return plus dividends reinvested.

Financial Calendar

29 January 2016	Payment of first interim dividend
18 April 2016	Announcement of Half-Yearly results for the six months ended 29 February 2016
April 2016	Half-Yearly Report posted to shareholders
29 April 2016	Payment of second interim dividend
29 July 2016	Payment of third interim dividend
31 August 2016	Year end
October 2016	Announcement of results for the year ending 31 August 2016
28 October 2016	Payment of fourth interim dividend

Interim Board Report – Chairman's Statement

Overview

Latin American equities edged lower over the six months to 29 February 2016, although a late bounce in oil prices helped to pare back early losses. For most of the review period, persistent headwinds such as China's slowdown and sluggish commodity prices continued to unnerve investors, while divergent central bank policies globally and regional growth concerns heightened risk aversion. Most currencies weakened against the US dollar in the build-up to the US Federal Reserve's interest rate rise in December. The well-telegraphed move prompted some short-term outflows but did not startle markets.

In the six month period ended 29 February 2016, the NAV total return (capital return plus dividends reinvested) in sterling terms fell by 0.2% which underperformed our composite benchmark's total return of 0.9% for the same period. The Ordinary shares delivered a share price total return of -6.2% for the six months.

Despite the challenging global backdrop, Mexico's economy expanded faster than expected in the fourth quarter helped by a recovery in domestic consumption and an accelerating services sector. This allowed the central bank to raise interest rates twice in its attempts to curb inflation. An unscheduled hike in February, coupled with the government's plan to cut budget spending, arrested the Peso's decline. Meanwhile, Colombia posted 3.1% GDP growth in 2015, as expansion in the financial and services sectors overcame lower oil revenues. Chile benefited from weaker oil prices from its position as a net importer, while the Peso was relatively resilient. A large earthquake sent copper prices higher after some mines ceased operations temporarily and tsunamis damaged a small port.

Conversely, Brazil lost its investment-grade credit rating in a downgrade by Standard & Poor's, followed by the other two big agencies, Fitch and Moody's. The country sank deeper into recession with inflation rising above double digits. The Real fell below the psychological four-per-dollar level before recovering towards the period end, buoyed by a bounce in iron ore prices. During the period under review there was not much to cheer about on the political front as finance minister Joaquim Levy resigned in December and opposition leaders continued to push for president Dilma Rousseff's impeachment. Her move to protect her predecessor Luiz Inacio Lula da Silva from prosecution by naming him chief of staff triggered protests in several cities but failed with the Supreme Court blocking his new appointment. However, at the time of writing the stage now looks set for a full vote of the lower house on whether to approve presidential impeachment.

In Argentina, the pro-business candidate Mauricio Macri won the presidential election on promises to address exchange controls and renegotiate with foreign creditors, moves that investors hope will turn the economy around. Meanwhile, after years of negotiation, the US and 11 Pacific-rim countries including Chile, Mexico and Peru signed in February the Trans-Pacific Partnership, which aims to lower trade barriers for their economies.

Dividends

We have declared a second interim dividend of 0.875p per Ordinary share in respect of the year to 31 August 2016 payable on 29 April 2016 to Ordinary shareholders on the register on the record date of 22 April 2016. As indicated at the time of the Annual Report, it remains the Board's intention to pay an annual dividend of 3.5p per Ordinary share for the financial year ending 31 August 2016. Dividends remain subject to investee company performance, the level of income from investments and currency movements.

Gearing and Share Capital

The Company has remained geared throughout the period. In January 2016 the Company's US dollar loan was repaid and £6 million was immediately redrawn under the £10 million multi-currency revolving credit facility. This facility provided by Scotiabank Europe PLC is available until August 2017 at an interest rate margin of 95bps over Libor. At the period end there was net gearing of 14.8%.

During the period 420,000 Ordinary shares were purchased in the market at a discount to the prevailing ex. income NAV per share. Subsequent to the period end a further 175,000 Ordinary shares have been purchased for treasury. At the time of writing, the Ordinary shares are trading at a discount of 9.4% to the ex. income NAV.

The Final Subscription Date for the Company's Subscription Shares was 31 December 2015. In accordance with the terms of the Articles of Association, a trustee was appointed over the remaining Subscription Shares whose conversion rights were not exercised. The outstanding Subscription Shares were not exercised by the Trustee as the Trustee considered that the exercise of the Subscription Share rights and sale of the resulting Ordinary shares in the market would not generate sufficient net proceeds of sale for distribution to the holders of the Subscription Shares. Consequently the remaining Subscription Shares have now been converted automatically into Deferred shares which have been repurchased by the Company for a nominal consideration and cancelled.

Outlook

Latin American economies are not out of the woods yet. Commodity exporters are still adjusting to China's slowdown after years of double-digit growth that fuelled a seemingly insatiable appetite. Meanwhile, oil and iron ore prices seem to have stabilised somewhat, although there is still no clear indication of the supply glut easing anytime soon. Divergent central bank policies around the globe could continue to influence investor sentiment, while domestic issues are likely to persist.

In Brazil, all attention has turned to the political situation. President Rousseff is fighting for her political career but could possibly be impeached in the coming weeks and forced to step down from office. Her replacement would be her Vice President, Michel Temer, who will need to set to work to arrest the country's fiscal deterioration amid an economy in recession. Inflation expectations are moderating and the Central Bank will use this opportunity to embark on an interest rate cutting cycle. The country's balance of payments position will also continue to improve as imports collapse amid a slowdown in domestic demand, while foreign direct investment remains high – more than covering the current account deficit – which should mean any lingering pressure on the Brazilian real should diminish.

Mexico's government is likely to implement further fiscal adjustments as oil income remains under pressure, which could bode well for its growth outlook. In the short term fiscal adjustments are negative for growth, while potential government support for state-owned oil company Pemex also poses a challenge to the government's fiscal consolidation efforts. Banxico, the central bank, remains concerned by the state of global growth and its impact on the economy, and seems ready to raise interest rates in line with any US Federal Reserve decision.

Elsewhere, Colombia and Chile remain exposed to volatility in commodity prices, although they should be able to count on domestic demand to support their economies. Colombia's central bank has been slow in tackling inflation which looks like remaining above the target for the remainder of the year. Argentina's new government, including a heavy-weight economic team picked on technical merit rather than political considerations, has made significant progress with the long-running dispute with the country's creditors – the country is set to issue up to US$15bn of new US dollar bonds in order to pay for the settlement and finance the budget deficit. Once this hurdle has been overcome, the government should focus on implementing investment-friendly policy measures in order to boost economic growth and reduce inflation.

As always, there remains cause for optimism. Latin American countries do have healthy levels of international reserves and are better positioned to withstand market turmoil. Companies, aware of the macroeconomic headwinds, are taking a prudent stance and cutting their spending to stay lean. Moreover, the region's long-term growth prospects remain intact, underpinned by its expanding middle class and growing incomes. The Manager views the financial and consumer sectors as proxies for rising domestic consumption. Where others see volatility, your Manager sees opportunity. Negative sentiment has punished share prices indiscriminately, creating opportunities to add to high-quality holdings. I remain confident that your Manager's focus on quality will withstand these challenging times and should provide more attractive longer term returns.

Richard Prosser
Chairman
15 April 2016

Interim Board Report – Investment Manager's Review

Performance Commentary

The Latin American equity benchmark dipped over the half-year under review, underperforming the broader emerging market asset class. This, nevertheless, was a vast improvement from the double-digit losses of the previous six months, as well as the past year. Initially, sentiment was largely hampered by concerns over slowing Chinese growth and a sell-off in mainland equities. But a late rebound in oil prices and continued monetary stimulus by the European and Chinese central banks helped revive investor confidence. The Federal Reserve hiked rates in December, although the move had been well flagged. Against this backdrop, your Company's equity portfolio rose by 0.82% in sterling terms (on a gross basis), outpacing the MSCI Emerging Markets Latin America 10/40 Index's fall of 1.67%.

Stock selection in Mexico and Brazil contributed the most to the portfolio's relative return. This more than compensated for the negative effects of our underweight to Mexico and overweight to Brazil. Mexico outshone the regional equity index on the back of better-than-expected economic growth. Brazilian equities, on the other hand, fell by 7%, while deteriorating economic and political conditions resulted in the loss of its investment-grade rating.

At the company level, several of the portfolio's core Mexican holdings outperformed the local benchmark. Financial services company Banorte's share price rallied on the back of solid growth in net interest income and better asset quality, despite more conservative loan growth and earnings forecasts for 2016. Airport operator Asur was driven by consistent growth in passenger traffic. Femsa was lifted by continued expansion in its convenience store chain Oxxo and expectations of resilient beverage sales, while acquisitions in its pharmacy business should help deepen its presence in the small-box retail segment. Walmart's Mexican division Walmex reported impressive sales due to better execution and a recovery in customer traffic.

In Brazil, the portfolio gained from the overweight to both mall operator Multiplan and cosmetics company Natura Cosmeticos. The stocks rallied on news that the government plans to stimulate the economy by boosting credit lines to small businesses and personal loans to consumers. The lack of exposure to Petrobras also aided relative performance as the oil company's share price remained buffeted by the ongoing corruption scandal that has deepened the political crisis.

Elsewhere, the portfolio's non-benchmark exposure to Argentina was positive as the local market outperformed after opposition candidate Mauricio Macri swept to power on a pro-reform platform. However, gains in sterling terms were eroded by the peso's tumble following the removal of currency controls.

Stock selection in Peru detracted. The non-benchmark holding in Grana y Montero weighed on relative performance as the stock was pressured by weakness at the company's engineering and construction division, while its energy business was hurt by the lower crude price.

Emerging markets debt experienced bumpy performance over the period as risk sentiment waxed and waned particularly in the run-up to the tightening of US monetary policy, before recovering strongly at the end of the period. Latin American currencies tracked the weakness and the subsequent rebound of commodities prices, while most bond markets delivered positive returns in local currency terms. The Brazilian bond market had the strongest performance, as markets started to price in the downturn in inflation. Colombia was the only country with negative bond returns in the portfolio as the country's central bank failed to adequately tackle the strong pickup in inflation. The Company's bond portfolio has increased by 3.5% in sterling terms over the half-year review period, as the depreciation of sterling more than offset the continued weakness of the Latin American currencies against the US dollar, while bond markets started to recover at the end of the period. The portfolio has underperformed the benchmark, primarily due to the underweight positioning in Brazilian bonds.

Portfolio Activity

During the period the Company's exposure to both the Brazilian Real and Brazilian bonds was increased as a result of strong macroeconomic adjustment unfolding in both external balances and on the labour market. Duration on the Mexican bond market was increased, as the central bank acted decisively in raising interest rates to anchor inflation expectations in the face of currency weakness. Peruvian bond exposure was trimmed, as the central bank's resistance to currency depreciation introduced more volatility to the bond market and holdings in Uruguay were also trimmed, as the country's economy continued to be negatively impacted by the weakness of its main trading partners.

Over the review period, Grupo Lala was introduced to the portfolio. Lala is Mexico's largest dairy company with a successful record of growing its business, which comprises a domestic chilled distribution network of over 17 production plants and 165 distribution centres. It is the second most recognised brand in Mexico, just behind Coca-Cola. With over 60% of the population below 30 years old, the company looks set to gain from favourable consumption trends over the long term. We also introduced Cementos Pacasmayo. This Peruvian cement producer has a good brand name and dominant position in the northern part of the country, which imbues it with pricing power. It also benefits from rising middle class aspirations and related infrastructure spending. For the full year, the company reported growing net income and profit margins, while revenues were stable. Against this, shares in Souza Cruz were sold to its parent British American Tobacco, which had raised its bid to take the unit private.

Outlook

The Fed's recent dovish stance, after trimming its forecast for four rate hikes this year to two, as well as China's more confident tone about its ability to support economic growth at its annual policy meeting, appear to have been well received by global markets. However, short-term headwinds persist. Despite a rebound, oil prices remain precarious as consumption trends worldwide are still struggling to regain momentum, while the stalemate between Opec and other major oil producers over output seem far from being resolved. Meanwhile, corporate and personal debt levels have ratcheted higher. Should global growth slow more than expected, particularly in China, the Latin American economies that are most vulnerable are those heavily dependent on the export of resources such as Brazil, Chile and Peru.

Domestic challenges also remain. In Brazil, politics continue to dominate headlines, with the Petrobras scandal ensnaring yet more officials, including former president Luiz Inacio Lula da Silva, and calls to impeach president Dilma Rousseff growing louder. The market has done well lately partly on hopes that Rousseff's removal and a change of government would unlock the political impasse and allow reforms to be implemented. But a resolution is unlikely to happen quickly. On a positive note, new Argentine president Macri has pledged to implement more market-friendly policies, while talks with foreign creditors have shown progress, which should soon allow the country to return to global capital markets.

Despite the uncertainties, the long-term potential for Latin America remains unchanged, supported by positive fundamentals, including a growing middle class, low government debt and ample foreign reserves that should buffer the region against potential currency volatility. Overall, domestic demand should continue to mitigate the impact of slowing exports. Indeed, some economies, such as Colombia, continue to experience respectable growth amid resilient local consumption. At the corporate level, several of the portfolio's underlying holdings are market leaders and have made good progress cutting costs, while maintaining profitability and strengthening balance sheets. Valuations appear attractive, with the equity benchmark trading at around 12.5 times 2016 earnings. As always, bouts of volatility present buying opportunities in well managed stocks.

Aberdeen Asset Managers Limited
15 April 2016

Interim Board Report

Going Concern

The Company's assets 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 believe therefore that the Company has adequate financial resources to continue its operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Half Yearly Report.

Related Party Transactions

During the period the Manager agreed to waive its Secretarial and Administration fee and the waiver constituted a smaller related party transaction for the purposes of LR11.1.10R of the Financial Conduct Authority's Listing Rules. Further details of the waiver and other transactions with Aberdeen are disclosed in Note 11.

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Company are set out in detail on pages 3 to 4 of the Annual Report and Financial Statements for the year ended 31 August 2015 and have not changed. They can be summarised under the following headings:

- Investment Strategy and Objectives
- Investment Portfolio and Investment Management Risks
- Financial Obligations
- Financial and Regulatory
- Operational

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 interim financial statements contained within the financial report which has been prepared in accordance with IAS34 "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 Half Yearly Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure 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 of Aberdeen Latin American Income Fund Limited

Richard Prosser
Chairman
15 April 2016

Investment Portfolio – Equities

As at 29 February 2016

Company	Country	Valuation £'000	Total portfolio %
Banco Bradesco ADR	Brazil	1,254	3.2
Itau Unibanco Holdings ADR	Brazil	1,053	2.7
Fomento Economico Mexicano ADR	Mexico	833	2.1
Grupo Aeroportuario Sureste ADR	Mexico	807	2.1
Grupo Financiero Banorte	Mexico	775	2.0
Multiplan Empreendimentos[A]	Brazil	680	1.7
Lojas Renner[A]	Brazil	659	1.7
Ambev[A]	Brazil	609	1.6
Wal-Mart de Mexico	Mexico	584	1.5
Ultrapar Participacoes ADR	Brazil	580	1.5
Top ten equity investments		**7,834**	**20.1**
Brazil Foods Sponsored ADR	Brazil	560	1.4
Banco Santander-Chile ADR	Chile	469	1.2
Embotelladora Andina 'A' Pref[A]	Chile	420	1.1
S.A.C.I. Falabella[A]	Chile	402	1.0
BM&Fbovespa[A]	Brazil	360	0.9
Tenaris ADR	Argentina	356	0.9
Natura Cosmeticos[A]	Brazil	307	0.8
Arezzo Industria e Comercio[A]	Brazil	306	0.8
Grupo Bancolombia	Colombia	294	0.7
Wilson, Sons[A]	Brazil	280	0.7
Top twenty equity investments		**11,588**	**29.6**
Vale ADR	Brazil	276	0.7
Odontoprev[A]	Brazil	267	0.7
Arca Continental	Mexico	248	0.6
TOTVS[A]	Brazil	244	0.6
Parque AraucoA[B]	Chile	242	0.6
WEG[A]	Brazil	212	0.5
Localiza Rent A Car[A]	Brazil	196	0.5
Valid Solucoes[A]	Brazil	191	0.5
Almacenes Exito	Colombia	189	0.5
Grupo Lala	Mexico	186	0.5
Top thirty equity investments		**13,839**	**35.3**
Iguatemi Empresa de Shopping[A]	Brazil	182	0.5
Kimberly-Clark de Mexico	Mexico	176	0.4
Grupo Financiero Santander	Mexico	173	0.4
Grana Y Montero	Peru	167	0.4
Vale Preference ADR	Brazil	158	0.4
Cia Hering[A]	Brazil	148	0.4
Cementos Pacasmayo	Peru	137	0.4
Bradespar[A]	Brazil	63	0.2
Total equity investments		**15,043**	**38.4**

[A] Held in Subsidiary

[B] Holding includes common stock and rights.

Investment Portfolio – Bonds

As at 29 February 2016

Fixed Interest	Valuation £'000	Total portfolio %
Uruguay (Rep Of) 5% 14/09/18	3,997	10.2
Brazil (Fed Rep Of) 10% 01/01/17[A]	3,721	9.5
Brazil (Fed Rep Of) 10% 01/01/25[A]	3,526	9.0
Colombia (Rep Of) 9.85% 28/06/27	3,403	8.6
Mexico (United Mexican States) 8% 07/12/23	2,273	5.8
Mexico (United Mexican States) 7.5% 03/06/27	1,914	4.8
Peru (Rep Of) 6.95% 12/08/31 REGS	987	2.5
Brazil (Fed Rep Of) 10% 01/01/18[A]	909	2.3
Brazil (Fed Rep Of) 10% 01/01/21[A]	812	2.1
Uruguay (Rep Of) 4.25% 05/04/27	777	2.0
Peru (Rep Of) 6.95% 12/08/31	478	1.2
Mexico (United Mexican States) 8.5% 18/11/38	458	1.2
Peru (Rep Of) 7.84% 12/08/20	380	1.0
Brazil (Fed Rep Of) 10% 01/01/27[A]	234	0.6
Mexico (United Mexican States) 4.5% 22/11/35	180	0.4
Mexico (United Mexican States) 7.75% 13/11/42	156	0.4
Total value of Bonds	**24,205**	**61.6**
Total investments[B]	**39,248**	**100.0**

[A]Held in Subsidiary.
[B]Reflects investee holdings of both the parent company (Aberdeen Latin American Income Fund Limited) and its subsidiary company (Aberdeen Latin American Income Fund LLC).

Distribution of Investments

As at 29 February 2016

Country	Equity %	Bonds %	Total %
Argentina	0.9	–	0.9
Brazil	22.0	23.5	45.5
Chile	3.9	–	3.9
Colombia	1.2	8.6	9.8
Mexico	9.6	12.6	22.2
Peru	0.8	4.7	5.5
Uruguay	–	12.2	12.2
	38.4	**61.6**	**100.0**

Condensed Statement of Comprehensive Income

	Notes	Six months ended 29 February 2016 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months ended 28 February 2015 (unaudited) Revenue £'000	Capital £'000	Total £'000	Year ended 31 August 2015 (audited) Revenue £'000	Capital £'000	Total £'000
Income										
Income from investments	3	1,418	–	1,418	1,605	–	1,605	3,170	–	3,170
(Losses) on financial assets held at fair value through profit or loss			(467)	(467)	–	(11,902)	(11,902)		(23,179)	(23,179)
Currency losses		–	(528)	(528)	–	(625)	(625)	–	(706)	(706)
(Losses)/gains on forward currency contracts held at fair value		–	(132)	(132)	–	25	25	–	23	23
		1,418	(1,127)	291	1,605	(12,502)	(10,897)	3,170	(23,862)	(20,692)
Expenses										
Investment management fee		(80)	(120)	(200)	(121)	(182)	(303)	(223)	(335)	(558)
Other operating expenses	4	(168)	–	(168)	(246)	–	(246)	(342)	–	(342)
Profit/(loss) before finance costs and taxation		1,170	(1,247)	(77)	1,238	(12,684)	(11,446)	2,605	(24,197)	(21,592)
Finance costs		(18)	(27)	(45)	(21)	(32)	(53)	(42)	(64)	(106)
Profit/(loss) before taxation		**1,152**	**(1,274)**	**(122)**	**1,217**	**(12,716)**	**(11,499)**	**2,563**	**(24,261)**	**(21,698)**
Taxation		–	–	–	(27)	–	(27)	(45)	–	(45)
Profit/(loss) for the period		**1,152**	**(1,274)**	**(122)**	**1,190**	**(12,716)**	**(11,526)**	**2,518**	**(24,261)**	**(21,743)**
Earnings per Ordinary share (pence)	5									
Basic and diluted		**1.78**	**(1.96)**	**(0.18)**	**1.81**	**(19.39)**	**(17.58)**	**3.85**	**(37.07)**	**(33.22)**

The profit and 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.

Condensed Balance Sheet

	Notes	As at 29 February 2016 (unaudited) £'000	As at 28 February 2015 (unaudited) £'000	As at 31 August 2015 (audited) £'000
Non-current assets				
Investments held at fair value through profit or loss		39,545	56,329	43,565
Current assets				
Cash		246	550	838
Forward foreign currency contracts		114	20	64
Other receivables		575	550	386
		935	1,120	1,288
Current liabilities				
Bank loan	8	(6,000)	(9,577)	(8,648)
Forward foreign currency contracts		(159)	–	(196)
Other payables		(141)	(161)	(137)
		(6,300)	(9,738)	(8,981)
Net current liabilities		(5,365)	(8,618)	(7,693)
Net assets		**34,180**	**47,711**	**35,872**
Stated capital and reserves				
Stated capital	9	65,936	65,936	65,936
Capital reserve		(32,340)	(18,861)	(30,722)
Revenue reserve		584	636	658
Equity shareholders' funds		**34,180**	**47,711**	**35,872**
Net asset value per Ordinary share (pence)	10			
Basic and diluted		**52.91**	**72.78**	**55.17**

Condensed Statement of Changes in Equity

Six months ended 29 February 2016 (unaudited)

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2015		65,936	(30,722)	658	35,872
(Loss)/profit for the period attributable to equity holders		–	(1,274)	1,152	(122)
Dividends paid	6	–	(154)	(1,226)	(1,380)
Purchase of own shares for treasury		–	(190)	–	(190)
Balance at 29 February 2016		**65,936**	**(32,340)**	**584**	**34,180**

Six months ended 28 February 2015 (unaudited)

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2014		65,936	(6,129)	922	60,729
(Loss)/profit for the year attributable to equity holders		–	(12,716)	1,190	(11,526)
Dividends paid	6	–	–	(1,476)	(1,476)
Purchase of own shares for treasury		–	(16)	–	(16)
Balance at 28 February 2015		**65,936**	**(18,861)**	**636**	**47,711**

Year ended 31 August 2015 (audited)

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2014		65,936	(6,129)	922	60,729
(Loss)/profit for the year attributable to equity holders		–	(24,261)	2,518	(21,743)
Dividends paid	6	–	–	(2,782)	(2,782)
Purchase of own shares for treasury		–	(332)	–	(332)
Balance at 31 August 2015		**65,936**	**(30,722)**	**658**	**35,872**

Condensed Cash Flow Statement

	Six months ended 29 February 2016 (unaudited) £'000	Six months ended 28 February 2015 (unaudited) £'000	Year ended 31 August 2015 (audited) £'000
Operating activities			
Dividend income	90	215	515
Fixed interest income	395	277	1,029
Income from Subsidiary	1,792	1,204	1,939
Investment management fee paid	(203)	(368)	(634)
Other cash expenses	(71)	(256)	(461)
Cash generated from operating activities before finance costs and taxation	2,003	1,072	2,388
Interest paid	(44)	(52)	(107)
Withholding taxes paid	(4)	(15)	(42)
Net cash inflow from operating activities	1,955	1,005	2,239
Cash flows from investing activities			
Purchases of investments	(1,980)	(4,578)	(12,786)
Sales of investments	4,262	4,841	14,584
Net cash inflow from investing activities	2,282	263	1,798
Cash flows from financing activities			
Equity dividends paid	(1,380)	(1,476)	(2,782)
Movement in loan balance	(2,648)	–	(85)
Repurchase of own shares	(190)	(16)	(315)
Net cash outflow from financing activities	(4,218)	(1,492)	(3,182)
Net increase/(decrease)in cash	**19**	**(224)**	**855**
Analysis of changes in cash during the period			
Cash at start of year	838	733	733
Increase/(decrease) in cash as above	19	(224)	855
Effect of foreign exchange rate changes	(611)	41	(750)
Cash at end of period	**246**	**550**	**838**

Notes to the Financial Statements

1. Principal activity

The Company is a closed-ended 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 foreign subsidiary, Aberdeen Latin American Income Fund LLC, is similar in all relevant respects to that of its Jersey 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 2015 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 under a going concern basis. In accordance with the Financial Reporting Council's guidance on 'Going Concern and Liquidity Risk' issued in October 2009 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 29 February 2016 £'000	Six months ended 28 February 2015 £'000	Year ended 31 August 2015 £'000
Dividend income	164	268	490
Fixed interest income	653	656	1,284
Income from Subsidiary	601	681	1,396
	1,418	**1,605**	**3,170**

4. Other operating expenses – revenue	Six months ended 29 February 2016 £'000	Six months ended 28 February 2015 £'000	Year ended 31 August 2015 £'000
Directors' fees	38	42	85
Secretarial and administration fees	–	57	–
Promotional activities	16	25	48
Auditor's remuneration			
– audit fees of the Company's annual accounts	14	18	29
Legal and advisory fees	2	5	–
Custodian and overseas agents' charges	34	39	69
Broker fees	15	15	30
Stock exchange fees	10	8	13
Registrar's fees	13	13	21
Printing	10	13	19
Other	16	11	28
	168	**246**	**342**

Notes to the Financial Statements continued

5. Earnings per share	Six months ended 29 February 2016 p	Six months ended 28 February 2015 p	Year ended 31 August 2015 p
Ordinary share – basic			
Revenue return	1.78	1.81	3.85
Capital return	(1.96)	(19.39)	(37.07)
Total return	**(0.18)**	**(17.58)**	**(33.22)**

The figures above are based on the following:	£'000	£'000	£'000
Revenue return	1,152	1,190	2,518
Capital return	(1,274)	(12,716)	(24,261)
Total return	**(122)**	**(11,526)**	**(21,743)**
Weighted average number of Ordinary shares in issue	**64,888,044**	**65,575,533**	**65,451,577**

As detailed in note 9, all remaining unexercised Subscription shares lapsed and were cancelled following the expiry of the final exercise date on 31 December 2015. On the basis set out in IAS 33 "Earnings per Share", there was no dilutive effect on the net revenue or net capital in the prior periods arising from the exercise of the Subscription shares, as the average Ordinary share price over each period was less than the 120p price at which shares would have been subscribed for.

6. Dividends on Ordinary shares	Six months ended 29 February 2016 £'000	Six months ended 28 February 2015 £'000	Year ended 31 August 2015 £'000
Distributions to equity holders in the period:			
First interim dividend for 2016 – 0.875p (2015 – 1.00p)	568	656	820
Second interim dividend for 2015 – 1.00p	–	–	656
Third interim dividend for 2015 – 1.00p	–	–	655
Fourth interim dividend for 2015 – 1.25p (2014 – 1.25p)	812	820	651
	1,380	**1,476**	**2,782**

7. **Transaction costs**

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

	Six months ended 29 February 2016 £'000	Six months ended 28 February 2015 £'000	Year ended 31 August 2015 £'000
Purchases	2	3	3
Sales	3	4	6
	5	**7**	**9**

8. Bank loan

The Company has a £10 million revolving multi–currency facility with Scotiabank Europe plc. At the period end, £6,000,000 (28 February 2015 – US$14,800,000 (equivalent to £9,577,000); 31 August 2015 – US$13,300,000 (equivalent to £8,648,000)) had been drawn down under the facility, fixed to 18 March 2016 at an all–in rate of 1.46436% (28 February 2015 – 1.1238%; 31 August 2015 – 1.15455%).

At the date of this Report, £6,000,000 remains drawn down, fixed to 18 April 2016 at an all-in rate of 1.46718%.

9. Stated capital

	29 February 2016		28 February 2015		31 August 2015	
Stated capital	**Number**	**£'000**	**Number**	**£'000**	**Number**	**£'000**
Issued and fully paid						
Ordinary shares in issue	64,602,824	65,936	65,557,824	65,389	65,022,824	65,389
Ordinary shares held in Treasury	1,970,000	–	1,015,000	–	1,550,000	–
Subscription shares	–	–	10,420,986	547	10,420,836	547
		65,936		**65,936**		**65,936**

The Company's Ordinary shares have no par value.

During the period ended 29 February 2016, 420,000 (28 February 2015 – 25,000, 31 August 2015 – 560,000) Ordinary shares were bought back at a total cost of £190,000 (28 February 2015 – £16,000, 31 August 2015 – £332,000) including expenses, all of which were placed in treasury. At 29 February 2016 there were 1,970,000 (28 February 2015 – 1,015,000, 31 August 2015 – 1,550,000) Ordinary shares held in treasury, which represented 2.96% (28 February 2015 – 1.52%, 31 August 2015 – 2.33%) of the Company's total issued share capital at that date.

31 December 2015 was the final conversion date for all remaining unexercised Subscription shares. In accordance with the terms and conditions of issue, all of the remaining Subscription shares lapsed and were subsequently cancelled.

10. Net asset value per share

Ordinary share

The basic 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 29 February 2016	As at 28 February 2015	As at 31 August 2015
Attributable net assets to Ordinary shareholders (£'000)	34,180	47,711	35,872
Number of Ordinary shares in issue	64,602,824	65,557,824	65,022,824
Net asset value per Ordinary share (p)	52.91	72.78	55.17

The diluted net asset value per Ordinary share has been calculated by reference to the total number of Ordinary shares in issue at the period end and on the assumption that the Subscription shares which were not subscribed at the period end were subscribed on the first day of the financial period at 120p per share. There was no dilutive impact on the net asset value in either period as the basic net asset value was less than the price at which shares may have been subscribed for. As detailed in note 9, the remaining Subscription shares lapsed and were cancelled following the expiry of the final exercise date on 31 December 2015. On the basis set out in IAS 33 "Earnings per Share", there was no dilutive effect on the net revenue or net capital in the prior periods arising from the exercise of the Subscription shares, as the average Ordinary share price over each period was less than the 120p price at which shares may have been subscribed for.

Notes to the Financial Statements continued

11. Related party transactions and transactions with the Manager

Mr Gilbert is a director of Aberdeen Asset Management PLC, of which Aberdeen Private Wealth Management Limited ('APWML') is a subsidiary. Management, secretarial and administration services are provided by APWML. Mr Gilbert does not charge a fee for providing his services as a director of the Company.

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 £200,000 (28 February 2015 – £303,000; 31 August 2015 – £588,000) of management fees were payable, of which £33,000 (28 February 2015 – £48,000 31 August 2015 – £37,000) was outstanding at the period end.

During the period fees in respect of promotional activities of £16,000 (28 February 2015 – £25,000; 31 August 2015 – £48,000) were payable with £5,000 (28 February 2015 – £20,000; 31 August 2015 – £8,000) outstanding at the period end.

Under its management agreement with the Company, APWML is entitled to receive both a management fee and a company secretarial and administration fee. APWML agreed to waive its company secretarial and administration fee of £112,000, for the year ended 31 August 2015 and also for this six month period under review. This waiver constitutes a smaller related party transaction for the purpose of LR 11.1.10 R of the Financial Conduct Authority's Listing Rules.

12. Half-Yearly Financial Report

The financial information for the six months ended 29 February 2016 and for the six months ended 28 February 2015 has not been audited.

This Half-Yearly Financial Report was approved by the Board on 15 April 2016.

How to Invest in Aberdeen Latin American Income Fund Limited

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, for retail clients, shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking exposure to Latin American securities, and who understand and are willing to accept the risks of exposure to equities. 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 shares issued by Latin American Income Fund Limited 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 trust if the Company were incorporated in the UK.

Aberdeen's Investment Trust Share Plan

AAM 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. Investors simply pay Government Stamp Duty (currently 0.5%). 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 AAM 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's Investment Plan for Children

Aberdeen 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 trust, 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 AAM 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.

Stocks and Shares ISA

An investment of up to £15,240 can be made in the tax year 2016/2017.

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. 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.

ISA Transfer

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

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 you can call 0500 00 00 40 (free when dialling from a UK landline) for company information.

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES or by telephoning:

How to Invest in Aberdeen Latin American Income Fund Limited

continued

Tel: +44 (0) 370 707 4040
Tel International: (+44 208 639 3399)

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.

Literature Request Service

For literature and application forms for the Manager's investment trust products, please contact:

Telephone: 0500 00 40 00
Email: aam@lit-request.com

Aberdeen Investment Trust Administration
PO Box 11020
Chelmsford
Essex CM99 2DB
Telephone: 0500 00 00 40

Terms and conditions for the AAM managed savings products can also be found under the Literature section of invtrusts.co.uk

Online Dealing details

Investor information
There are a number of other ways in which you 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
Charles Stanley Direct
Equiniti
Halifax Share Dealing
Hargreave Hale
Idealing
Interactive Investor
Selftrade
The Share Centre
Hargreaves Lansdown
TD Direct

Discretionary private client stockbrokers
If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your 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

Website

Further information on Aberdeen Latin American Income Fund Limited can be found on its own dedicated website: latamincome.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports.

Investor Warning

The Board has been made aware by Aberdeen that some investors have received telephone calls from people purporting to work for Aberdeen, or third parties, who have offered to buy their investment trust shares. 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 an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen and any third party making such offers has no link with Aberdeen. Aberdeen never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact Aberdeen's investor services centre using the details provided below.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the

tax treatment of ISAs may be changed by future legislation.

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

Directors
Richard Prosser (Chairman)
Martin Adams
George Baird
Martin Gilbert

Registered Office and Company Secretary
Aberdeen Private Wealth Management Limited
1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade
St Helier
Jersey JE2 3QB

Company Registration Number
106012 (Jersey)

Investment Manager
Aberdeen Asset Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH

Custodian
BNP Security Services S.A. Jersey Branch

Independent Auditor
Ernst & Young LLP
Liberation House
Castle Street
St Helier
Jersey JE1 1EY

Registrar and Transfer Agent
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Financial Adviser and Corporate Broker
Cantor Fitzgerald Europe
One Churchill Place
Level 20
Canary Wharf
London E14 5RB

Lending Bank
Scotiabank Europe plc
Scotia House
201 Bishopsgate
London EC2M 3NS

Jersey Lawyers
Appleby
PO Box 207
13-14 Esplanade
St Helier
Jersey JE1 1BD

United Stated Internal Revenue Service FATCA Registration Number ("GIIN")
9HSG0J.99999.SL.832

Website
latamincome.co.uk