Aberdeen Latin American Income Fund Limited

Annual Report
31 August 2015

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If you have sold or otherwise transferred all your Ordinary shares in Aberdeen Latin American Income Fund Limited, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Strategic Report – Company Summary and Financial Highlights

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 also a wholly-owned subsidiary of Aberdeen Asset Management PLC (the "Aberdeen Group"), 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 respectively to the Company.

Website

Up-to-date information can be found on the Company's website - www.latamincome.co.uk

Financial Highlights

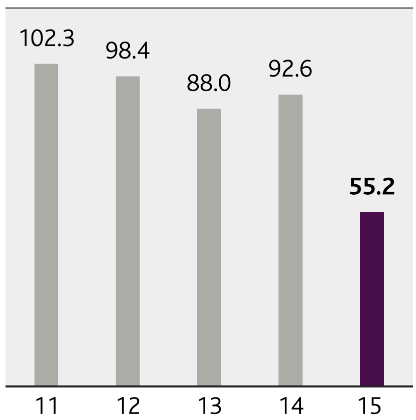
	2015	2014
Ordinary share price total return	–32.3%	+1.4%
Net asset value total return	–36.8%	+10.4%
Benchmark total return	–32.2%	+12.7%
Earnings per Ordinary share (revenue)	3.85p	4.11p
Dividends per Ordinary share	4.25p	4.25p
Discount to net asset value per Ordinary share	4.8%	10.6%

Total return represents the capital return plus dividends reinvested.

Source: Aberdeen, Morningstar, Russell Mellon, Lipper & JPMorgan

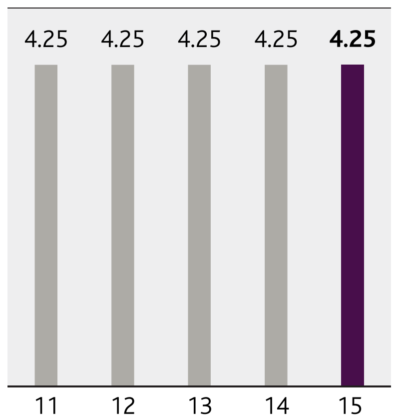
Net Asset Value per share

At 31 August – pence



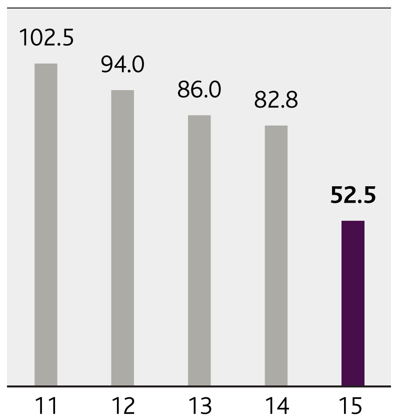
Dividends per share

pence



Mid-market price per share

At 31 August – pence



Strategic Report – Overview of Strategy

Introduction

The Company aims to provide private and institutional investors with exposure to the above average long-term capital growth prospects of Latin America combined with an attractive yield.

The business of the Company is that of an investment company and the Directors do not envisage any change in this activity in the foreseeable future. The Company's overall objective and financial highlights are shown on page 1. A review of the Company's activities is given in "Business Model–Investment Policy and Approach" below, the Chairman's Statement on pages 6 to 8 and in the Investment Manager's Review on pages 9 and 10 which includes its principal activities, likely future developments of the business and details of any changes in the issued Ordinary share capital.

Duration

The Company does not have a fixed life or continuation vote.

Benchmark

The Company measures its performance against a composite benchmark index weighted as to 60% MSCI EM Latin America 10/40 Index and 40% JP Morgan GBI-EM Global Diversified (Latin America Carve Out) (both in sterling terms). The Company does not seek to replicate the benchmark index in constructing its portfolio and the portfolio is not managed by reference to any index. It is likely, therefore, that there will be periods when the Company's performance will be uncorrelated to any index or benchmark.

Key Performance Indicators (KPIs)

At each Board meeting, Aberdeen circulates detailed performance attribution for the Directors to consider in order to assess the Company's progress in achieving its objectives. Below are the main KPIs which have been identified by the Board for determining the progress of the Company and a record of these measures is disclosed on page 11:

- Net Asset Value Total Return Performance versus Benchmark Total Return;
- Ordinary Share Price Total Return Performance;
- Share Price Discount/Premium to Net Asset Value per Ordinary Share; and
- Dividends per Ordinary Share.

Further commentary on the Company's performance is contained in the Chairman's Statement and Investment Manager's Review and further explanation of the terms is provided in the Glossary on page 65.

Business Model-Investment Policy and Approach

The Company invests in:

- companies listed on stock exchanges in the Latin American region;
- Latin American securities (such as ADRs and GDRs) listed on other international stock exchanges;
- companies listed on other international exchanges that derive significant revenues or profits from the Latin American region; and
- debt issued by governments and companies in the Latin American region.

The Company has a diversified portfolio consisting primarily of equities, equity-related and fixed income investments, with at least 25% of its gross assets invested in equity and equity-related investments and at least 25% of its gross assets invested in fixed income investments. The Company's investment policy is flexible, enabling it to invest in all types of securities, including (but not limited to) equities, preference shares, debt, convertible securities, warrants, depositary receipts and other equity-related securities.

Whilst the Board has provided the Investment Manager with broad investment guidelines in order to ensure a spread of risk, the Company's portfolio is not managed by reference to any benchmark and, therefore, the composition of its portfolio is not restricted by minimum or maximum country, market capitalisation or sector weightings.

The Company may invest, where appropriate, in open-ended collective investment schemes and closed-ended funds that invest in the Latin American region.

Derivative investments may be used for efficient portfolio management and hedging and may also be used in order to achieve the investment objective and to enhance portfolio performance. The Company may purchase and sell derivative investments such as exchange-listed and over-the-counter put and call options on currencies, securities, fixed income, currency and interest rate indices and other financial instruments, purchase and sell financial futures contracts and options thereon and enter into various interest rate and currency transactions such as swaps, caps, floors or collars or credit transactions and credit derivative instruments. The Company may also purchase derivative instruments that combine features of these instruments. Aberdeen employs a risk management process to oversee and manage the Company's exposure to derivatives. Aberdeen may use one or more separate counterparties to undertake derivative transactions on behalf of the Company, and may be required to pledge collateral in order to secure the Company's obligations under such contracts. Aberdeen will assess on a continuing basis the creditworthiness of counterparties as part of its risk management process.

The Company may underwrite or sub-underwrite any issue or offer for sale of investments.

The Board considers that returns to Ordinary Shareholders can be enhanced by the judicious use of borrowing. The Board is responsible for the level of gearing in the Company and reviews the position on a regular basis. Pursuant to the level of gearing set by the Board, the Company may borrow up to an amount equal to 20% of its net assets. The Company will not have any fixed, long-term borrowings.

The Company may also use derivative instruments for gearing purposes, in which case the investment restrictions will be calculated on the basis that the Company has acquired the securities to which the derivatives are providing exposure.

The Company will normally be fully invested. However, during periods in which economic conditions or other factors warrant, the Company may reduce its exposure to securities and increase its position in cash and money market instruments.

The Company invests and manages its assets, including its exposure to derivatives, with the objective of spreading risk in line with the Company's investment policy.

The Company may only make material changes to its investment policy (including the level of gearing set by the Board) with the approval of Ordinary Shareholders (in the form of an ordinary resolution).

Investment Restrictions

The minimum and maximum percentage limits set out under "Business Model-Investment Policy and Approach" and "Investment Restrictions" will only be applied at the time of the relevant acquisition, trade or borrowing. No more than 15% of the Company's gross assets will be invested in any company.

The Company will not invest more than 10%, in aggregate, of the value of its gross assets in other investment companies admitted to the Official List of the Financial Conduct Authority, provided that this restriction does not apply to investments in any such investment companies which themselves have stated investment policies to invest no more than 15% of their gross assets in other listed investment companies admitted to the Official List of the Financial Conduct Authority.

The Company may invest up to 25% of its gross assets in non-investment grade government debt issues (being debt issues rated BB+/Ba1 or lower).

The Company's aggregate gross exposure to derivative instruments will not exceed 50% of its gross assets.

The Company will not acquire securities that are unlisted or unquoted at the time of investment (with the exception of securities which are about to be listed or traded on a stock exchange). However, the Company may continue to hold securities that cease to be listed or quoted if Aberdeen considers this to be appropriate.

No underwriting or sub-underwriting commitment will be entered into if the aggregate of such investments would exceed 10% of the Company's net assets and no such individual investment would exceed 5% of the Company's net assets.

The Board has adopted a policy that the value of the Company's borrowings or derivatives (but excluding collateral held in respect of any such derivatives) will not exceed 30% the Company's net assets.

Changes to Presentation of Financial Statements

The Annual Report and financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS) which require management to exercise its judgement in the process of applying the accounting policies. One of the mandated areas for consideration has been the application of IFRS 10 'Consolidated Financial Statements' including the Amendments, 'Investment entities' (Amendments to IFRS 10, IFRS 12 and IAS 27) (Investment Entity Amendments). The amendments are applicable for the first time this year and require entities that meet the definition of an investment entity to fair value certain subsidiaries through profit or loss in accordance with IAS 39 Financial Instruments: Recognition and Measurement, rather than consolidate their results. Following a review by the Board and Manager, it has been deemed that the Company meets the definition of an investment entity, and, therefore, all investments are now recognised at fair value through profit or loss. This has resulted in a change in the treatment of the Company's investment in Aberdeen Latin American Income Fund LLC (the "Subsidiary"), which was previously consolidated. The change in accounting policy resulted, in aggregate, in no adjustment to the net assets attributable to holders of the Company's shares and has been applied retrospectively to the 2013 and 2014 comparative figures which have been restated.

Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has identified the principal risks and uncertainties facing the Company at the current time in the table below together with a description of the mitigating actions taken by the Board. The principal risks associated with an investment in the Company's shares are published monthly on the Company's factsheet or they can be found in the pre-investment disclosure document published by the Manager, both of which are on the Company's website. The Board reviews the risks and uncertainties faced by the Company in the form of a risk matrix and heat map at its annual audit committee and a summary of the principal risks are set out below.

Description	Mitigating Action
Investment strategy and objectives – the setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for Ordinary shares and a widening discount at which the Ordinary shares trade relative to their NAV.	The Board keeps the level of discount at which the Company's Ordinary shares trade as well as the investment objective and policy under review and the Board is updated at each Board meeting on the make up of and any movements in the Shareholder register.
Investment portfolio, investment management – investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and inability to meet the Company's objectives.	The Board sets, and monitors, its investment restrictions and guidelines, and receives regular board reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines.
Financial obligations – the ability of the Company to meet its financial obligations, or increasing the level of gearing, could result in the Company becoming over-geared and therefore unable to take advantage of potential opportunities and result in a loss of value of the Company's shares.	The Board sets a gearing limit and receives regular updates on the actual gearing levels the Company has reached from the Investment Manager together with the assets and liabilities of the Company and reviews these at each Board meeting.
Financial and Regulatory – the financial risks associated with the portfolio could result in losses to the Company. In addition, failure to comply with relevant regulation (including the Companies (Jersey) Law, the Financial Services and Markets Act, the Alternative Investment Fund Managers Directive, Accounting Standards and the listing rules, disclosure and prospectus rules) may have a negative impact on the Company.	The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are managed by the Investment Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 16 to the financial statements. The Board relies upon Aberdeen to ensure the Company's compliance with applicable regulations and from time to time employs external advisers to advise on specific concerns.
Operational – the Company is dependent on third parties for the provision of all systems and services (in particular, those of AAM) and any control failures and gaps in these systems and services could result in a loss or damage to the Company.	The Board receives reports from the Manager on internal controls and risk management at each Board meeting and receives assurances from its significant service providers. Further details of the internal controls which are in place are set out in the Statement of Corporate Governance on page 29.

An explanation of other risks relating to the Company's investment activities, specifically market risk including interest rate risk, foreign currency risk and other price risk, liquidity risk, credit risk, gearing risk and a note of how these risks are managed, is contained in note 16 to the financial statements on pages 49 to 57.

Board Diversity

The Board recognises the importance of a range of skilled, experienced individuals with the right knowledge in order to allow the Board to fulfill its obligations. At 31 August 2015, there were five male Directors. The Company has no employees. The Board's statement on diversity is set out on page 28.

Environmental, Social and Human Rights Issues

The Company has no employees as it is managed by APWML and ordinarily all activities are contracted out to third party service providers. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined on page 30.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources.

Richard Prosser

Chairman
3 November 2015

Strategic Report - Chairman's Statement

Richard Prosser

Chairman

Overview

It was a difficult year for emerging markets, and Latin America in particular. Currencies and shares suffered sharp losses amid global sell-offs as fear dominated sentiment, while prices of commodities, especially oil, remained weak. At the same time, investors were cautious as they continued to try to second-guess the timing of a US interest rate hike. At the country level, a combination of plunging currencies, political uncertainty and slowing growth hurt investors' risk appetite.

A slowdown in China's growth fanned concerns for export-reliant Latin American economies, which were already facing lower revenues from tumbling commodity prices and weak currencies. Despite that, Chile was relatively resilient, posting modest GDP growth during the period on the back of gains in the services sector. Mexico also posted better-than-expected GDP numbers, shrugging off the effects of lower oil prices and disappointing growth in the US, its largest trading partner, early this year. The Chilean and Mexican stockmarkets were among the better performers in the region.

On the other hand, Brazil disappointed. Moody's lowered the country's credit rating to just one notch above junk status, following a revision of its fiscal primary surplus goal and deepening recession in the second quarter and in September S&P downgraded its Brazil rating to junk status. The Brazilian real was among the worst regional performers over the review period, losing over one-third of its value against the dollar. On the political front, Dilma Rousseff secured a second term in the presidential elections, but her sliding popularity culminated in massive protests demanding her resignation. With the ongoing corruption investigation involving state oil giant Petrobras, the unpopular president might find it an uphill task to push through austerity measures to reduce the budget deficit. Despite growth concerns, the central bank continued to raise interest rates, in the hope of taming rising inflation.

Amid the oil price slump, oil exporters adjusted to the prospect of weaker revenues: Mexico cut its 2015 budget by almost 3%, lowered its GDP forecast and cancelled a high-speed train project. Colombia postponed over US$2 billion in government spending. Currency depreciation pushed inflation above central banks' targets across the region, with the exception of Mexico, where earlier structural reforms led to increased market competition and subsiding inflation.

Results and Dividends

I am disappointed to report that your Company's net asset value ("NAV") total return was -36.8% for the year ended 31 August 2015, trailing the 32.2% fall in our composite benchmark. On a total return basis the Ordinary share price fell by 32.3% to 52.5p.

On page 18 Shareholders can see the weakness of Latin American currencies over the year relative to sterling, which severely impacted both our capital and revenue returns as we report in sterling, together with the negative country performance. The Brazilian Real plunged 33.7% against sterling with the Colombian Peso falling 33.0% and the Mexican Peso down 15.9%.

In the equity market the weakness in Brazilian stocks, where we held up to 60% of our total equity portfolio, saw the MSCI Country Index (in this case the 10/40 Index in sterling terms) fall by 46.7% with Mexico down 18.5%.

As I indicated in the Company's Half Yearly Report for the six months ended 28 February 2015, weak markets and global uncertainty meant that the Company's annual dividend target of 4.25p per Ordinary share was kept under close review by the Board. The continuing weakness of Latin American currencies in relation to sterling and the challenging economic environment have adversely impacted the Company's earnings and, as a result, dividends paid in respect of the year ended 31 August 2015 were not covered by earnings. However, the Board recognises the importance of predictable income to investors, particularly in the current low interest rate environment and concluded that the fourth interim dividend should be maintained at 1.25p. This will require the use of the Company's remaining revenue reserve and also a small payment of approximately 0.22p from capital.

Rebasing the Level of Future Dividends

The Company has maintained the current level of dividend payments at 4.25p per Ordinary share since its launch in July 2010. At a time when the yield on cash and gilts is so low, the Directors believe that the attraction of income and income growth is still very important to Ordinary Shareholders and the market generally. Having regard to the challenging economic environment in the Latin American region, and indeed globally, and following discussions with the Investment Manager, the Board concluded that maintaining dividends at the current level was unlikely in the short to medium term and the weak currency environment exacerbates this. Furthermore, the Board felt that seeking to maintain a high level of dividends was inhibiting the Investment Manager from conviction investing which is detrimental to achieving future capital growth and, accordingly, to the total return to Shareholders. The Directors believe that rebasing future Ordinary dividend payments to a level that:

- is sustainable and offers the prospect of longer term growth;
- remains attractive within the emerging markets closed-end funds sector;
- increases the Company's investment flexibility to achieve capital growth through increasing the weighting to equities when deemed appropriate; and
- as a result, offers Shareholders the prospect of an enhanced total return;

should be attractive to Shareholders as a whole and will enhance the Company's appeal to investors generally.

The Board decided, therefore, to rebase the annual dividend to 3.5p per Ordinary share for the financial year commencing 1 September 2015. Accordingly, in the absence of unforeseen circumstances, it is the Board's intention to declare first and second interim dividends in respect of the financial year ending 31 August 2016 each of 0.875p per Ordinary share.

The Board and the Investment Manager expect that, having rebased the level of dividends paid, the Company will be able to again grow the level of dividends once there is evidence of strengthening currencies and economic stability returning to the region.

As part of the dividend rebasing exercise, Aberdeen agreed to waive its company secretarial and administration fee of £112,000, equating to 0.17p per share, for the year ended 31 August 2015.

Portfolio

During the year the portfolio allocation between equities and bonds moved from an opening position of 59% equities and 41% bonds to 39% equities and 61% bonds at the year end as the Investment Manager sought to exploit market opportunities. The Board currently expects to maintain this allocation in the near term although the allocation to equities is likely to increase over time as the Company's revenue streams stabilise and economic conditions improve.

Share Capital Management

During the year the Company purchased for treasury 560,000 Ordinary shares at discounts to the exclusive of income NAV per share ranging from approximately 6% to 11%. Market volatility has, at times, continued to affect our ability to have a meaningful impact on the discount through the purchase of the Ordinary shares in the market although over this period the discount to NAV has contracted from 10.6% to 4.8%. It remains the Board's intention, in more normal market conditions, to try to maintain a discount of around 5% over the longer term. Subsequent to the year end a further 100,000 Ordinary shares have been purchased for treasury. The Board will continue to make limited use of share buybacks, subject to prevailing market conditions and where to do so would be in Shareholders' interests. At the time of writing the Ordinary shares were trading at a discount of 9.3%.

Gearing

During the year the Company reduced the level of drawings under the Company's £10 million facility with Scotiabank Europe PLC to $13.3 million. Subsequent to the period end the loan was further reduced to $10.0 million. The Board will continue to monitor the level of gearing in the light of market conditions.

Annual General Meeting

The AGM will be held at 10.00 a.m. on 10 December 2015 at the Company's registered office, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB and I look forward to meeting Shareholders on the day.

We are proposing to renew the Company's authority to buy back Ordinary shares subject to the United Kingdom Listing Authority's Listing Rules and Jersey law and any purchases will be at the absolute discretion of the Directors. We are also seeking to renew the authority to issue new Ordinary shares equivalent to up to 10% of the Company's existing Ordinary share capital at the AGM. Ordinary shares will only ever be issued at a premium to NAV per Ordinary share and will therefore be accretive and not disadvantageous to Ordinary Shareholders.

Subscription Shares

Subscription Shareholders have a final opportunity to exercise their right to subscribe for Ordinary shares in the 28 days prior to 31 December 2015. A reminder letter accompanies this Annual Report. Rights attaching to these Subscription shares will expire on 31 December 2015.

The Directors expect that, at the final subscription date, the price payable on the exercise of the subscription rights conferred by a Subscription share (being 120p) will continue to be substantially higher than the market price of an Ordinary share (47.875p at the time of writing). Accordingly, the Directors who hold Subscription shares will not be exercising their subscription rights.

Outlook

Market volatility is likely to persist in the near term. The ripple effects from China's growth slowdown, which appears to be the new normal, are affecting the global economy. Regional economies could remain sluggish amid weak commodity prices. Meanwhile, the US Federal Reserve appears to be getting closer to normalising its monetary policy, which could trigger fund outflows from Latin America if the dollar strengthens further.

At the country level, there are also issues to contend with. In Brazil, the credit downgrade is likely to increase both the costs of borrowing and repaying dollar-denominated debts. Besides a shrinking economy, the government faces the twin threats of high unemployment and rising inflation. Meanwhile, corruption allegations remain a common fixture in Latin American economies. In Mexico, while a government investigation has cleared the president of any wrongdoing in a property scandal, the handling of the case has dented the administration's credibility and investor confidence. Chile, too, was tainted by corruption allegations.

But there is also room for optimism: In Brazil, the probe into guilty parties involved in the Petrobras scandal shows that its democratic institutions are robust and its judiciary increasingly independent. Policymakers in Mexico and Chile are also pushing through anti-corruption reforms. These reforms should be a cause for hope and should underpin long-term growth prospects.

While the credit downgrade does not bode well for Brazil, its highly-rated finance minister, Joaquim Levy, who just took office this year, seems determined to steer the country out of its economic troubles with a series of reforms and overhauls.

Corporate earnings growth in the region is likely to remain muted in the near term, but your Manager's focus on investing only in well-run companies should help weather these challenging times. Amid the recent sell-offs, valuations have become more attractive and your Manager sees investment opportunities to add to quality holdings with solid fundamentals, which should outperform in an eventual rebound.

Directorate

Finally, Jeremy Arnold has indicated that he intends to retire from the Board with effect from the close of business at the Annual General Meeting to be held on 10 December 2015. I would like to join with my fellow Directors in sincerely thanking Jeremy for his significant contribution to the Company as a Director and as Chairman of the Audit Committee from the launch of the Company in 2010. George Baird has agreed to take over as Audit Committee Chairman from 10 December 2015.

In light of the Company's size and our on-going review of costs, we will not be replacing Jeremy this year but will continue with four Directors for the immediate future.

Richard Prosser

Chairman
3 November 2015

Strategic Report – Investment Manager's Review

Performance Commentary

Shareholders will be only too aware that the twelve months to 31 August 2015 proved a very difficult year for Latin American markets. The region, and indeed the broader emerging market asset class, was battered by continued investment outflows and negative sentiment on the back of lacklustre economic data. The NAV total return in sterling terms fell by a disappointing 36.8% whilst our composite benchmark dropped 32.2% over the same period.

Notwithstanding the fact that we believe our equity portfolio holdings to now be relatively well placed to weather any further volatility in markets, we saw the MSCI EM Latin America 10/40 Index falling by 37.7% in sterling terms over the year.

The bond portfolio fell as the region's currencies depreciated albeit the coupon return offset the rise in yields. The bond constituent benchmark JP Morgan GBI-EM Global Diversified Latin America Index declined by 23.84%.

In Mexico, airport operators Asur and OMA were among the best performers in the portfolio, underpinned by impressive growth in traffic and commercial revenues. The Cancun airport, a major tourist destination, remained central to Asur's success, accounting for over 70% of its traffic. OMA saw growth in international passenger numbers due to new route launches, and announced the opening of a hotel at its main concession, Monterrey airport. We believe that significant opportunity remains in the sector, as Mexico's growing middle class increasingly chooses to travel by air instead of bus. Elsewhere, beverage and retail company FEMSA did well, despite the depreciation of the Mexican peso. Its retail arm Femsa Comercio achieved its highest same-store sales growth since 2012, outweighing a weaker showing from its Coca-Cola bottling arm KOF, which suffered from ongoing challenges in Venezuela. The Company acquired further pharmaceutical assets in the Andean region, in a drive to broaden its drugstore footprint.

Several Chilean holdings also contributed to relative performance. Coca-Cola bottler Andina was buoyed by resilient volumes and better profitability on the back of its cost-cutting efforts. Lender Santander Chile benefited from healthy loan growth and improved asset quality. Its margins were also helped by higher-than-expected inflation in Chile, given its exposure to inflation-linked assets. Mall operator Parque Arauco maintained high occupancy rates, while continuing to expand in the region. In Brazil, Lojas Renner posted consistently good results, maintaining robust sales growth despite the weak economic backdrop. The retailer has been winning market share and focusing on operational improvements.

Conversely, Vale and Banco Bradesco were among the key detractors from performance. Vale was hamstrung by lower iron ore prices and concerns over Chinese growth; however, the miner has been driving down costs, disposing of non-core assets and eking out efficiency gains. Bradesco was weighed down by an impending tax hike on financial institutions and concerns that the weak macroeconomic environment would drag on its asset quality. Despite this, the lender has posted solid results, with earnings underpinned by growth in interest income. Management is confident that the recent acquisition of HSBC's Brazilian assets will be integrated smoothly with its existing businesses, resulting in increased Shareholder value.

Peruvian infrastructure company Grana y Montero also lagged. Its core engineering and construction business was particularly weak, owing to cost overruns and its significant exposure to oil prices. As miners slashed investment spending, concerns about Grana y Montero's future project pipeline weighed on its share price. Separately, speculation that MSCI may reclassify Peru's stock market to frontiers from emerging markets further dampened sentiment.

On the bond side the off-benchmark exposure to Uruguayan inflation linked bonds was the main source of outperformance, as the combination of high real yields and rebounding inflation partially offset the depreciation of the currency. The underweight exposure to the Colombian Peso, which was hit particularly hard by the fall in oil prices, was also a positive contributor. The underweight exposure to the Mexican Peso has detracted from performance. While slow growth and heavy investor positioning has weighed on the Peso, it has outperformed both the Brazilian and the Colombian currencies. The long duration position in Peruvian rates was also a minor drag on performance, as the reluctance of the central bank to allow the currency to absorb the commodity price shock put additional pressure on the local bond market.

Portfolio Activity

During the review period, we sold our shareholding in Petrobras, on growing worries about its governance shortcomings, rising leverage and deteriorating ability to repay its debt. We also reduced our position in Soriana, on concerns that its acquisition of stores from fellow retailer Comercial Mexicana would weaken its balance sheet, and pared back OMA and Lojas Renner following share price strength.

Against this, three new holdings were initiated. These were Arca Contal, Mexico's second-largest Coca-Cola bottler with well-run operations and solid growth prospects; Banco Santander Mexico, a conservatively managed lender with an established domestic market position; and Iguatemi, a leading Brazilian shopping centres owner and operator with a portfolio of well-located malls, a broad tenant base and a pipeline of new sites under development. We also added to our holdings in Banco Bradesco, Exito and Itau Unibanco, which were trading at attractive valuations.

Earlier in the year in the bond portfolio we reduced exposure to Brazilian rates and currency, moving to an underweight position as we expected sharp deterioration in growth together with inflationary pressures arising from the necessary upward adjustment of regulated prices. Later in the year we used the sell-off in Brazilian rates to add to our bond position, but kept the underweight currency exposure. We have also reduced our underweight position in Colombia at the expense of Mexico, as relative valuations moved in the favour of the former, and increased our exposure to Peruvian rates.

Over the year we have shifted the portfolio allocation from being overweight equity into overweight bonds, as in a slower growth environment fixed income markets tend to outperform the equity markets.

Outlook

Latin America seems to be facing a 'new normal' of slowing growth, relative to the boom of the past decade. The policy responses of the region's governments will be closely watched: the successful implementation of structural reforms for productivity and fiscal health is now more crucial than ever.

Despite the macroeconomic uncertainty, however, we have been encouraged by developments on the corporate front. Against a backdrop of reduced investment and slowing consumption growth, our holdings have continued to show strong focus on profitability and balance sheet strength. Margins have largely proven resilient, owing to cost cuts and improvements in efficiency. While we are unlikely to see a significant recovery in corporate earnings in the near future, the companies in the portfolio have positioned themselves well to weather the challenging operating environment. Valuations appear more compelling, with the equity index trading at around 15 times 2015 earnings. Meanwhile, our investment process remains consistent: the indiscriminate sell-off in the region has unveiled opportunities for us to add to favoured holdings and pick up new ones at attractive prices. Our well-resourced and very experienced team of investment managers have been investing in the region for many years and still believe in the underlying value to be found in the securities in which we invest.

The significant currency depreciation we have seen across the region should help to improve sovereign external balances and partially off-set the negative impact of lower commodities prices on fiscal revenues. However, central banks will have to reinforce their credibility and keep inflation expectations well anchored to prevent second round inflationary pressures from weaker currencies. This has removed the opportunity of further policy easing, while the upcoming tightening of US monetary policy stance points towards a more hawkish outlook. Encouragingly, we see that most central banks in the countries we invest in are well aware of these challenges, and are ready to conduct prudent policies, which should anchor the long end of the local yield curves and prevent currency overshoots.

Aberdeen Asset Managers Limited
3 November 2015

Strategic Report - Results

Results

	31 August 2015	31 August 2014	% change
Total assets (see definition on page 65) (£'000)	44,520	69,641	–36.1
Total equity shareholders' funds (net assets) (£'000)	35,872	60,729	–40.9
Market capitalisation (£'000)	34,163	54,567	–37.4
Ordinary share price (mid market)	52.50p	82.75p	–36.6
Subscription share price (mid market)	0.25p	2.85p	–91.2
Net asset value per Ordinary share	55.17p	92.60p	–40.4
Discount to net asset value per Ordinary share	4.84%	10.64%	
Net gearing (see definition on page 65)[A]	21.77%	13.47%	
Dividends and earnings			
Total return per Ordinary share	–33.22p	8.65p	
Earnings per Ordinary share (revenue)	3.85p	4.11p	–6.3
Dividends per Ordinary share	4.25p	4.25p	–
Dividend cover	0.91 times	0.97 times	
Revenue reserves[B] (£'000)	658	922	
Operating costs			
Ongoing charges ratio[C]	1.89%	1.99%	

[A] Calculated in accordance with AIC guidance "Gearing Disclosures post Retail Distribution Review".
[B] Excludes payment of fourth interim dividend of 1.25p (2014 – 1.25p) per Ordinary share equating to £813,000 (2014 – £820,000).
[C] Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average cum income net asset value throughout the year.

Performance (total return)

	1 year % return	3 year % return	Since launch[A] % return
Ordinary share price	–32.3	–34.5	–33.8
Net asset value	–36.8	–34.9	–30.4
Benchmark	–32.2	–29.0	–26.4

Total return represents the capital return plus dividends reinvested.
[A] Launch date 16 August 2010.

Financial Calendar

Dividends

	Rate	xd date	Record date	Payment date
1st interim 2015	1.00p	17 December 2014	19 December 2014	30 January 2015
2nd interim 2015	1.00p	2 April 2015	7 April 2015	30 April 2015
3rd interim 2015	1.00p	16 July 2015	17 July 2015	31 July 2015
4th interim 2015	1.25p	8 October 2015	9 October 2015	30 October 2015
Total dividends 2015	**4.25p**			

	Rate	xd date	Record date	Payment date
1st interim 2014	1.00p	23 December 2013	27 December 2013	31 January 2014
2nd interim 2014	1.00p	2 April 2014	4 April 2014	30 April 2014
3rd interim 2014	1.00p	2 July 2014	4 July 2014	31 July 2014
4th interim 2014	1.25p	1 October 2014	3 October 2014	31 October 2014
Total dividends 2014	**4.25p**			

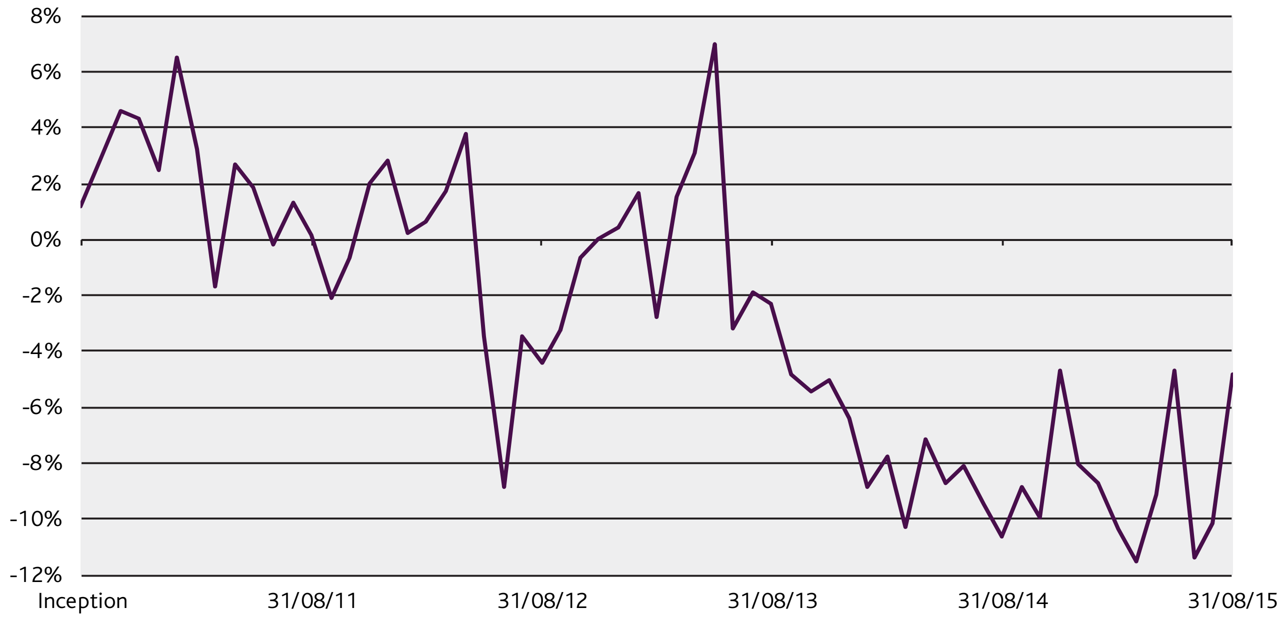
Financial Calendar

30 October 2015	Payment of fourth interim dividend for year ended 31 August 2015
10 December 2015	Annual General Meeting at 1st Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB at 10.00am
31 December 2015	Final subscription date to exercise Subscription shares (optional)
29 January 2016	Payment of first interim dividend for year ending 31 August 2016
April 2016	Announcement of half yearly results for the six months ending 28 February 2016
29 April 2016	Payment of second interim dividend for year ending 31 August 2016
29 July 2016	Payment of third interim dividend for year ending 31 August 2016
28 October 2016	Payment of fourth interim dividend for year ending 31 August 2016
October 2016	Announcement of results for year ending 31 August 2016

Strategic Report - Performance

Ordinary Share Price (Discount)/Premium to NAV

Launch (16 August 2010) to 31 August 2015



Source: Aberdeen & Morningstar

Total Return of NAV and Share Price vs Composite MSCI EM Latin America 10/40 Index / JP Morgan GBI-EM Global Diversified Index (Latin America carve out) (sterling adjusted)

Launch (16 August 2010) to 31 August 2015 (rebased to 100 at 16 August 2010)

Source: Aberdeen, Morningstar, Russell Mellon, Lipper & JP Morgan

Investment Portfolio – Ten Largest Equity Investments

As at 31 August 2015

Company	Sector	Country	Valuation 2015 £'000	Total assets %[A]	Valuation 2014 £'000
Banco Bradesco ADR A leading Brazilian bank with a good quality loan portfolio, it has benefited from robust growth in retail lending.	Banks	Brazil	1,191	2.7	3,979
Itau Unibanco Holdings ADR Brazil's largest privately-owned bank, it is strongly capitalised and well positioned with decent growth and asset quality.	Banks	Brazil	1,016	2.3	2,562
Fomento Economico Mexicano ADR Fomento Economico Mexicano participates in beverages through Coca-Cola FEMSA, the largest bottler of Coca-Cola products globally. The company also participates in small-format stores through FEMSA Comercio which includes 12,800 Oxxo convenience stores and more recent developments into pharmacies and gas stations.	Food, Beverage & Tobacco	Mexico	984	2.2	1,663
Grupo Financiero Banorte Mexico's third largest bank in terms of assets and the largest and only locally owned Mexican bank, well positioned to continue growing and strengthening its competitive position to benefit from this underpenetrated market.	Banks	Mexico	796	1.8	1,587
Lojas Renner[B] The second largest clothing retailer in Brazil.	Retailing	Brazil	714	1.6	1,538
Vale ADR The Brazilian miner is the world's lowest-cost iron-ore producer.	Materials	Brazil	679	1.5	2,471
Ambev[B] Latin America's largest producer of beer and the sole distributor of Pepsi products in Brazil.	Food, Beverage & Tobacco	Brazil	654	1.5	1,428
Brazil Foods Sponsored ADR Brazil Foods is a vertically integrated food producer selling poultry, pork, processed food, among others. It is the leading player in the majority of its markets, especially in the poultry segment where it is the leading producer globally.	Food, Beverage & Tobacco	Brazil	631	1.4	706
Wal-Mart De Mexico Wal-Mart De Mexico is a multi-format retailer with leading market positions in Mexico and Central America.	Retailing	Brazil	590	1.3	806
Ultrapar Participacoes ADR Brazilian fuels and chemicals company with defensive qualities. It has strengthened its distribution network with its acquisition of the Texaco-brand of gasoline stations in Brazil.	Energy	Brazil	589	1.3	1,317
Top ten equity investments			**7,844**	**17.6**	

Portfolio investments reflect consolidated investee holdings of the Company and its Subsidiary.

[A] See definition on page 65.

[B] Held in Subsidiary.

Investment Portfolio – Other Equity Investments

As at 31 August 2015

Company	Sector	Country	Valuation 2015 £'000	Total assets %[A]	Valuation 2014 £'000
Banco Santander-Chile ADR	Banks	Chile	550	1.2	962
Multiplan Empreendimentos NPV[B]	Real Estate Investment Services	Brazil	542	1.2	1,626
Embotelladora Andina 'A' Pref[B]	Beverages	Chile	535	1.2	741
Grupo Aeroportuario Sureste ADR	Industrial Transportation	Mexico	497	1.1	772
Tenaris ADR	Industrial Metals & Mining	Argentina	475	1.1	1,152
Grupo Aeroportuario Centro Nort ADR	Industrial Transportation	Mexico	453	1.0	818
Arezzo Industria e Comercio[B]	Personal Goods	Brazil	374	0.9	1,037
S.A.C.I. Falabella[B]	General Retailers	Chile	372	0.9	721
Souza Cruz[B]	Tobacco	Brazil	339	0.8	479
BM&Fbovespa[B]	Financial Services	Brazil	331	0.7	632
Top twenty equity investments			**12,312**	**27.7**	
Kimberly-Clark de Mexico	Personal Goods	Mexico	328	0.7	647
Natura Cosmeticos[B]	Personal Goods	Brazil	327	0.7	861
Wilson, Sons[B]	Industrial Transportation	Brazil	321	0.7	624
Grupo Bancolombia	Banks	Columbia	318	0.7	620
Parque Arauco[B]	Real Estate Investment Services	Chile	286	0.6	443
WEG[B]	Electronic & Electrical Equipment	Brazil	267	0.6	522
Vale Pref ADR	Materials	Brazil	260	0.6	718
Odontoprev[B]	Health Care Equipment & Services	Brazil	255	0.6	481
TOTVS[B]	Software & Computer Services	Brazil	243	0.5	473
Valid Solucoes[B]	Support Services	Brazil	240	0.5	421
Top thirty equity investments			**15,157**	**33.9**	
Organizacion Soriana	General Retailers	Mexico	214	0.5	698
Almacenes Exito	Food & Drug Retailers	Columbia	208	0.5	630
Grana Y Montero	Construction & Materials	Peru	202	0.5	516
Arca Continental	Beverages	Mexico	194	0.4	–
Localiza Rent A Car	Transportation	Brazil	161	0.4	614
Cia Hering Com[B]	Personal Goods	Brazil	155	0.3	745
Grupo Financiero Santander	Banks	Mexico	152	0.3	–
Bradespar[B]	Materials	Brazil	146	0.3	561
Iguatemi Empressa de Shopping[B]	Real Estate Investment Services	Brazil	124	0.3	–
Grupo Lala	Food Producers	Mexico	22	0.0	–
Total equity investments			**16,735**	**37.4**	

Portfolio investments reflect consolidated investee holdings of the Company and its Subsidiary.

[A] See definition on page 65.

[B] Held in Subsidiary.

Investment Portfolio - Bonds

As at 31 August 2015

Issue	Sector	Country	Valuation 2015 £'000	Total assets %[B]	Valuation 2014 £'000
Uruguay (Rep of) 5% 14/09/18	Government Bonds	Uruguay	4,806	10.8	5,107
Brazil (Fed Rep of) 10% 01/01/17[A]	Government Bonds	Brazil	4,486	10.1	10,648
Brazil (Fed Rep of) 10% 01/01/25[A]	Government Bonds	Brazil	3,725	8.4	–
Colombia (Rep of) 9.85% 28/06/27	Government Bonds	Columbia	3,774	8.5	3,090
Mexico (United Mexican States) 8% 07/12/23	Government Bonds	Mexico	2,331	5.2	2,859
Mexico (United Mexican States) 7.5% 03/06/27	Government Bonds	Mexico	1,867	4.2	1,587
Peru (Rep of) 6.95% 12/08/31 REGS	Government Bonds	Peru	967	2.1	512
Brazil (Fed Rep of) 10% 01/01/18[A]	Government Bonds	Brazil	891	2.0	674
Brazil (Fed Rep of) 10% 01/01/21[A]	Government Bonds	Brazil	831	1.9	1,386
Mexico (United Mexican States) 7.75% 14/12/17	Government Bonds	Mexico	823	1.8	1,014
Uruguay (Rep of) 4.25% 05/04/27	Government Bonds	Uruguay	753	1.7	381
Peru (Rep of) 7.84% 12/08/20	Government Bonds	Peru	511	1.2	679
Peru (Rep of) 6.95% 12/08/31	Government Bonds	Peru	469	1.2	586
Mexico (United Mexican States) 4.5% 22/11/35	Government Bonds	Mexico	177	0.4	216
Total value of Bonds			**26,411**	**59.5**	
Total value of equity investments			**16,735**	**37.4**	
Total value of portfolio investments			**43,146**	**96.9**	
Other net assets held in subsidiary			**419**	**1.0**	
Total investments			**43,565**	**97.9**	
Net current assets[B]			**955**	**2.1**	
Total assets[C]			**44,520**	**100.0**	

Portfolio investments reflect consolidated investee holdings of the Company and its Subsidiary.

[A] Held in Subsidiary.

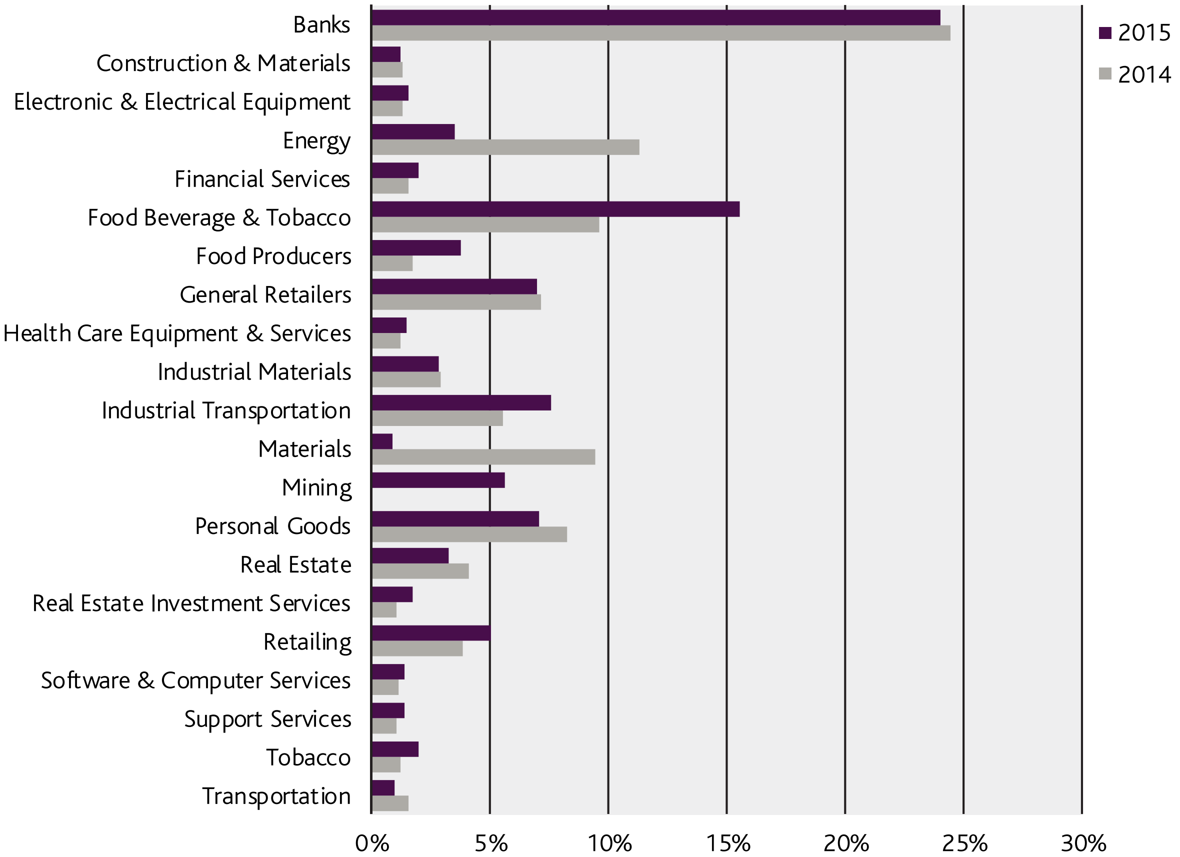
[B] Excluding bank loans of £8,648,000 (2014 – £8,912,000)

[C] See definition on page 65.

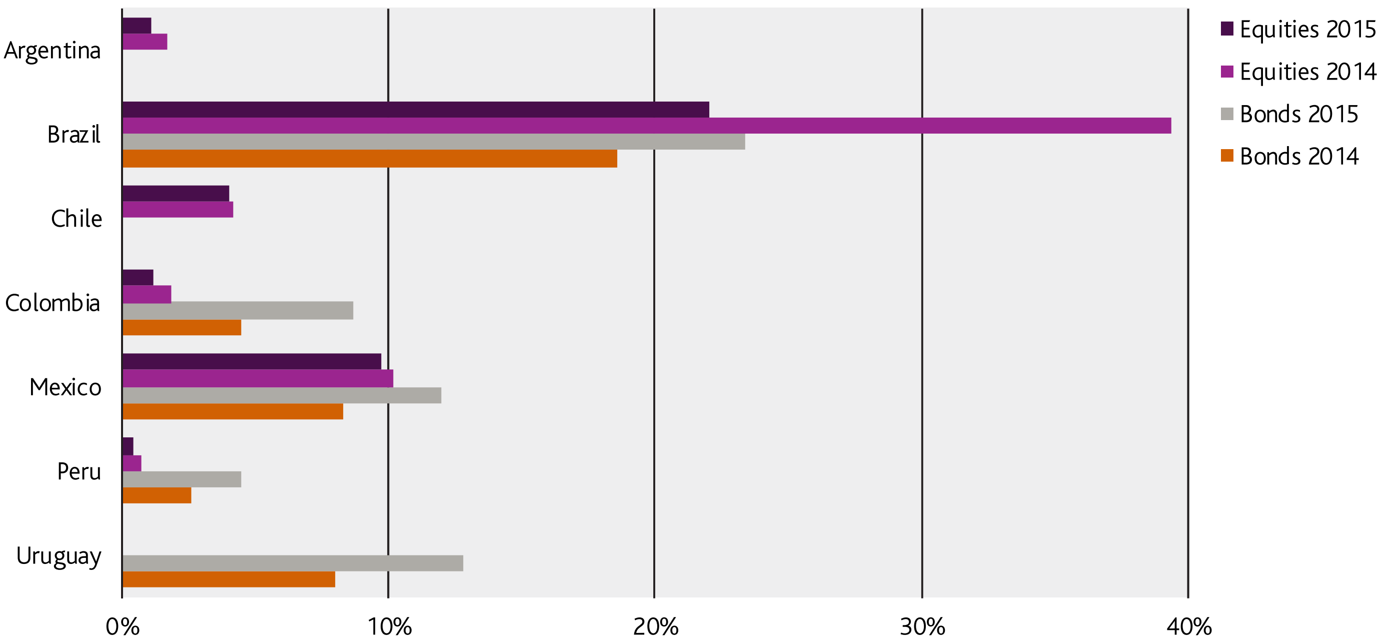
Sector/Geographical Analysis

As at 31 August 2015

Portfolio Sector Breakdown – Equities only



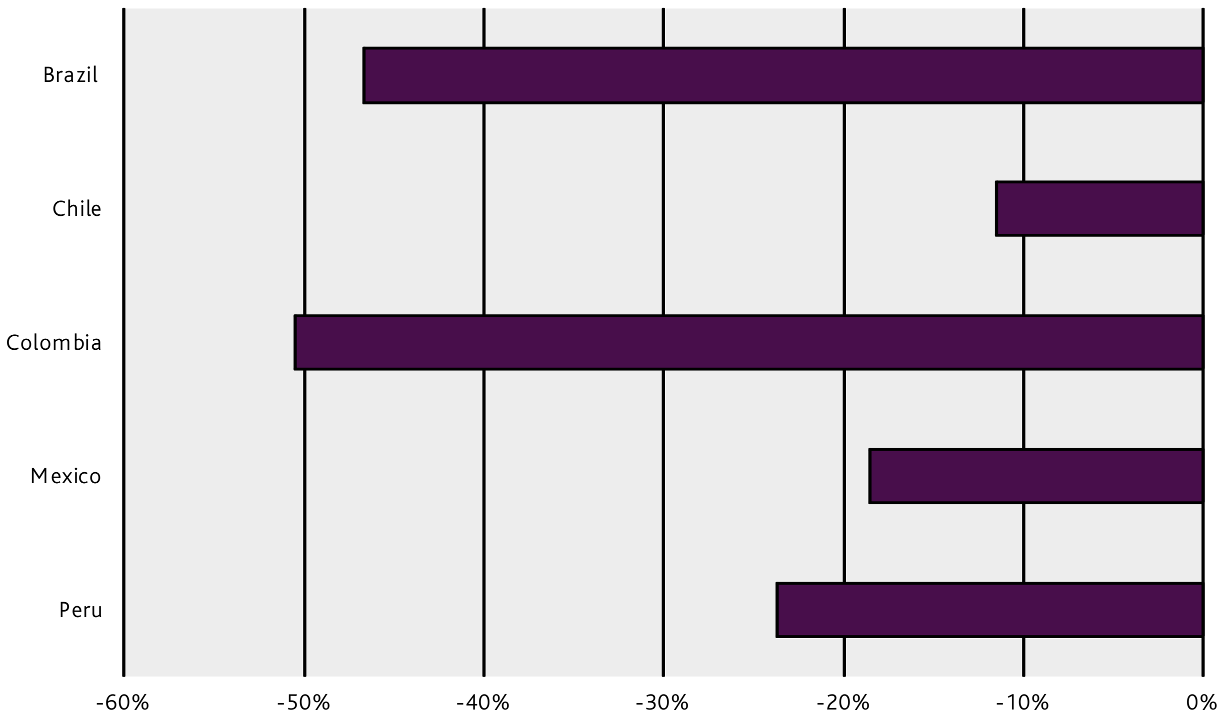
Portfolio Geographic Breakdown – Equities and Bonds



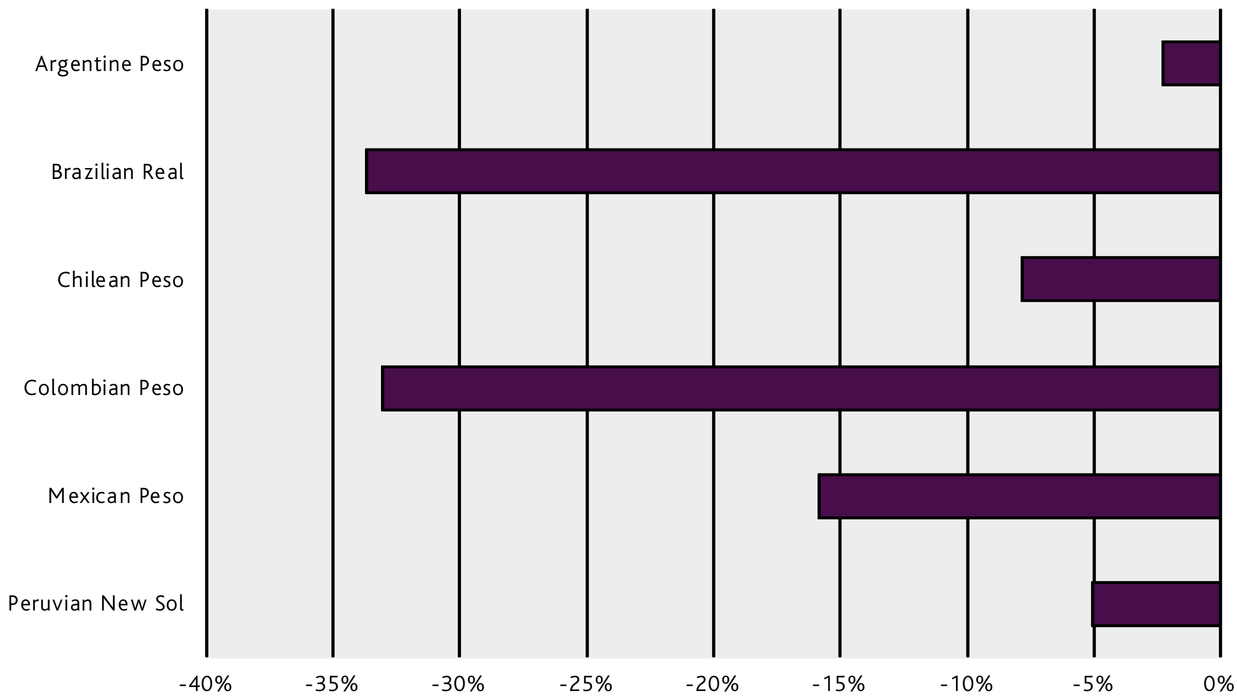
Currency/Market Performance

Year to 31 August 2015

Latin American currency percentage returns in sterling terms



MSCI Country Index total percentage returns in sterling terms



Information about the Investment Manager

Worldwide, Aberdeen manages a combined £294.4 billion (as at 31 August 2015) in assets for a range of clients, including individuals and institutions, through mutual and segregated funds.

The Aberdeen Group has its headquarters in Aberdeen with principal offices in London, Singapore, Philadelphia, Bangkok, Edinburgh, Hong Kong, Luxembourg, Kuala Lumpur, Jersey, Sao Paulo, Stockholm, Sydney, Taipei, and Tokyo.

The Aberdeen Group manages 92 investment companies and other closed-ended funds representing some £15.8 billion under management. They adhere closely to the Group's investment style which is that of fundamental investors, with an emphasis on company visits and original research.

The Investment Team Senior Managers

Devan Kaloo
Head of Global Emerging Markets
MA (Hons) in Management and International Relations from The University of St Andrews. Joined Aberdeen in 2000 on the Asian portfolio team from Martin Currie.

Joanne Irvine
Head of Emerging Markets ex. Asia
BA in accounting from Glasgow Caledonian University and a qualified chartered accountant. Joined Aberdeen in 1996 in a group development role and previously worked in corporate finance specialising in raising development capital finance for private businesses.

Fiona Manning
Senior Investment Manager – Equities EMEA
BA (Hons) in History with French from Durham University. Joined Aberdeen in 2005 having previously worked for Deutsche Bank.

Brett Diment
Head of Emerging Market Debt
BSc from the London School of Economics. Joined Aberdeen in 2005 having previously worked for Deutsche Bank. He joined Deutsche in 1991 as a graduate and started researching emerging markets in 1995.

Edwin Gutierrez
Head of Emerging Market Sovereign Debt
MSc from Georgetown University. Joined Aberdeen in 2005 having previously worked for Deutsche Bank since joining them in 2000. Previously worked as an EM Debt portfolio manager with Invesco and as a Latin American economist with LGT Asset Management.

Viktor Szabo
Senior Investment Manager – Fixed Income, EMEA
MSc from the Corvinus University of Budapest. Joined Aberdeen in 2009 having previously worked for Credit Suisse and the National Bank of Hungary.

The Investment Process

Although Aberdeen is an active long-only manager, its investment philosophy and approach has absolute return characteristics. Its investment process is robust and characterised by its discipline, consistency and independence. Aberdeen is not benchmark-driven and, accordingly, its fund managers do not invest in stocks that fail to meet its investment criteria.

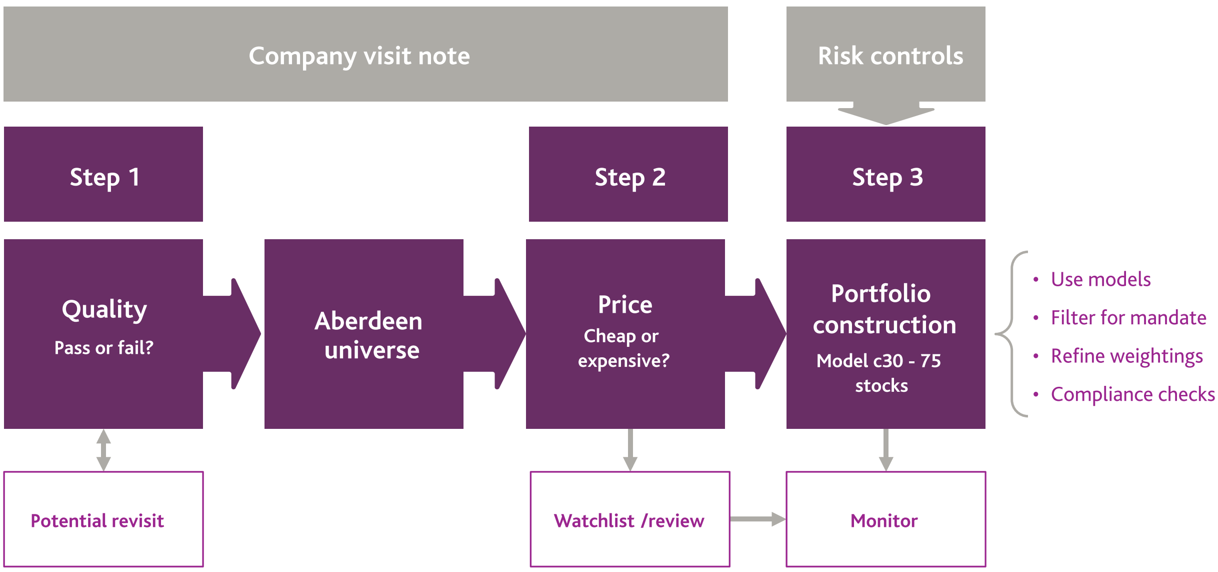
Portfolios are managed by Aberdeen on a team basis, with individual fund managers doing their own research and analysis. Each asset class has a model portfolio that contains the team's best ideas for that asset class and forms the basis for constructing individual portfolios focused on that asset class.

Aberdeen selects securities for the Company's portfolio employing the investment strategies established by Aberdeen's Global Emerging Market Equity and Global Emerging Market Debt teams. These teams, which comprise the investment team with responsibility for managing the Company's portfolio, have similar investment philosophies which focus on careful security selections, based on propriety research and the application of a disciplined investment process.

Aberdeen regularly monitors and makes allocation decisions to determine the Company's portfolio weightings of, in particular, equity and equity-related investments and fixed income investments. Allocations between equity and equity-related investments and fixed income investments will vary according to the relative value and opportunities identified.

As markets change over time, the Company's flexibility allows Aberdeen to modify the Company's asset allocation in response to changing economic cycles. Whilst the Company's investment policy commits it to invest in the Latin American region, investment opportunities in the region are such that the geographic exposure of the Company's portfolio may be concentrated on a relatively small number of countries and/or securities from time to time.

Stock Selection Process



Your Board of Directors

The Directors, all of whom are non-executive, and the majority of whom are independent of Aberdeen, supervise the management of Aberdeen Latin American Income Fund Limited and represent the interests of Shareholders.

Richard Prosser

Status: Independent Non-Executive Director and Chairman
Age: 55
Length of Service: 5 years, appointed on 30 June 2010
Last re-elected to the Board: 13 December 2013
Experience: is a chartered accountant, a partner of the Appleby Group and a director of its wholly-owned trust company, Appleby Trust (Jersey) Limited. He is a director of a number of companies including property companies, hedge funds and investment management companies. He chairs the investment policy committee of Appleby Trust which monitors and evaluates the performance of asset managers throughout the Appleby Group.
Committee membership: Management Engagement Committee (Chairman), Nomination Committee (Chairman) and Audit Committee
Remuneration: £26,500 per annum
All other public company directorships: Damille Investments II Limited and Phoenix Spree Deutschland Limited
Employment by Aberdeen: none
Other connections with the Fund or Aberdeen: none
Shared directorships with other Fund directors: none
Shareholding in the Company: 15,000 Ordinary shares and 1,500 Subscription shares

Martin Adams

Status: Independent Non-Executive Director
Age: 56
Length of Service: 5 years, appointed on 30 June 2010
Last re-elected to the Board: 10 December 2012
Experience: is an independent specialist in the management and restructuring of funds and private investments principally in emerging markets. After working for Lloyds Bank Group for 10 years, in 1991, he established Vietnam Fund Management Company Limited. Since 2012, he has been actively involved with investments and closed-end funds and investments in Asia, Europe and Brazil.
Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee
Remuneration: £18,500 per annum
All other public company directorships: Eastern European Property Fund Limited, Kubera Cross-Border Fund Limited, Marwyn Value Investors Limited, Terra Catalyst Fund, Trading Emissions PLC, Trinity Capital PLC and VinaCapital Vietnam Opportunity Fund Limited
Employment by Aberdeen: none
Other connections with the Fund or Aberdeen: none
Shared directorships with other Fund directors: none
Shareholding in the Company: 49,550 Ordinary shares and 1,000 Subscription shares

Jeremy Arnold

Status: Independent Non-Executive Director
Age: 77
Length of Service: 5 years, appointed on 30 June 2010
Last re-elected to the Board: 9 December 2014
Experience: as a chartered accountant his career began in 1957 in London. After working for Touche, Ross in Sydney and San Francisco, he joined Andersen in London in 1966. He became a partner in 1974 until his retirement in 1994. He holds a number of directorships and is a Gambling Commissioner in Jersey.
Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee (Chairman)
Remuneration: £21,000 per annum
All other public company directorships: none
Employment by Aberdeen: none
Other connections with the Fund or Aberdeen: none
Shared directorships with other Fund directors: none
Shareholding in the Company: 20,000 Ordinary shares and 2,000 Subscription shares

George Baird

Status: Independent Non-Executive Director
Age: 65
Length of Service: 5 years, appointed on 9 July 2010
Last re-elected to the Board: 9 December 2014
Experience: graduated from Dundee University with a Law degree in 1971 and joined Arthur Young McLelland Moores & Co, qualifying as a chartered accountant in 1975. After working in local government in Scotland, he was appointed Treasurer of the States of Jersey in 1991. Prior to his retirement in 2002, he was group finance director of Mourant du Feu & Jeune. He holds several non-executive directorships in the Channel Islands.
Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee
Remuneration: £18,500 per annum
All other public company directorships: Geiger Counter Limited, LXB Retail Properties Plc and Yatra Capital Limited
Employment by Aberdeen: none
Other connections with the Fund or Aberdeen: none
Shared directorships with other Fund directors: none
Shareholding in the Company: none

Martin Gilbert

Status: Non-Independent Non-Executive Director
Age: 60
Length of Service: 5 years, appointed on 30 June 2010
Last re-elected to the Board: 9 December 2014
Experience: a founder shareholder and chief executive of Aberdeen Asset Management PLC. He holds a number of investment trust and other company directorships. After qualifying as a chartered accountant in 1982, he thereafter pursued a career in investment management.
Committee membership: Nomination Committee
Remuneration: £nil
All other public company directorships: Aberdeen Asia-Pacific Income Fund Inc, Aberdeen Asia-Pacific Income Investment Company Limited, Aberdeen Asian Smaller Companies Investment Trust PLC, Aberdeen Asset Management PLC, Aberdeen Global Income Fund Inc, British Sky Broadcasting Group Plc, The Asia Tigers Fund, Inc and The India Fund, Inc.
Employment by Aberdeen: Chief executive of Aberdeen Asset Management PLC
Other connections with the Fund or Aberdeen: Director of a number of Aberdeen-managed investment companies
Shared directorships with other Fund directors: none
Shareholding in the Company: 75,000 Ordinary shares and 2,500 Subscription shares

Directors' Report

Introduction

The current Directors, Richard Prosser, Martin Adams, Jeremy Arnold, George Baird and Martin Gilbert were the only Directors in office during the period.

The Directors present their Report and the audited financial statements for the year ended 31 August 2015.

Status

The Company is registered with limited liability in Jersey as a closed-ended investment company under the Companies (Jersey) Law 1991 with registered number 106012. In addition, the Company is constituted and regulated as a collective investment fund under the Collective Investments Funds (Jersey) Law 1988. The Company has no employees and makes no political or charitable donations

The Company intends to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account and it is the Directors' intention that the Company should continue to be a qualifying investment.

The Company is a member of the Association of Investment Companies ("AIC").

Results and Dividends

Details of the Company's results and dividends are shown on page 11 and in notes 8 and 9 to the financial statements. In line with expectations, interim dividends have been paid on a quarterly basis in January, April and July and the fourth interim was paid on 30 October 2015. The Company met its stated intention to pay aggregate dividends of 4.25p per Ordinary share for the year ended 31 August 2015 although, as indicated in the Chairman's Statement, this required the use of the Company's brought forward revenue reserve and a payment from capital of approximately 0.22p per share.

Management Arrangements

The Company has an agreement (the "Management Agreement") APWML for the provision of management services, details of which are shown in notes 5 and 6 to the financial statements.

Under the Management Agreement, Aberdeen is entitled to both a management fee and a company secretarial and administration fee. APWML has agreed to waive the company secretarial and administration fee of £112,000, equating to 0.17p per share, for the year ended 31 August 2015. 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.

The Directors review the terms of the Management Agreement on a regular basis and have confirmed that, due to the investment skills, experience and commitment of Aberdeen, in their opinion the continuing appointment of APWML, on the terms agreed, is in the interests of Shareholders as a whole.

Share Capital

As at 31 August 2015 there were 65,022,824 Ordinary shares and 10,420,986 Subscription shares allotted and in issue with a further 1,550,000 Ordinary shares held in treasury. Details of changes to the Company's shares in issue during the year are provided in 'Your Company's Share Capital History' on page 69.

Subscription Shares

Each Subscription share carries the right to convert into one Ordinary share on the final subscription date which is 31 December 2015 at a price of 120p per share.

The 28 day period prior to 31 December 2015 offers the FINAL OPPORTUNITY for holders of Subscription shares to exercise their right to subscribe for Ordinary shares. A reminder letter accompanies this Annual Report addressed to Subscription Shareholders.

Directors

The Directors' beneficial holdings are disclosed in the Directors' Remuneration Report. No Director has a service contract with the Company. The Directors' interests in contractual arrangements with the Company are as shown in note 18 to the financial statements. Details of the Directors retiring by rotation at the Annual General Meeting are disclosed in the Statement of Corporate Governance.

Alternative Investment Fund Managers Directive ("AIFMD")

On 14 July 2014, the Jersey Financial Services Commission granted the Company a certificate of exemption from the application of the Alternative Investment Funds (Jersey) Regulations 2012 to any marketing it may carry out within any EU member state.

APWML, as the Company's non-EEA alternative investment fund manager, also notified the UK Financial Conduct Authority ("FCA") in accordance with the requirements of the UK National Private Placement Regime for inclusion of the Company on the UK register as a non-EEA alternative investment fund being marketed in the UK.

In addition, in accordance with Article 23 of the AIFMD and Rule 3.2.2 of the FCA FUND Sourcebook, APWML is required to make available certain disclosures for potential investors in the Company and these are available on the Company's website: www.latamincome.co.uk.

Directors' Authority to Allot Relevant Securities

There are no provisions under Jersey law which confer rights of pre-emption upon the issue or sale of any class of shares in the Company. However, as the Ordinary shares are traded on the LSE and have a premium listing, the Company is required to offer pre-emption rights to its Shareholders and the Articles of Association reflect this. Ordinary shares will only be issued at a premium to the prevailing NAV per Ordinary share and, therefore, will not be disadvantageous to existing Ordinary Shareholders or Subscription Shareholders.

Unless previously disapplied by special resolution, in accordance with the Listing Rules of the Financial Conduct Authority, the Company is required to first offer any new shares or securities (or rights to subscribe for, or to convert or exchange into, shares) proposed to be issued for cash to Shareholders in proportion to their holdings in the Company. In order to provide for such share issues, your Board is therefore also proposing that an annual disapplication of the pre-emption rights is given to the Directors so that they may issue shares as and when appropriate. Accordingly, Resolution 8, a Special Resolution, proposes a disapplication of the pre-emption rights in respect of 10% of the shares in issue, set to expire on the earlier of eighteen months from the date of the resolution or at the conclusion of the Annual General Meeting to be held in 2016.

Purchase of the Company's Securities

In the past the Company has quoted the aim of its discount management policy as being to try to maintain the price at which the Ordinary shares trade relative to their NAV at a discount of no more that 5%. As stated in the Chairman's Statement, during the year under review the Company bought back 560,000 Ordinary shares for treasury at a total cost of £331,000. Subsequent to the period end a further 100,000 Ordinary shares have been purchased for treasury at a cost of £46,000. It remains the Board's intention, subject to market conditions, to try to maintain a discount of around 5% over the longer term.

Purchases of Ordinary shares will only be made through the market for cash at prices below the prevailing exclusive of income NAV per Ordinary share (as last calculated) where the Directors believe such purchases will enhance Shareholder value and are likely to assist in narrowing any discount to NAV at which the Ordinary shares may trade. Purchases of Subscription shares will only be made through the market for cash if the NAV per Ordinary share is greater than 120p (being the price payable on the exercise of a Subscription share) and at prices below the prevailing NAV attributable to a Subscription share (as last calculated) where the Directors believe such purchases will enhance Shareholder value.

Resolution 6, a Special Resolution, will be proposed to renew the Directors' authority to make market purchases of the Ordinary shares in accordance with the provisions of the Listing Rules of the Financial Conduct Authority. The Company will seek authority to purchase up to a maximum of 9,731,931 Ordinary shares (representing 14.99 per cent. of the current issued Ordinary share capital excluding treasury shares). The authority being sought shall expire at the conclusion of the Annual General Meeting in 2016 unless such authority is renewed prior to that time. Any Ordinary shares purchased in this way will either be cancelled and the number of Ordinary shares will be reduced accordingly, or the Ordinary shares will be held in treasury, in accordance with the authority previously conferred by Shareholders.

The Companies (Jersey) Law 1991 allows companies to either cancel shares or hold them in treasury following a buy-back. These powers give Directors additional flexibility and the Board considers that it is in the interest of the Company that such powers be available, including the power to hold treasury shares. Any future sales of Ordinary shares from treasury will only be undertaken at a premium to the prevailing NAV per Ordinary share for the benefit of all Shareholders.

Resolution 7, a Special Resolution, will be proposed to renew the Directors' authority to make market purchases of the Company's Subscription shares in accordance with the provisions of the Listing Rules of the LSE. During the period since listing and to the date of this Report, no Subscription shares have been purchased in the market for cancellation. The Company will seek authority to purchase up to a maximum of 1,562,105 Subscription shares (representing 14.99 per cent. of the current issued Subscription shares). The authority being sought shall expire at the conclusion of the Annual General Meeting in 2016 unless such authority is renewed prior to such time. Any Subscription shares purchased in this way will be cancelled and the number of Subscription shares will be reduced accordingly.

By a subscription and lock-in agreement dated 14 July 2010 between the Company and Aberdeen, Aberdeen agreed to purchase for cash such number of Subscription shares as conferred the right to subscribe for such number of Ordinary shares as represented 10% of the Ordinary shares in issue on listing. Aberdeen subscribed for and was allotted 5,210,618 Subscription shares at 10.5p each. The Company and Aberdeen have agreed that in the event the Management Agreement is terminated prior to the final subscription date for the Subscription shares, the Company will have the right to cancel all of these Subscription shares then outstanding subject to paying compensation based on the average middle market price for the 60 consecutive LSE dealing days immediately preceding the date of announcement of termination, or, if earlier, the first announcement of the intention to terminate the Management Agreement. These Subscription Shares expire on 31 December 2015.

Recommendation

Your Board considers Resolutions 6 to 8 to be in the best interests of the Company and its members as a whole. Accordingly, your Board recommends that Ordinary Shareholders should vote in favour of Resolutions 6 to 8 to be proposed at the Annual General Meeting, as they intend to do in respect of their own beneficial shareholdings amounting to 159,550 Ordinary shares.

Directors' & Officers Liability Insurance

Directors' & Officers' liability insurance cover has been maintained throughout the period at the expense of the Company.

Additional Information

- There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law).
- The Company is not aware of any agreements between Shareholders that may result in restriction on the transfer of securities and/or voting rights.
- The rules governing the appointment of Directors are set out in the Statement of Corporate Governance. The Company's Articles of Association may only be amended by a special resolution at a general meeting of Shareholders.
- The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover.
- Other than the management and administration contracts with Aberdeen, set out earlier in the report, the Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' Report.

Corporate Governance

The Statement of Corporate Governance forms part of this Directors' Report and covers the Company's compliance with the UK Corporate Governance Code and is shown on pages 26 to 30.

Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements are set out on pages 34 to 36.

Each Director confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and he has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. Additionally there are no important events since the period end other than as disclosed in the notes to the financial statements

The Directors have reviewed the level of non-audit services provided by the independent auditor during the year, together with the independent auditor's procedures in connection with the provision of such services, and remain satisfied that the auditor's objectivity and independence is being safeguarded.

Independent Auditor

Our auditor, Ernst & Young LLP, has indicated its willingness to remain in office. The Directors will place a Resolution before the Annual General Meeting to re-appoint them as independent auditor for the ensuing year, and to authorise the Directors to determine their remuneration.

By order of the Board

Aberdeen Private Wealth Management Limited
Secretary
3 November 2015

1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade, St Helier
Jersey JE2 3QB

Statement of Corporate Governance

This Statement of Corporate Governance forms part of the Directors' Report which is shown on pages 23 to 25.

Introduction

The Company is committed to high standards of corporate governance. The Board of Aberdeen Latin American Income Fund Limited has considered the principles and recommendations of the AIC Code of Corporate Governance 2012 ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ("UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The UK Code can be accessed at www.frc.org.uk. and the AIC Code can be accessed at www.theaic.co.uk.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to Shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function
- the need for a Senior Independent Director

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The Board

The Board currently consists of a non-executive Chairman and four other non-executive Directors. All Directors, with the exception of Mr M Gilbert, are considered by the Board to be independent and free of any material relationship with Aberdeen. Mr Gilbert, CEO of Aberdeen Asset Management PLC, the parent company of both the Manager and Investment Manager, is not independent and therefore Mr Gilbert submits himself for annual re-election as a Director. Each Director has the requisite high level and range of business and financial experience which enables the Board to provide clear and effective leadership and proper stewardship of the Company. The Board considers that the post of chief executive officer is not relevant for an investment company as this role has effectively been delegated to Aberdeen, under the terms of the Management Agreement. Given the size and composition of the Board it is not felt necessary to separate the roles of chairman and senior independent director.

During the year ended 31 August 2015 the Board met on a regular basis. The Audit Committee met twice and there was one meeting of each of the Management Engagement Committee ("MEC") and the Nomination Committee. Between meetings the Board maintains regular contact with Aberdeen.

Directors have attended routine quarterly Board meetings and Audit Committee meetings during that period as follows (with their eligibility to attend the relevant meeting in brackets – in order to be eligible for a meeting a Director must be situated outside of the United Kingdom and therefore a Director is not deemed to have missed a meeting if they were in the UK at the time):

	Board	Audit Committee	MEC	Nomination Committee
R Prosser	4 (4)	2 (2)	1 (1)	1 (1)
M Adams	4 (4)	2 (2)	1 (1)	1 (1)
J Arnold	4 (4)	2 (2)	1 (1)	1 (1)
G Baird	4 (4)	2 (2)	1 (1)	1 (1)
M Gilbert*	2 (4)	N/A	N/A	- (1)

*Mr Gilbert is not a member of the Audit Committee or Management Engagement Committee

The Board has a schedule of matters reserved to it for decision and the requirement for Board approval on these matters is communicated directly to the senior staff of Aberdeen. Such matters include strategy, gearing, treasury and dividend policy. Full and timely information is provided to the Board to enable the Directors to function effectively and to discharge their responsibilities. The Board also reviews the financial statements, performance and revenue budgets.

The Board has put in place necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board, Directors' individual self-evaluation and a performance evaluation of the Board as a whole. For the year to 31 August 2015 this was undertaken using detailed questionnaires followed by one-on-one discussions. The Board also reviewed the Chairman's and Directors' other commitments and is satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company. Accordingly, the Board has no hesitation in recommending to Shareholders the reappointment of Mr

Gilbert and Mr Adams who are each due to retire at the forthcoming AGM and submit themselves for re-election.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense.

This is in addition to the access which every Director has to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Committees

Audit Committee

The Audit Committee operates within clearly defined terms of reference and comprises four independent Directors, Mr J Arnold (Chairman with recent and relevant experience), Mr M Adams, Mr G Baird and Mr R Prosser. Mr Arnold has indicated that he intends to retire at the AGM to be held on 10 December 2015 and not to seek re-election. Accordingly, Mr Baird has agreed to become Audit Committee Chairman with effect from the close of the 2015 AGM. The UK Code and the AIC Code acknowledge that some of the standard UK Code provisions may not be specifically appropriate to investment companies and in this regard the Board believes that it is appropriate for all the independent Directors to constitute the Audit Committee. In summary the Audit Committee's main functions are:

- to review and monitor the internal control systems and risk management systems on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the interim and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of Aberdeen which acts as Administrator and Company Secretary;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, half yearly reports, announcements and related formal statements;
- to review the content of the Annual Report and financial statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy;
- to meet with the external auditor to review their proposed audit programme of work and the findings of the auditor. The Committee uses this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the external auditor to supply non-audit services. (During the period under review, no fees were paid to the auditor in respect of non audit services – the Board will review any future fees in the light of the requirement to maintain the auditor's independence);
- to review an annual statement from Aberdeen detailing the arrangements in place within Aberdeen whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor; and,
- to monitor and review annually the external auditor's independence, objectivity, effectiveness, resources and qualification.

Significant Issues

During its review of the Company's financial statements for the year ended 31 August 2015, the Audit Committee considered the following significant issues, in particular those communicated by the auditor during their reporting:

Mispricing of Investments due to the Inappropriate Use of Pricing Inputs

The pricing of investments is undertaken in accordance with the accounting policies on fair value measurement as disclosed on page 43. The fair value is derived from unadjusted quoted bid prices in active markets, with the exception of inflation-linked bonds whose quoted bid prices are adjusted for indexation. The audit includes independent confirmation of the pricing of all investments. The portfolio is reviewed and verified by Aberdeen on a regular basis and management accounts, including a full portfolio listing, are prepared each month and circulated to the Board.

Recognition of Dividend and Interest Income

The recognition of investment income is undertaken in accordance with accounting policy note 2(b) to the financial statements on page 43. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the intention of the underlying company. Aberdeen provides monthly internal control reports to the Board. The allocation of material special dividends is also reviewed by the auditor.

Review of Auditor

The Audit Committee has reviewed the effectiveness of the auditor including:

- independence (the auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards. The audit fees paid to Ernst & Young LLP are

disclosed in note 6 and no non audit fees were paid to Ernst & Young LLP in the year.)
- quality of audit work including the ability to resolve issues in a timely manner (identified issues are satisfactorily and promptly resolved), its communications/presentation of outputs (the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible), and working relationship with management (the auditor has a constructive working relationship with Aberdeen)
- quality of people and service including continuity and succession plans (the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment company sector and retention on rotation of the partner)

Ernst & Young LLP has held office as auditor since the launch of the Company in 2010; in accordance with professional guidelines the audit partner is rotated after at most five years, and the current audit partner has served since 2011. The Committee considers Ernst & Young LLP, the Company's auditor, to be independent of the Company. The Audit Committee is aware of developments in best practice in regard to audit tendering and will keep under review the benefits of conducting an audit tender in the future.

The Audit Committee is satisfied that there is no need to put the audit appointment out to tender at the present time. The Audit Committee therefore supports the recommendation to the Board that the re-appointment of Ernst & Young LLP be put to Shareholders for approval at the AGM. Shareholders have the opportunity at each AGM to vote on the reappointment of the auditor for the forthcoming year.

Management Engagement Committee ("MEC")

The Board has appointed a MEC which comprises four independent Directors, Mr R Prosser (Chairman), Mr M Adams, Mr J Arnold, and Mr G Baird. The function of this Committee is to review performance and to ensure that the Manager and the Investment Manager comply with the terms of the Management Agreement and that the provisions of the agreement follow industry practice and remain competitive and in the best interest of Shareholders as a whole. The Board remains satisfied that the continuing appointment of Aberdeen on the terms agreed is in the interests of Shareholders as a whole. The key factors taken into account in reaching this decision are the investment skills, experience and commitment and performance record of Aberdeen. The Management Agreement may be terminated by either party by giving not less than 12 months' notice in writing.

Nomination Committee

Appointments to the Board of Directors are considered by the Nominations Committee which comprises the entire Board and whose Chairman is Mr R Prosser. Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. Every Director is entitled to receive appropriate training as deemed necessary. The Board's overriding priority when appointing new Directors to the Board will be to identify the candidate with the best range of skills and experience to complement existing Directors.

The Articles of Association require that all Directors shall submit themselves for election by Shareholders at the first opportunity following their appointment and shall not remain in office longer than three years since their last election or re-election without submitting themselves to re-election. Mr Gilbert is Chief Executive of Aberdeen Asset Management PLC and under the United Kingdom Listing Authority's Listing Rules is subject to annual re-election by Shareholders. Accordingly, at the AGM of the Company to be held on 10 December 2015, Mr Gilbert will submit himself for re-election. The Nomination Committee resolved that Mr Adams will also stand for re-election at the AGM consistent with the re-election process. Mr Arnold has indicated that he intends to retire at the conclusion of the AGM and does not intend to seek re-election. The Nomination Committee will keep the composition of the Board under regular review but has concluded that there is no present requirement to recruit a further non executive Director. The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all Directors contribute effectively.

Under the United Kingdom Listing Authority's Listing Rules, where an investment company has only non-executive directors, the UK Code principles relating to directors' remuneration do not apply. Accordingly, the Board has not appointed a separate remuneration committee. The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 31 to 33.

Diversity

Since launch in 2010 the Company has not appointed any new Directors to the Board. The Board's overriding priority when it becomes necessary to appoint new Directors to the Board will be to identify the candidate with the best range of skills and experience to complement the existing Directors. The Board recognises the benefits of diversity in the composition of the Board. When Board positions become available in the future as a result of retirement or resignation, the Company will ensure that a diverse group of candidates is considered.

Going Concern

In accordance with the Financial Reporting Council's guidance on Going Concern and Liquidity Risk issued in October 2009 the Directors have undertaken a rigorous review of the Company's ability to continue as a 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 Company has considerable financial resources and, as a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite uncertainties in the economic outlook.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 3 and 4 and have reviewed forecasts detailing revenue and liabilities and 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 Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements of the Company as at the date of the approval of this report.

Internal Controls and Risk Management

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board has prepared its own risk register which identifies potential risks both major and minor relating to: strategy; investment management; Shareholders; marketing; gearing; regulatory & financial obligations; third party service providers and the Board. The Board considers the potential cause and possible impact of these risks as well as reviewing the controls in place to mitigate these potential risks. A risk is rated by having a likelihood and an impact rating and the residual risk is plotted on a "heat map" and is reviewed regularly.

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Financial Reporting Council's "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting" (the FRC Guidance), assists Directors in applying section C.2 of the UK Code. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the period under review and up to the date of approval of this Annual Report and financial statements, and is regularly reviewed by the Board and accords with the guidance. The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The significant risks faced by the Company, are detailed in the Strategic Report.

The key components designed to provide effective internal control are outlined below:

- Aberdeen prepares monthly forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Aberdeen have agreed clearly defined investment criteria, specified levels of authority and exposure limits; reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with Aberdeen as appropriate;
- as a matter of course Aberdeen's compliance department continually reviews its' operations;
- written agreements are in place which specifically define the roles and responsibilities of Aberdeen and other third party service providers;
- at its October 2015 meeting, the Audit Committee members carried out an annual assessment of internal controls for the year ended 31 August 2015 by considering documentation from Aberdeen, including the internal audit and compliance functions and taking account of events since 31 August 2015. The results of the assessment were then reported to the Directors at the Board meeting which followed; and
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place at Aberdeen, has decided to place reliance on Aberdeen's systems and internal audit procedures.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

Substantial Interests

The Company has been advised that the following Shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 August 2015:

Shareholder	Number Of shares held	% held
1607 Capital Partners	6,189,000	9.51
Aberdeen Retail Plans	6,047,986	9.29
Alder Investment Management	4,460,448	6.85
Hargreaves Lansdown, stockbrokers	3,670,027	5.64
WH Ireland, stockbrokers	3,281,493	5.04
Rathbones	2,980,982	4.58
Brewin Dolphin, stockbrokers	2,840,740	4.36
CCLA Investment Management	2,350,000	3.61
Aberdeen Private Wealth Management	2,133,000	3.28

On 2 November 2015, 1607 Capital Partners notified the Company that its holding had increased to 6,539,000 Ordinary shares (10.06%). There have been no other significant changes notified in respect of the above holdings between 31 August 2015 and 3 November 2015

Relations with Shareholders

The Directors place a great deal of importance on communication with Shareholders. The Chairman welcomes feedback form all Shareholders and meets periodically with the largest Shareholders to discuss the Company. The Annual Report and financial statements are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through Aberdeen's freephone information service and the Company's website (www.latamincome.co.uk).

The Board's policy is to communicate directly with Shareholders and their representative bodies without the involvement of the management group (either the Company Secretary or Aberdeen) in situations where direct communication is required and representatives from the Board meet periodically with major Shareholders.

The Notice of the Annual General Meeting included within the Annual Report and financial statements is ordinarily sent out at least 20 working days in advance of the meeting. All Shareholders have the opportunity to put questions to the Board or Aberdeen, either formally at the Company's Annual General Meeting or informally following the meeting. The Company Secretary is available to answer general Shareholder queries at any time throughout the year. The Directors are keen to encourage dialogue with Shareholders and the Chairman welcomes direct contact from Shareholders.

Proxy Voting as an Institutional Shareholder

Responsibility for actively monitoring the activities of investee companies has been delegated by the Board to Aberdeen and its Corporate Governance Principles can be found on Aberdeen's website, at http://www.aberdeen-asset.com/aam.nsf/AboutUs /governancestewardship. This document sets out Aberdeen's framework on corporate governance, proxy voting and shareholder engagement in relation to the companies in which Aberdeen has invested or is considering investing. Aberdeen's Statement of Compliance with the UK Stewardship Code also appears on Aberdeen's website, at the web address given above.

The Board has delegated responsibility for actively monitoring the activities of investee companies to Aberdeen. Aberdeen is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the investee company, and for attending company meetings. Aberdeen, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights. Aberdeen's policy is to vote all shares held by the Company. The Board receives from Aberdeen regular reports on the exercise of the Company's voting rights.

Environmental, Social and Corporate Governance Policy

The Directors recognise that their first duty is to act in the best financial interests of the Shareholders and to achieve good financial returns against acceptable levels of risk, in accordance with the objectives of the Company. In asking Aberdeen to deliver against these objectives, they believe that companies failing to take into account broader social, ethical and environmental issues are unlikely to have long-term sustainable businesses. Therefore Aberdeen takes into account these factors when assessing investment opportunities. Aberdeen aims to take a full part in dialogue on corporate governance reforms and is a member of various international and regional bodies, including the International Corporate Governance Network as well as being a signatory to the United Nations Principles for Responsible Investing (UNPRI). Through these groups and independently, Aberdeen communicates its views on corporate governance best practice to regulators and policy-makers across the world.

By order of the Board
Aberdeen Private Wealth Management Limited

Secretary
3 November 2015
1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade, St Helier, Jersey JE2 3QB

Directors' Remuneration Report

The Board has prepared this report on a voluntary basis in accordance with the UK regulations governing the disclosure and approval of Directors' remuneration.

The Company's auditor has not audited any of the disclosures provided in this Directors' Remuneration Report.

This Remuneration Report comprises three parts:

(i) a Remuneration Policy, which was approved by a binding Shareholder vote at the AGM held in 2014 and which will be subject to Shareholder approval every three years thereafter. Should the Remuneration Policy be varied during this interval, then Shareholder approval for the new Remuneration Policy will be sought;
(ii) an Implementation Report, which provides information on how the policy has been applied during the year and which will be subject to an advisory vote on the level of remuneration paid during the year as set out in the Implementation Report; and,
(iii) an Annual Statement.

There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for the year ending 31 August 2016.

Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. As the Company has no employees and the Board is comprised wholly of non-executive Directors and given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

The Directors are non-executive and their fees comply with the Company's Articles of Association which limit the aggregate annual fees payable to the Board of Directors to £250,000 (Article 85). The level may be increased by Shareholder resolution from time to time. Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment companies that are similar in size, have a similar capital structure and have a similar investment objective. Fees are reviewed annually against the Company's peer group and if considered appropriate, increased accordingly. In the past year aggregate fees of £84,500 were paid to the Directors.

	2015 £	2014 £
Chairman	26,500	26,500
Chairman of Audit Committee	21,000	21,000
Director	18,500	18,500

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment, and at least every three years thereafter. Directors associated with the Investment Manager are subject to annual re-election.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £18,500).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.
- Mr Gilbert has agreed to waive any entitlement to a fee in respect of his appointment as a non-executive director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract with the Company.
- Mr Gilbert is a director of the parent company of the Manager and Investment Manager and his interests in the contractual arrangements with the Company are shown in note 18 to the financial statements. No other Director had an interest in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed subject to three months' notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors. The Company's Articles indemnify each Secretary, agent and servant of the Company out of the assets of the Company in relation to charges, losses, liabilities, damages and expenses incurred in the course of the discharge of their duties provided that such indemnity is not available in circumstances where there is fraud, wilful misconduct or negligence. Directors (and every present or former officer of the Company) are indemnified out of the assets of the Company in so far as Jersey law allows.

The above Remuneration Policy, effective for three years, was approved by Shareholders at the AGM held on 9 December 2014.

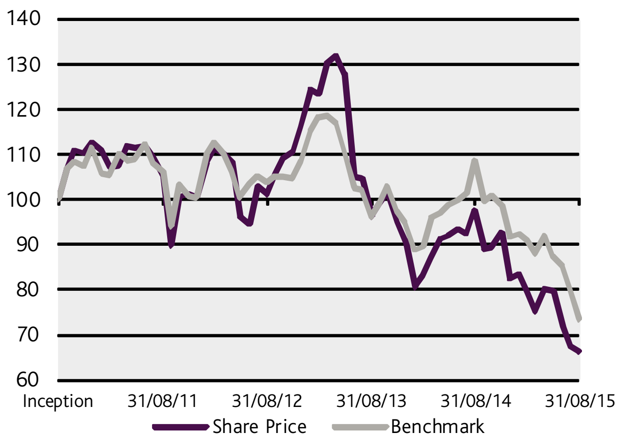
Implementation Report

Directors' Fees

The Board carried out a review of the level of Directors' fees during the year and concluded that the amounts should be maintained at the current level for the year ending 31 August 2016. There are no further fees, salaries, taxable benefits or any other items to disclose as the Company has no employees, Chief Executive or Executive Directors.

Company Performance

The Board has reviewed the Company's performance throughout the year under review. The following graph illustrates the total Shareholder share price return for a holding in the Ordinary shares as compared to the composite benchmark index weights as to 60% MSCI EM Latin America 10/40 index and 40% JP Morgan GBI-EM Global Diversified (Latin America carve out) (both in sterling terms) (figures rebased to 100 at inception on 16 August 2010). Given the Company's investment objective this is the most appropriate index against which to measure the Company's performance. Shareholders should note that the Company's portfolio is constructed without reference to any stockmarket index. It is likely, therefore, that there will be periods when the Company's performance will be quite unlike that of any index or benchmark and there can be no assurance that such divergence will be to the Company's advantage.



Statement of Voting at General Meeting

At the Company's last AGM, held on 9 December 2014, Shareholders approved (i) the Directors' Remuneration Report (other than the Directors' Remuneration Policy) and (ii) the Directors' Remuneration Policy, in respect of the year ended 31 August 2014 and the following proxy votes were received on the resolutions:

Resolution	For* %	Against %	Withheld %
(2) Receive and Adopt Directors' Remuneration Report	99.41	0.59	0.00
(3) Approve Directors' Remuneration Policy	99.35	0.66	0.00

* Including discretionary votes

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to Shareholders. The total fees paid to Directors are shown below.

Fees Payable

The Directors who served in the year received the following fees:

Director	2015 £	2014 £	Taxable Benefits 2015	Taxable Benefits 2014
R Prosser (Chairman and highest paid Director)	26,500	26,500	-	-
J Arnold	21,000	21,000	-	-
M Adams	18,500	18,500	-	-
G Baird	18,500	18,500	-	-
M Gilbert	Nil	Nil	-	-
Total	**84,500**	**84,500**	**-**	**-**

None of the Directors received any other salaries or taxable benefits from the Company during the year. Fees are pro-rated where a change takes place during a financial year. Of the fees disclosed above £26,500 (2014: £26,500) was payable to third parties in respect of making available the services of Directors. These fees were in respect of Mr Prosser (assigned to Appleby Trust).

Directors' Interests in the Company

The Directors are not required to hold shares in the Company.

The Directors (including connected persons) at 31 August 2015 and 31 August 2014 had no interest in the Ordinary share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below.

	31 August 2015		31 August 2014	
	Ordinary shares	Sub. shares	Ordinary shares	Sub. shares
R Prosser	15,000	1,500	15,000	1,500
M Adams	49,550	1,000	49,550	1,000
J Arnold	20,000	2,000	20,000	2,000
G Baird	-	-	-	-
M Gilbert	75,000	2,500	75,000	2,500

Annual Statement

On behalf of the Board I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year ended 31 August 2015:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and in which decisions have been taken.

Richard Prosser
Chairman
3 November 2015

1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade, St Helier
Jersey JE2 3QB

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Companies (Jersey) Law 1991 requires the Directors to prepare financial statements for each financial period in accordance with any generally accepted accounting principles. The financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable;
- specify which generally accepted accounting principles have been adopted in their preparation;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- assess whether the Annual Report and financial statements, taken as a whole, is 'fair, balanced and understandable'.

The Directors are responsible for keeping accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements prepared by the Company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for ensuring that the Company complies with the provisions of the Listing Rules and the Disclosure & Transparency Rules of the UK Listing Authority which, with regard to Corporate Governance, require the Company to disclose how it has applied the principles, and complied with the provisions, of the UK Corporate Governance Code applicable to the Company.

Declaration

The Directors listed on pages 21 and 22, being the persons responsible, hereby confirm to the best of their knowledge:

- that the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union and interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standards Board give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that in the opinion of the Directors, the Annual Report and financial statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy; and
- the Strategic Report, including the Chairman's Statement and the Investment Manager's Review, include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces.

For and on behalf of the Board

Richard Prosser
Chairman
3 November 2015

1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade, St Helier
Jersey JE2 3QB

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report to the Members of Aberdeen Latin American Income Fund Limited

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

We have audited the financial statements of Aberdeen Latin American Income Fund Limited (the "Company") for the year ended 31 August 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS).

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained in the Statement of Directors' Responsibilities set out on page 34, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our assessment of risks of material misstatement

We identified the following risks of material misstatement that we believed would have the greatest impact on our overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team:

- Investment valuation; and
- Incomplete or inaccurate revenue recognition.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of identified misstatements on our audit and of uncorrected misstatements on the financial statements, and in forming our audit opinion. For the purposes of obtaining evidence sufficient to give reasonable assurance that the financial statements are free from material misstatement, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

When establishing our overall audit strategy, we determined the magnitude of omissions or uncorrected misstatements that we judged would be material to the financial statements as a whole. We determined materiality to be £358,000 (2014: £607,000), which is 1% (2014: 1%) of the net asset value as at 31 August 2015. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures. On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that the overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 75% (2014: 75%) of materiality, namely £269,000 (2014: £455,000). Our objective in adopting this approach was to ensure that total uncorrected and

Independent Auditors' Report to the Members of Aberdeen Latin American Income Fund Limited continued

undetected audit differences in all accounts did not exceed our materiality level. We agreed with the Audit Committee that we would report to them all audit differences in excess of £17,000 (2014: £30,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our response to the risks identified above is summarised below.

- With respect to investment valuations, we performed walkthroughs of the investment valuation, acquisition and disposal processes. We performed tests of the significant controls designed to detect or prevent potential errors relevant to the financial statements. We validated the prices of the entire investment portfolio using independent pricing sources including Bloomberg, Data Link and Interactive Data and considered the trading volumes and hence the quality of the pricing quotes provided.

- We assessed if the revenue recognition policies were in line with IFRS. We performed a walkthrough and tested the controls relating to the recording of dividend and interest income. We agreed a sample of recorded dividend and interest income to third party sources such as Interactive Data and traced these to bank statements. We recalculated the accrued interest based on the coupon interest attached to the respective bond on a sample basis. We recalculated a sample of effective interest rate adjustments made to the bond portfolio.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:
Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the part of the Corporate Governance Statement relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

Andrew Dann, FCA
for and on behalf of Ernst & Young LLP
Jersey, Channel Islands
3 November 2015

1. *The maintenance and integrity of the Aberdeen Latin American Income Fund Limited web site is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.*
2. *Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*

Statement of Comprehensive Income

		Year ended 31 August 2015			Year ended 31 August 2014 Restated[A]		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income							
Income from investments	4	3,170	–	3,170	3,600	–	3,600
Gains/(losses) on financial assets held at fair value through profit or loss		–	(23,179)	(23,179)	–	2,974	2,974
Currency (losses)/gains		–	(706)	(706)	–	631	631
Gains/(losses) on forward foreign currency contracts		–	23	23	–	(137)	(137)
		3,170	(23,862)	(20,692)	3,600	3,468	7,068
Expenses							
Investment management fee	5	(223)	(335)	(558)	(263)	(394)	(657)
Other operating expenses	6	(342)	–	(342)	(480)	–	(480)
Profit/(loss) before finance costs and taxation		2,605	(24,197)	(21,592)	2,857	3,074	5,931
Finance costs	7	(42)	(64)	(106)	(54)	(82)	(136)
Profit/(loss) before taxation		2,563	(24,261)	(21,698)	2,803	2,992	5,795
Taxation		(45)	–	(45)	(96)	–	(96)
Profit/(loss) for the year		**2,518**	**(24,261)**	**(21,743)**	**2,707**	**2,992**	**5,699**
Earnings per Ordinary share (pence):	9						
Basic and Diluted		**3.85**	**(37.07)**	**(33.22)**	**4.11**	**4.54**	**8.65**

[A]Restated following the adoption of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) which is explained more fully in note 2(a).

The profit and loss for the year is also the comprehensive income for the year.

The total column of this statement represents 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 these financial statements.

Balance Sheet

	Notes	As at 31 August 2015 £'000	As at 31 August 2014 Restated[A] £'000	As at 1 September 2013 Restated[A] £'000
Non-current assets				
Investments held at fair value through profit or loss	10	43,565	68,844	67,827
Current assets				
Cash		838	733	181
Forward foreign currency contracts		64	97	309
Other receivables	11	386	315	369
Total current assets		1,288	1,145	859
Total assets		44,853	69,989	68,686
Current liabilities				
Bank loan	12	(8,648)	(8,912)	(9,567)
Forward foreign currency contracts		(196)	(122)	(240)
Other payables		(137)	(226)	(269)
Total current liabilities		(8,981)	(9,260)	(10,076)
Net assets		**35,872**	**60,729**	**58,610**
Equity capital and reserves				
Equity capital	13	65,936	65,936	65,936
Capital reserve	14	(30,722)	(6,129)	(8,345)
Revenue reserve		658	922	1,019
Equity Shareholders' funds		**35,872**	**60,729**	**58,610**
Net asset value per Ordinary share (pence):				
Basic and Diluted	15	**55.17**	**92.60**	**88.04**

[A]Restated following the adoption of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) which is explained more fully in note 2(a).

The financial statements were approved by the Board of Directors and authorised for issue on 3 November 2015 and were signed on its behalf by:

Richard Prosser
Chairman

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

Statement of Changes in Equity

Year ended 31 August 2015

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2014		65,936	(6,129)	922	60,729
Profit for the year		–	(24,261)	2,518	(21,743)
Dividends paid	8	–	–	(2,782)	(2,782)
Purchase of own shares to be held in treasury		–	(332)	–	(332)
Balance at 31 August 2015		**65,936**	**(30,722)**	**658**	**35,872**

Year ended 31 August 2014

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 September 2013		65,936	(8,345)	1,019	58,610
Profit for the year		–	2,992	2,707	5,699
Dividends paid	8	–	–	(2,804)	(2,804)
Purchase of own shares to be held in treasury		–	(776)	–	(776)
Balance at 31 August 2014		**65,936**	**(6,129)**	**922**	**60,729**

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

Cash Flow Statement

	Year ended 31 August 2015 £'000	Year ended 31 August 2014 Restated[A] £'000
Dividend income	515	879
Fixed interest income	1,029	1,018
Income from Subsidiary	1,939	298
Deposit interest	–	1
Investment management fee paid	(634)	(662)
Other cash expenses	(461)	(529)
Cash generated from operating activities before finance costs and taxation	2,388	1,005
Interest paid	(107)	(134)
Withholding taxes paid	(42)	(95)
Net cash inflow from operating activities	2,239	776
Cash flows from investing activities		
Purchases of investments	(12,786)	(4,584)
Proceeds from sales of investments	14,584	8,008
Net cash inflow from investing activities	1,798	3,424
Cash flows from financing activities		
Equity dividends paid	(2,782)	(2,804)
Repurchase of own shares	(315)	(776)
Net movement in bank loan	(85)	(614)
Net cash outflow from financing activities	(3,182)	(4,194)
Net decrease in cash	855	6
Foreign exchange	(750)	546
Cash at start of year as restated	733	181
Cash at end of year	**838**	**733**

[A]Restated following the adoption of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) which is explained more fully in note 2(a).

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

Notes to the Financial Statements

For the year ended 31 August 2015

1. **Principal activity**

The Company is a closed-ended investment company incorporated in Jersey, and its 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 subsidiary, Aberdeen Latin American Income Fund LLC ("Subsidiary") is similar in all relevant respects to that of its Jersey parent.

2. **Accounting policies**

(a) Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 August 2015.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). The financial statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities held at fair value through profit or loss.

The Company's financial statements are presented in sterling, which is also the functional currency as it is the basis upon which Shareholders operate and expenses are generally paid. All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP"): 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies ("AIC"), is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP issued in November 2014.

Significant judgements

IFRS 10 Consolidated Financial Statements

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the accounting policies. One of the mandated areas for consideration has been the application of IFRS 10 'Consolidated Financial Statements' including the Amendments, 'Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (Investment Entity Amendments) effective for periods ending on or after 1 January 2014. The amendments require entities that meet the definition of an investment entity to fair value certain subsidiaries through profit or loss in accordance with IAS 39 Financial Instruments: Recognition and Measurement, rather than consolidate their results.

Assessment as investment entity

Entities which meet the definition of an investment entity are required to fair value subsidiaries through profit or loss rather than consolidate them. To determine whether an entity meets the definition of an investment entity it is required to meet the following three criteria:

(i) an entity obtains funds from one or more investors for the purpose of providing those investors with investment services; the Company provides investment services and has several investors who pool funds to gain access to these services and investment opportunities which they might not be able to as individuals.

(ii) an entity commits to its investors that its business purpose is to invest funds solely from capital appreciation, investment income, or both; the Company's investment objective is to provide Ordinary Shareholders with a total return, with an above average yield, primarily through investing in Latin American securities.

(iii) an entity measures and evaluates the performance of substantially all of its investments on a fair value basis; the Company has elected to measure and evaluate the performance of all of its investments on a fair value basis. The fair value basis is used to present the Company's performance in its communication with the market and the primary measurement attribute to evaluate performance of all of its investments and to make investment decisions.

The Company meets the definition of an investment entity, and, therefore, all investments are recognised at fair value through profit or loss. This has changed the treatment for the Company's investment in its Subsidiary, which was previously consolidated.

The change is first applicable to the Company for the year ended 31 August 2015. Under the transitional provisions of IFRS 10 this change in accounting policy is required to be accounted for retrospectively. Therefore, the relevant comparative figures have been restated.

The impact of these changes on the Company's Balance Sheet is to increase the value of the investment in the Subsidiary at 31 August 2014 by £364,000, to decrease cash by £128,000 and to decrease other receivables by £236,000. The impact of these changes on the Company Statement of Comprehensive Income is to decrease income for the year ended 31 August 2014 by £1,597,000 and to increase gains/losses on investments held at fair value through profit or loss by £1,597,000. The impact of these changes on the Company's Cash Flow Statement is to decrease cash by £128,000. The change in accounting policy resulted, in aggregate, in no adjustment to the earnings and net assets attributable to holders of the Company's shares.

New and amended standards and interpretations

The accounting policies adopted in the current year are consistent with those of the previous year except that the Company has adopted the following new and revised accounting standards:

- IFRS 10 Consolidated Financial Statements including Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements (revised)

Of these standards, only IFRS 10 (including investment entities amendments) has made a significant impact on the Company as its adoption requires the restatement of results previously presented.

IFRS 12 requires additional disclosures to be made, but had no effect on the financial position or performance of the Company. The adoption of IFRS 11, IAS 27 (revised) and IAS 28 (revised) has not had a material impact on the financial statements.

None of the above standards has made a significant impact on the financial performance and position but future periods may be impacted.

Standards issued but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IFRS Annual Improvements 2012 to 2014 (effective 1 July 2016)
- IFRS 9 Financial Instruments (effective 1 January 2018)

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and Hedge Accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 is unlikely to have a material effect on the classification and measurement of the Company's financial assets or financial liabilities.

- IFRS 15 Revenue from contracts with customers (effective 1 January 2018)

The Directors do not anticipate that the adoption of these Amendments in future periods will materially impact the Company's financial results in the period of initial application although there will be revised presentations to the Primary Financial Statements and additional disclosures. The Company intends to adopt the standards in the reporting period when they become effective.

(b) Income

Dividend income from equity investments are recognised on the ex-dividend date. Dividend income from equity investments where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Where the Company has elected to receive dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Special dividends are credited to capital or revenue according to their circumstances.

The fixed returns on debt securities and non-equity shares are recognised using the effective interest rate method.

(c) Expenses and interest payable

All expenses, with the exception of interest, which is recognised using the effective interest method, are accounted for on an accruals basis. Expenses are charged to the revenue column of the Statement of Comprehensive Income except as follows:

- costs incidental to the issue of new shares as defined in the prospectus are charged to capital;
- expenses resulting from the acquisition or disposal of an investment are charged to the capital column of the Statement of Comprehensive Income; and
- expenses are charged to the capital column of the Statement of Comprehensive Income where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. The Company charges 60% of investment management fees and finance costs to capital, in accordance with the Board's estimate of expected long-term return in the form of capital gains and income respectively from the investment portfolio of the Company.

(d) Taxation

Profits arising in the Company for the year ended 31 August 2015 will be subject to Jersey income tax at the rate of 0% (2014 – 0%).

However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income under taxation.

(e) Investments held at fair value through profit or loss

Purchases of investments are recognised on a trade-date basis and designated upon initial recognition as held at fair value through profit or loss. All investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the Company is provided internally on that basis. These investments also include inflation-linked bonds which are considered to be compound financial instruments. Proceeds are measured at fair value, which is regarded as the proceeds of sale less any transaction costs. Sales of investments are also recognised on a trade date basis.

Changes in the value of investments held at fair value through profit or loss, gains and losses on disposal and related transaction costs are recognised in the Statement of Comprehensive Income.

(f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is derived from unadjusted quoted bid prices in active markets, with the exception of inflation-linked bonds whose quoted bid prices are adjusted for indexation arising from the movement of the consumer prices index for the relevant country of issue of the bond. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(g) Cash

Cash comprises cash at banks and short-term deposits.

(h) Other receivables and payables

Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their recoverable amount. Other payables are non interest bearing and are stated at their payable amount.

(i) Nature and purpose of reserves

Capital reserve

This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences.

Additionally, expenses, including finance costs, are charged to this reserve in accordance with (c) above.

When the Company purchases its Ordinary shares to be held in treasury, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effect, and is recognised as a deduction from the capital reserve. Should these shares be sold subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from the capital reserve.

Revenue reserve

This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income less dividends which have been paid.

(j) Subscription shares

The characteristics of the Subscription shares of the Company have been assessed and are deemed to fall within the definition for equity under IAS 32 'Financial Instruments: Presentation'.

(k) Foreign currency

Monetary assets and liabilities are converted into sterling at the rate of exchange ruling at the Balance Sheet date. Transactions during the period involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss.

(l) Bank loans

Monies borrowed to finance the investment objectives of the Company are stated at the amount of the net proceeds immediately after the issue plus cumulative finance costs less cumulative payments made in respect of the debt. The finance cost of such borrowings is allocated to years over the term of the debt at a constant rate on the carrying amount and is charged 40% to revenue and 60% to capital reserves to reflect the Company's investment policy and estimated prospective income and capital growth.

Borrowings are held at amortised cost using the effective interest rate method.

(m) Intercompany balances

The net income generated in the Subsidiary is transferred to the Company via an intercompany balance on a periodic basis.

(n) Derivative financial instruments

The Company uses forward foreign exchange contracts to manage currency risk arising from investment activity.

Derivatives are measured at fair value calculated by reference to forward exchange rates for contracts with similar maturity profiles.

Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income as revenue or capital depending on their nature.

3. Segmental reporting

The Company is engaged in a single segment of business. For management purposes, the Company is organised into one main operating segment, which invests in equity securities, debt instruments and related derivatives. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based on the Company as one segment.

The following table analyses the Company's income by geographical location. The basis for attributing the income is the place of incorporation of the instrument's investment.

	2015 £'000	2014 £'000
Argentina	19	23
Brazil	1,673	2,159
Chile	66	83
Columbia	257	118
Mexico	445	602
Peru	129	102
United Kingdom	–	2
Uruguay	581	511
	3,170	**3,600**

The Company's income by investment type is derived 26% (2014 – 34%) from equities, 74% (2014 – 66%) from bonds.

4. Income from investments	2015 £'000	2014 Restated £'000
Dividend income	490	823
Fixed interest income	1,284	1,180
Income from Subsidiary	1,396	1,597
	3,170	**3,600**

The Company receives income from its Subsidiary and there are no significant restrictions on the transfer of funds to it.

5. Investment management fee

The Company has an agreement with APWML for the provision of management services. Portfolio management services have been delegated by APWML to AAM.

The management fee is based on an annual rate of 1% of the NAV of the Company, valued monthly. The agreement is terminable on one year's notice. The balance due to APWML at the year end was £37,000 (2014 – £113,000). Investment management fees are charged 40% to revenue and 60% to capital.

6.	Other operating expenses	2015 £'000	2014 £'000
	Directors' fees	85	85
	Promotional activities	48	53
	Secretarial and administration fee[A]	–	112
	Auditor's remuneration:		
	– fees payable for the audit of the annual accounts	29	26
	– fees payable for other services to the Company	–	2
	Legal and advisory fees	–	7
	Custodian and overseas agents' charges	69	72
	Broker fees	30	28
	Stock exchange fees	13	14
	Registrar's fees	21	21
	Printing	19	16
	Other	28	44
		342	**480**

The Company has an agreement with AAM for the provision of promotional activities. The total fees incurred under the agreement during the year were £48,000 (2014 – £53,000), of which £8,000 (2014 – £9,000) was due to AAM PLC at the year end.

[A]The Company's management agreement with APWML provides for the provision of company secretarial and administration services. This agreement has been sub–delegated to AAM which is entitled to an annual fee of £112,000 which is set to increase annually in line with any increase in the UK retail prices index, however, APWML waived its entitlement to a fee during the year. Accordingly, a balance of £95,000 was due to the Company by APWML at the year end (2014 – £19,000 due to APWML by the Company).

		2015			2014		
		Revenue	Capital	Total	Revenue	Capital	Total
7.	Finance costs	£'000	£'000	£'000	£'000	£'000	£'000
	Bank loans	**42**	**64**	**106**	**54**	**82**	**136**

8.	Dividends on equity shares	2015 £'000	2014 £'000
	Distributions to equity holders in the period:		
	Fourth interim dividend for 2014 – 1.25p (2013 – 1.25p) per Ordinary share	820	832
	First interim dividend for 2015 – 1.00p (2014 – 1.00p) per Ordinary share	656	660
	Second interim dividend for 2015 – 1.00p (2014 – 1.00p) per Ordinary share	655	656
	Third interim dividend for 2015 – 1.00p (2014 – 1.00p) per Ordinary share	651	656
		2,782	**2,804**

The fourth interim dividend for the year of 1.25p per Ordinary share has not been included as a liability in these financial statements as it was announced and paid after 31 August 2015.

9. Earnings per Ordinary share

The basic earnings or loss per Ordinary share is based on the loss for the year of £21,743,000 (2014 – profit of £5,699,000) and on 65,451,577 (2014 – 65,921,981) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The basic earnings or loss per Ordinary share detailed above can be further analysed between revenue return and capital return as follows:

	2015			2014		
Basic	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Profit/(loss) (£'000)	2,518	(24,261)	(21,743)	2,707	2,992	5,699
Weighted average number of Ordinary shares in issue ('000)			65,452			65,922
Return per Ordinary share (pence)	3.85	(37.07)	(33.22)	4.11	4.54	8.65

10. Investments held at fair value through profit or loss

	Year ended 31 August 2015 £'000	Year ended 31 August 2014 (Restated) £'000
(a) Company		
Quoted equities	10,348	25,794
Quoted bonds	16,476	16,030
Investment in Subsidiary	16,741	27,020
Closing valuation	**43,565**	**68,844**

Investment in Subsidiary

The Company holds 100% of the share capital of its Subsidiary. The Company meets the definition of an investment entity, therefore it does not consolidate its Subsidiary but recognises it as an investment at fair value through profit or loss. The Company receives income from its Subsidiary and there are no significant restrictions on the transfer of funds to it.

(b) Transaction costs

During the year, expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. The total costs were as follows:

	Year ended 31 August 2015 £'000	Year ended 31 August 2014 (Restated) £'000
Purchases	3	5
Sales	6	4
	9	**9**

11. Other receivables	2015 £'000	2014 (restated) £'000
Accrued income	278	280
Prepayments	108	18
Due from brokers	–	17
	386	**315**

12. Bank loan

The Company has a £10 million (2014 – £10 million) unsecured revolving multi currency loan facility with Scotiabank Europe plc. At the year end an amount equivalent £8,648,000 was drawn down in US Dollars (2014 – £8,912,000) under the facility, fixed to 21 September 2015 at an all-in rate of 1.15455%.

On 21 October 2015 US$10,000,000 was drawn down under this facility and fixed to 20 November 2015 at an all-in rate of 1.1478%.

The loan outstanding at 31 August 2015 is valued at the closing rate of exchange at the period end, resulting in a foreign exchange loss of £179,000 (2014 – loss of £42,000) against the original cost of the loan.

The Directors are of the opinion that there is no significant difference between the carrying value and fair value of the bank loan due to its short term nature.

13. Stated capital	2015 Number	2015 £'000	2014 Number	2014 £'000
Issued and fully paid – Ordinary shares				
Balance brought forward	65,582,674	65,389	66,572,574	65,389
Ordinary shares bought back in the period	(560,000)	–	(990,000)	–
Subscription shares exercised in the period	150	–	100	–
Balance carried forward	**65,022,824**	**65,389**	**65,582,674**	**65,389**
Issued and fully paid – Subscription shares				
Balance brought forward	10,421,136	547	10,421,236	547
Subscription shares exercised in the period	(150)	–	(100)	–
Balance carried forward	**10,420,986**	**547**	**10,421,136**	**547**
Treasury shares				
Balance brought forward	990,000	–	–	–
Ordinary shares bought back in the period	560,000	–	990,000	–
Balance carried forward	**1,550,000**	–	**990,000**	–
Stated capital	**76,993,810**	**65,936**	**76,993,810**	**65,936**

The Company's Ordinary shares have no par value. The number of Ordinary shares authorised for issue is unlimited.

During the year ended 31 August 2015, 560,000 (2014 – £990,000) Ordinary shares were bought back at a total cost of £332,000 (2014 – £776,000) including expenses. All of these shares were placed in treasury (2014 – same). Shares held in treasury consisting of 1,550,000 (2014 – 990,000) Ordinary shares represent 2.33% (2014 – 1.49%) of the Company's total issued share capital at 31 August 2015.

In August 2010, 52,106,185 Ordinary shares were allotted and issued to investors at a price of 100p per Ordinary share. In addition 5,210,618 Subscription shares were issued on the basis of 1 Subscription share for every 10 Ordinary shares. Under the terms of the Aberdeen subscription share agreement, Aberdeen was allotted and issued a further 5,210,618 Subscription shares, which were fully paid at a price of £0.105 per Subscription share. Expenses associated with the issue amounted to £1,138,000 and these costs were deducted from the proceeds of the issue.

The Ordinary shares are entitled to all of the capital growth in the Company's assets and to all the income from the Company that is resolved to be distributed. Each Subscription share confers the right to convert such share into one Ordinary share on 31 December in any of the years 2013 to 2015 (inclusive) at a price of 120p per Subscription share. The Subscription shares carry no rights to receive dividends or other income distributions, whether out of the revenue or other profit of the Company. In addition, the Subscription shares carry no rights to receive any payment out of the assets of the Company on a return of capital on liquidation (whether for the purpose of reorganisation, amalgamation or simple dissolution) or otherwise.

During the year ended 31 August 2015, a total of 150 Subscription shares were exercised for a total consideration of £180. At the year end the Company's share capital included 10,420,986 Subscription shares.

	2015	2014 (restated)
14. Capital reserve	**£'000**	**£'000**
At beginning of year	(6,129)	(8,345)
Currency (losses)/gains	(706)	631
Forward foreign currency contracts gains/(losses)	23	(137)
Movement in investment holdings fair value gains/(losses)	(19,970)	3,383
Loss on sales of investments	(3,209)	(409)
Capitalised expenses	(399)	(476)
Purchase of own shares to be held in treasury	(332)	(776)
At end of year	**(30,722)**	**(6,129)**

15. Net asset value per Ordinary share

The basic net asset value per Ordinary share is based on a net asset value of £35,872,000 (2014 – £60,729,000) and on 65,022,824 (2014 – 65,582,674) Ordinary shares, being the number of Ordinary shares issued and outstanding at the year end.

There is no dilutive impact on the net asset value as the basic net asset value is less than the price at which outstanding Subscription shares may be subscribed for (120p per Subscription share).

16. Risk management policies and procedures

The Company, and through its Subsidiary, invests in equities and sovereign bonds for the long term so as to achieve its objective as stated on page 1. In pursuing its investment objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets and a reduction in the revenue available for distribution by way of dividends.

These financial risks are market risk (comprising market price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the Directors' approach to the management of these risks, are set out below. The Board of Directors is responsible for the Company's risk management. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board determines the objectives, policies and processes for managing the risks that are set out below, under the relevant risk category and relies upon Aberdeen's system of internal controls. The policies for the management of each risk are unchanged from the previous accounting period.

(a) Market risk

The fair value of a financial instrument held by the Company and its Subsidiary may fluctuate due to changes in market prices. Market risk comprises – market price risk (see note 16(b)), currency risk (see note 16(c)) and interest rate risk (see note 16(d)). The Investment Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(b) Market price risk

Market price risks (i.e. changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the quoted investments.

Management of the risk

The Board of Directors monitors the risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Investment Manager's compliance with the Company's objectives, and is directly responsible for oversight of the investment strategy and asset allocation.

Concentration of exposure to market price risk

A geographical analysis of the Company's and its Subsidiary's combined investment portfolio is shown on pages 14 to 16. This shows the significant amounts invested in Argentina, Brazil, Chile, Colombia, Mexico, and Peru. Accordingly, there is a concentration of exposure to those countries, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the equity to an increase or decrease of 10% (2014 – 10%) in the fair value of the Company's and its Subsidiary's investments. This level of change is considered to be reasonably possible based on observation of past and current market conditions. The sensitivity analysis is based on the Company's and its Subsidiary's investments at each balance sheet date and the investment management fees for the year ended 31 August 2015, with all other variables held constant.

	2015 Increase in fair value £'000	2015 Decrease in fair value £'000	2014 Increase in fair value £'000	2014 Decrease in fair value £'000
Statement of Comprehensive Income – return after tax				
Revenue return	(17)	17	(27)	27
Capital return	4,289	(4,289)	6,807	(6,807)
Impact on total return after tax for the year and net assets	**4,272**	**(4,272)**	**6,780**	**(6,780)**

(c) Currency risk

Most of the Company's and its Subsidiary's assets, liabilities and income are denominated in currencies other than sterling (the Company's and its Subsidiary's functional currency, and in which it reports its results). As a result, movements in exchange rates may affect the sterling value of those items.

Management of the risk

The Investment Manager manages the Company's and its Subsidiary's exposure to foreign currencies and reports to the Board on a regular basis.

The Investment Manager also manages the risk to the Company and its Subsidiary of the foreign currency exposure by considering the effect on the Company's NAV and income of a movement in the exchange rates to which the Company's and Subsidiary's assets, liabilities, income and expenses and those of its Subsidiary are exposed.

Income denominated in foreign currencies is converted into sterling on receipt. The Company and its Subsidiary does not use financial instruments to mitigate currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The table below shows, by currency, the split of the Company and Subsidiary's non-sterling monetary assets and investments that are denominated in currencies other than sterling. The exposure is shown on a look through basis.

	ARS	BRL	CLP	COP	MXN	PEN	UYU	USD
2015	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Debtors (due from brokers, dividends and other receivables)	–	276	5	56	75	8	126	2
Cash	–	15	–	–	7	–	–	555
Creditors (due from brokers, accruals and other creditors)	–	–	–	–	(163)	–	–	(8,651)
Total foreign currency exposure on net monetary items	–	291	5	56	(81)	8	126	(8,094)
Investments at fair value through profit or loss	475	19,495	1,744	4,299	9,427	2,148	5,558	–
Total net foreign currency exposure	**475**	**19,786**	**1,749**	**4,355**	**9,346**	**2,156**	**5,684**	**(8,094)**

2014	ARS £'000	BRL £'000	CLP £'000	COP £'000	MXN £'000	PEN £'000	UYU £'000	USD £'000
Debtors (due from brokers, dividends and other receivables)	–	235	–	41	169	13	115	17
Cash	–	45	–	–	20	–	–	393
Creditors (due from brokers, accruals and other creditors)	–	(34)	–	–	–	–	–	(9,620)
Total foreign currency exposure on net monetary items	–	246	–	41	189	13	115	(9,210)
Investments at fair value through profit or loss	1,152	39,675	2,867	4,340	12,666	2,292	5,488	–
Total net foreign currency exposure	**1,152**	**39,921**	**2,867**	**4,381**	**12,855**	**2,305**	**5,603**	**(9,210)**

Foreign currency sensitivity

The sensitivity of the total return after tax for the year and the net assets in regard to the movements in the Company's and its Subsidiary's foreign currency financial assets and financial liabilities and the exchange rates for the £/Argentine Peso (ARS), £/Brazilian Real (BRL), £/Chilean Peso (CLP), £/Colombian Peso (COP), £/Mexican Peso (MXN), £/Peruvian Nuevo Sol (PEN), £/Uruguayan Peso (UYU) and £/US Dollar USD) are set out below:

It assumes the following changes in exchange rates:

£/Argentine Peso +/-94% (2014 +/- 104%) (maximum downside risk 100%)

£/Brazilian Real +/-74% (2014 +/-44%)

£/Chilean Peso +/-40% (2014 +/-30%)

£/Columbian Peso +/-64% (2014 +/-9%)

£/Mexican Peso +/-23% (2014 +/-8%)

£/Peruvian Nuevo Sol +/-20% (2014 +/-6%)

£/Uruguayan Peso +/-28% (2014 +/-31%)

£/US Dollar +/-3% (2014 +/-2%)

These percentages have been determined based on the average market volatility in exchange rates in the previous 3 years and using the Company's and its Subsidiary's foreign currency financial assets and financial liabilities held at each balance sheet date.

If sterling had strengthened against the currencies shown, this would have had the following effect:

2015	ARS £'000	BRL £'000	CLP £'000	COP £'000	MXN £'000	PEN £'000	UYU £'000	USD £'000
Statement of Comprehensive Income – return after tax								
Revenue return	(18)	(1,239)	(26)	(165)	(102)	(26)	(163)	–
Capital return	(447)	(14,642)	(699)	(2,788)	(2,149)	(431)	(1,592)	242
Impact on total return after tax for the year and net assets	**(465)**	**(15,881)**	**(725)**	**(2,953)**	**(2,251)**	**(457)**	**(1,755)**	**242**

If sterling had strengthened against the currencies shown, this would have had the following effect:

2014	ARS £'000	BRL £'000	CLP £'000	COP £'000	MXN £'000	PEN £'000	UYU £'000	USD £'000
Statement of Comprehensive Income – return after tax								
Revenue return	(24)	(950)	(25)	(11)	(48)	(6)	(158)	–
Capital return	(1,198)	(17,565)	(860)	(394)	(1,028)	(138)	(1,737)	184
Impact on total return after tax for the year and net assets	**(1,222)**	**(18,515)**	**(885)**	**(405)**	**(1,076)**	**(144)**	**(1,895)**	**184**

The above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently.

Foreign exchange contracts

The following forward contracts were outstanding at the Balance Sheet date:

Date of contract	Buy Currency	Sell Currency	Settlement date	Amount '000	Contracted rate	Unrealised gain/(loss) 31 August 2015 £'000
10 July 2015	MXN	GBP	16 October 2015	3,133	24.5443	(163)
10 July 2015	GBP	USD	16 October 2015	4,851	1.5533	(32)
21 July 2015	USD	GBP	16 October 2015	245	1.5537	2
13 August 2015	GBP	USD	16 October 2015	27	1.5614	–
19 August 2015	BRL	USD	24 November 2015	7,062	3.5685	61
19 August 2015	PEN	USD	24 November 2015	7,578	3.3270	1
21 August 2015	GBP	USD	16 October 2015	120	1.5688	(1)

The fair value of forward exchange contracts is based on forward exchange rates at the Balance Sheet date.

(d) Interest rate risk

Interest rate risk is the risk that arises from fluctuating interest rates. Interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- interest payable on the Company's variable interest rate borrowings.

The interest rate risk applicable to a bond is dependent on the sensitivity of its price to interest rate changes in the market. The sensitivity depends the bond's time to maturity, and the coupon rate of the bond.

Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

Financial assets

The Company and its Subsidiary hold fixed rate government bonds with prices determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the relevant government's fiscal position, short-term interest rates and international market comparisons. The Investment Manager takes all these factors into account when making investment decisions. Each quarter the Board reviews the decisions made by the Investment Manager and receives reports on each market in which the Company and its Subsidiary invest together with economic updates.

Returns from bonds are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond the market price at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase price and a profit or loss may be incurred.

Financial liabilities

The Company primarily finances its operations through use of equity and bank borrowings.

The Company has a revolving multi-currency facility, details of which are disclosed in note 12.

The Board actively monitors its bank borrowings. A decision on whether to roll over its existing borrowings will be made prior to their maturity dates, taking into account the Company's policy of not having any fixed, long-term borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

Interest rate exposure

The exposure at 31 August of financial assets and financial liabilities to interest rate risk is shown by reference to floating interest rates – when the interest rate is due to be re-set.

	2015 Within one year £'000	 Total £'000	2014 Within one year £'000	 Total £'000
Exposure to floating interest rates				
Cash	1,048	1,048	861	861
Borrowings under loan facility	(8,648)	(8,648)	(8,912)	(8,912)
Total net exposure to interest rates	**(7,600)**	**(7,600)**	**(8,051)**	**(8,051)**

The Company does not have any fixed interest rate exposure to cash or bank borrowings at 31 August 2015 (2014: nil). Interest receivable and finance costs are at the following rates:

- interest received on cash balances, or paid on bank overdrafts, is at a margin below LIBOR or its foreign currency equivalent (2014: same).
- interest paid on borrowings under the loan facility was at a margin above LIBOR. The weighted average interest rate of these at 31 August 2015 was 1.15455%.

Interest rate sensitivity

A sensitivity analysis demonstrates the sensitivity of the Company's results for the year to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity of the profit/(loss) for the year is the effect of the assumed change in interest rates on:

- the net interest income for the year, based on the floating rate financial assets held at the Balance Sheet date; and
- changes in fair value of investments for the year, based on revaluing fixed rate financial assets and liabilities at the Balance Sheet date.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's profit for the year ended 31 August 2015 would increase/decrease by £188,000 (2014 – £207,000). This is attributable to the Company's exposure to interest rates on its floating rate cash balances, fixed interest securities and bank loan.

(e) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

The majority of the Company's and its Subsidiary's assets are investments in quoted bonds and equities that are readily realisable. The Company's level of borrowings is subject to regular review.

The Company's investment policy allows the Investment Manager to determine the maximum amount of the Company's resources that should be invested in any one company.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at 31 August 2015, based on the earliest date on which payment can be required are as follows:

31 August 2015	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000	Total £'000
Creditors: amounts falling due within one year				
Borrowings under the loan facility (including interest)	(8,650)	–	–	(8,650)
Amounts due on forward foreign currency contracts	(196)	–	–	(196)
Amounts due to brokers and accruals	(135)	–	–	(135)
	(8,981)	–	–	**(8,981)**

31 August 2014	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000	Total £'000
Creditors: amounts falling due within one year				
Borrowings under the loan facility (including interest)	(8,916)	–	–	(8,916)
Amounts due on forward foreign currency contracts	(122)	–	–	(122)
Amounts due to brokers and accruals	(222)	–	–	(222)
	(9,260)	–	–	**(9,260)**

(f) Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company or its Subsidiary suffering a loss.

Management of the risk

Investment transactions are carried out with a number of brokers, whose credit-standing is reviewed regularly by Aberdeen, and limits are set on the amount that may be due from any one broker; the risk of counterparty exposure due to failed trades causing a loss to the Company or its Subsidiary is mitigated by the review of failed trade reports on a daily basis. In addition, the administrator carries out both cash and stock reconciliations to the custodians' records on a daily basis to ensure discrepancies are detected on a timely basis.

Cash is held only with reputable banks with high quality external credit ratings. None of the Company's or its Subsidiary's financial assets have been pledged as collateral.

Credit risk exposure

In summary, compared to the amounts included in the Balance Sheet, the maximum exposure to credit risk at 31 August was as follows:

	2015		2014	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Bonds at fair value through profit or loss	26,411	26,411	28,739	28,739
Current assets				
Cash	838	838	733	733
Other receivables	386	386	315	315
Forward foreign currency contracts	64	64	97	97
	27,699	**27,699**	**29,884**	**29,884**

None of the Group's financial assets are secured by collateral or other credit enhancements and none are past their due date or impaired.

Credit ratings

The table below provides a credit rating profile using S&P credit ratings for the bond portfolio at 31 August 2015 and 31 August 2014:

	2015 £'000	2014 £'000
A	5,198	5,676
A–	1,478	679
BBB	9,333	3,090
BBB–	–	5,488
BBB+	9,933	12,708
Non-rated	469	1,098
	26,411	**28,739**

The S&P credit ratings agency does not provide a rating for the Uruguayan bonds held by the Company, however they attach an A- credit rating for Uruguayan local currency debt. Credit ratings agencies Fitch and Moody's attach a rating of A- and A3 respectively to the Uruguayan bonds.

17. Capital management policies and procedures

The Company's capital management objectives are:

– to ensure that it will be able to continue as a going concern; and

– to maximise the income and capital return to its Equity Shareholders through equity capital and debt.

The Company's capital at 31 August 2015 comprises its equity capital and reserves that are shown in the Balance Sheet at a total of £35,872,000 (2014 – £60,729,000). As at 31 August 2015 gross debt as a percentage of net assets stood at 24.1% (2014 – 14.7%). Subsequent to the period end the level of gross debt has been reduced.

The Board, with the assistance of Aberdeen, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes account of Aberdeen's views on the market;
- the need to buy back Ordinary shares for cancellation or treasury, which takes account of the difference between the net asset value per share and the share price (ie. the level of share price discount);

- the need for new issues of Ordinary shares, including issues from treasury; and
- the extent to which distributions from reserves may be made.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

18. Related party transactions

Fees payable during the year to the Directors are disclosed within the Directors' Remuneration Report on pages 31 to 33.

Mr R Prosser is a partner of Appleby Group and a director of its wholly–owned trust company, Appleby Trust (Jersey) Limited, which provides legal services to the Company on an ad–hoc basis. During the year no services were provided (2014 – same).

Mr M J Gilbert is a director of Aberdeen Asset Management PLC, of which APWML is a subsidiary. Management, promotional activities and secretarial, administration and custody services are provided by APWML with details of transactions during the year and balances outstanding at the year end disclosed in notes 5 and 6. Mr Gilbert does not draw a fee for providing his services as a Director of the Company.

Under its management agreement with the Company, APWML is entitled to receive both a management fee and a company secretarial and administration fee. APWML has agreed to waive its company secretarial and administration fee of £112,000, for the year ended 31 August 2015. 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.

The Company owns 100% of the share capital of its Subsidiary. During the year net revenue of £1,396,000 (2014 – £1,597,000) and capital losses of £9,741,000 (2014 – gains of £2,974,000) was generated by the Subsidiary and balances outstanding at the year end was £24,058,000 (2014 – £25,998,000). The Company is committed to providing support to the Subsidiary, if necessary.

The Company has in place a Subscription share and lock-in agreement with APWML dated 14 July 2010 which provided for the purchase by APWML of 5,210,618 Subscription shares issued by the Company on the basis of 1 Subscription share for every 10 Ordinary shares, which were allotted and issued in August 2010. The rights attached to the Subscriptions shares are due to expire on 31 December 2015.

19. Controlling party

The Company has no immediate or ultimate controlling party.

20. Fair value hierarchy

IFRS 13 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The Company has classified fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie. as prices) or indirectly (ie. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) of which there were none at 31 August 2015 and 31 August 2014.

Financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments) or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and amounts due under the loan facility).

The financial assets and liabilities measured at fair value in the Balance Sheet grouped into the fair value hierarchy at 31 August 2015 as follows:

	Note	Level 1 £'000	Level 2 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Quoted equities	a)	10,348	–	10,348
Quoted bonds	b)	10,741	5,735	16,476
Forward foreign currency contracts	c)	–	64	64
Forward foreign currency contracts	c)	–	(196)	(196)
Investment in Subsidiary	d)	–	16,741	16,741
Net fair value		**21,089**	**22,344**	**43,433**

As at 31 August 2014	Note	Level 1 £'000	Level 2 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Quoted equities	a)	25,794	–	25,794
Quoted bonds	b)	10,326	5,704	16,030
Forward foreign currency contracts	c)	–	97	97
Forward foreign currency contracts	c)	–	(122)	(122)
Investment in Subsidiary	d)	–	27,020	27,020
Net fair value		**36,120**	**32,699**	**68,819**

There were no assets for which significant unobservable inputs (Level 3) were used in determining fair value during the years ended 31 August 2015 and 31 August 2014. For the years ended 31 August 2015 and 31 August 2014 there were no transfers between any level.

a) Quoted equities

The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Quoted bonds

The fair value of the Company's investments in Level 1 quoted bonds has been determined by reference to their quoted bid prices in active markets. The fair value of Level 2 quoted bonds has been determined by reference to their quoted bid prices which are adjusted for indexation arising from the movement of the consumer prices index within the country of their incorporation.

c) Forward foreign currency contracts

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

d) Investment in Subsidiary

The Company's investment in its Subsidiary are categorised in Fair Value Level 2 as its fair value has been determined by reference to the Subsidiary's net asset value at the reporting date. The net asset value is predominantly made up of quoted equities traded on recognised stock exchanges. Prior to the change of accounting policy arising from the application of IFRS 10 'Consolidated Financial Statements' including the Amendments, 'Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (Investment Entity Amendments) quoted equities were categorised as in Fair Level 1 and quoted bonds in Fair Value Levels 1 and 2.

21. Subsequent events

Subsequent to the Balance Sheet date, the Company purchased a further 100,000 Ordinary shares to be held in treasury for a total cost of £46,000.

Promotion of the Company

The Company contributes to a promotional programme run by Aberdeen on behalf of a number of investment companies under its management. Under this agreement the Company's contribution is matched by Aberdeen. This contribution, which is reviewed annually, amounted to £48,000 for the year ended 31 August 2015.

The purpose of the programme is to communicate effectively with existing Shareholders and gain more new Shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company's shares.

These aims can be met in several ways:

Investor Relations Programme

Aberdeen runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month institutional investors and prospects receive Aberdeen's report on your Company that includes detailed performance analysis.

Group Schemes

Aberdeen runs a group Share Plan and Investment Trust ISA. These schemes allow investment free of dealing costs and, with only nominal exit charges, have proved popular with private investors.

Newsletter

The 'Bulletin' newsletter, an information commentary on markets and investment trusts managed by Aberdeen, is distributed free of charge.

Public Relations

Aberdeen undertakes to brief journalists, write regularly through placed articles and ensure Company results and any corporate activity are brought to public attention.

Shareholder Services

Aberdeen runs an investment help desk for retail enquirers and investors. Enquirers or investors will be sent any relevant literature on request and have queries answered.

The promotional programme is under the direction of Aberdeen's Group Head of Brand, who has considerable experience in the promotion and communications of investment products. He is supported by a team of professionals.

Internet

The Company has its own dedicated website: www.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. The site is continuously being evaluated for improvement.

It is intended that ongoing programme activities in these various fields, both proactive and supportive, will assist the Company to increase and maintain its Shareholder base, improve liquidity and sustain ratings.

The Company is committed to a close monitoring of the promotional programme. Aberdeen's Group Head of Brand reports to the Board and provides a written summary quarterly.

If you have any questions about your Company, Aberdeen or performance, please telephone the Aberdeen Customer Services Department (direct private investors) on 0500 00 00 40. Alternatively, internet users may email Aberdeen at inv.trusts@aberdeen-asset.com or write to Aberdeen at Aberdeen Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

How to Invest in Aberdeen Latin American Income Fund Limited

Direct

Investors can buy and sell Ordinary shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Many have online facilities. Alternatively, for Retail Clients, shares may be bought directly through Aberdeen's Investment Plan for Children, Investment Trust Share Plan and Investment Trust ISA.

Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professional-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 so that the shares issued by the Company can be recommended by a financial advisor to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future.

The Company's securities are excluded from the FCA's restrictions which apply to NMPIs because the Company would qualify as an investment trust if the Company were based in the UK.

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 Aberdeen Latin American Income Fund Limited. Anyone can invest in the Children's Plan, including parents, grandparents and family friends; subject to certain criteria being met, see terms and conditions within the Key Features document for details. 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.

Aberdeen Investment Trust Share Plan

Aberdeen 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%) on purchases. 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 the Manager in writing at any time.

Stocks and Shares Individual Savings Account ("ISA")

An investment of up to £15,240 can be made in the tax year 2015/16.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can 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. 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 Aberdeen's 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 Aberdeen Latin American Income Fund Limited while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per investment trust of £250.

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 companies 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.

Company Information

If investors would like details of the Company or information on Aberdeen's Children's Plan, Share Plan, ISA or ISA transfers please contact:

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB
Telephone: 0500 00 00 40
E-mail: inv.trusts@aberdeen-asset.com

Details are also available on www.invtrusts.co.uk

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

Literature Request Service

For literature and application forms for Aberdeen's investment trust products, please contact:
Telephone: 0500 00 40 00
Email: aam@lit-request.com

Keeping You Informed

For internet users, detailed data Aberdeen Latin American Income Fund Limited including share price, performance information and a monthly fact sheet is available from the Company's website (www.latamincome.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively please call 0500 00 00 40 for trust information.

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
Jersey JE1 1ES
Tel: +44 (0) 370 707 4040
Fax : +44 (0) 370 873 5851

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 providers

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 investors 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
Halifax Share Dealing
Hargreave Hale
Idealing
Selftrade
The Share Centre
Stocktrade
Hargreaves Lansdown
TD Direct
Interactive Investor

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 www.thewma.co.uk

Financial advisers

To find an adviser who recommends on investment trusts, visit www.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
www.fca.org.uk/firms/systems-reporting/register/search

How to Invest in Aberdeen Latin American Income Fund Limited

continued

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

Aberdeen has been contacted by investors informing that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Asset Management or for third party firms. Aberdeen has also been notified of emails claiming that certain investment companies under its management have issued claims in the courts against individuals. These may be scams which attempt to gain investors' 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/senders do not work for Aberdeen and any third party making such offers/claims has no link with Aberdeen. Aberdeen Asset Management 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's investor services centre using the details on the 'Contact Us' page.

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

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

Glossary of Terms and Definitions

Asset Cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.
Share Price Discount	The amount by which the market price per share of an investment company is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
Net Asset Value (NAV)	The value of total assets less liabilities. Liabilities for this purpose includes current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.
Net Gearing	Net gearing is calculated by dividing total assets (as defined below) less cash or cash equivalents by Shareholders' funds expressed as a percentage.
Ongoing Charges	Ratio of expenses as percentage of average daily Shareholders' funds calculated as per the industry standard method.
Ordinary Shares	The Ordinary shares give Ordinary Shareholders the entitlement to all of the capital growth in the Company's assets and to all the income from the Company that is resolved to be distributed. The Ordinary shares are in registered form and traded on the London Stock Exchange's Main Market. Subject to the Articles of Association, which include the provisions of Chapter 5 of the United Kingdom Listing Authority's Disclosure and Transparency Rules relating to the requirement of persons to disclose their interests in shares, on a show of hands every registered holder of Ordinary shares (a Shareholder) who is present in person (or, being a corporation, by representative) shall have one vote. On a poll every Shareholder present in person (or, being a corporation, by representative) or by proxy shall be entitled to one vote in respect of each Ordinary share held by him. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the shares.
Share Price Premium	The amount by which the market price per share of an investment company exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loan and short-term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Subscription Shares	Each of the Company's Subscription shares confers the right to subscribe in cash for one Ordinary share at a price of 120p on 31 December in 2015. The Subscription shares are in registered form and traded on the London Stock Exchange's Main Market. The Subscription Shares will expire on 31 December 2015.
Total Assets	Total assets as of the financial statements less current liabilities (before deducting prior charges as defined above).
Total Return	Total return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned, e.g. quarter end, half year or year end date.

Notice of Annual General Meeting

Notice is hereby given that the fifth Annual General Meeting of Aberdeen Latin American Income Fund Limited will be held at 1st Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB, at 10.00 a.m. on 10 December 2015 for the following purposes:

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

Ordinary Business

1. To receive the Directors' Report and financial statements for the year ended 31 August 2015, together with the auditor's report thereon.
2. To receive and adopt the Directors' Remuneration Report (other than the Directors' Remuneration Policy).
3. To re-elect Mr Gilbert as a Director.
4. To re-elect Mr Adams as a Director.
5. To re-appoint Ernst & Young LLP as independent auditor and to authorise the Directors to agree their remuneration.

Special Business

As special business, to consider the following resolutions, each of which will be proposed as a special resolution:

6. THAT, the Company be and is hereby generally and unconditionally authorised in accordance with the Articles of Association to make market purchases on a stock exchange of, and to cancel or hold in treasury, Ordinary shares of no par value in the capital of the Company ("Ordinary shares"), provided that:
   a) the maximum number of Ordinary shares hereby authorised to be purchased is 14.99 per cent. of the issued share capital of the Company as at the date of the passing of this Resolution;
   b) the maximum price which may be paid for an Ordinary share shall not be more than the higher of (i) an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary share taken from the Official List for the 5 business days immediately preceding the day on which the Ordinary share is purchased; and (ii) the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;
   c) the minimum price which may be paid for an Ordinary share is 1 pence; and
   d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2016 or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed prior to such time.
7. THAT, the Company be and is hereby generally and unconditionally authorised in accordance with the Articles of Association to make market purchases of and to cancel Subscription shares to subscribe for Ordinary shares of no par value in the capital of the Company ("Subscription shares"), provided that:
   a) the maximum number of Subscription shares hereby authorised to be purchased is 14.99 per cent. of the Subscription shares in issue as at the date of the passing of this resolution;
   b) the maximum price which may be paid for a Subscription share shall not be more than the higher of (i) an amount equal to 105 per cent. of the average of the middle market quotations for a Subscription share taken from the Official List for the 10 business days immediately preceding the day on which the Subscription share is purchased; and (ii) the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;
   c) the minimum price which may be paid for a Subscription share is 1 pence; and
   d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2016 or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed prior to such time.

8. THAT, for the purposes of Article 7.2 of the Company's Articles of Association the Company may issue equity securities (as defined in that Article) up to a maximum amount of 6,492,282 shares representing 10% of the total number of Ordinary shares in issue as at the date of this resolution, provided that such disapplication shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting (by Special Resolution) at the earlier of

the conclusion of the Annual General Meeting of the Company to be held in 2016 or eighteen months from the date of this resolution but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be issued after such expiry and the Directors of the Company may issue equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

By order of the Board
Aberdeen Private Wealth Management Limited
Secretaries
10 November 2015

1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade,
St Helier,
Jersey JE2 3QB

Notes:

a) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed.
b) Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to The Registrars, Aberdeen Latin American Income Fund Limited, Computershare Investor Services (Jersey) Limited, The Pavillions, Bridgewater Road, Bristol BS13 8AE so as to arrive not less than forty eight hours before the time fixed for the meeting.
c) In accordance with Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, to have the right to attend and vote at the meeting referred to above a member must first have his or her name entered in the Company's register of members by not later than forty eight hours before the time fixed for the meeting (or, in the event that the meeting be adjourned, on the register of members forty eight hours before the time of the adjourned meeting). Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members less than forty eight hours before the time of any adjourned meeting) shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.
d) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Ordinary Shareholders entered on the register of members of the Company as at 10.00 a.m. on 8 December 2015 or, in the event that the meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the entries on the register of members after 10.00 a.m. on 8 December 2015 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the Articles of Association of the Company or other instrument to the contrary.
e) No Director has a service contract with the Company.
f) The Register of Directors' interests is kept by the Company and available for inspection.
g) As at 3 November 2015 (being the last business day prior to the publication of this notice) the Company's issued share capital comprised 64,922,824 Ordinary shares of no par value (with a further 1,650,000 shares held in treasury) and 10,420,986 Subscription shares of no par value. Each Ordinary share carries the right to one vote at a general meeting of the Company. The Subscription shares do not carry any rights to vote at general meetings of the Company. Therefore, the total number of voting rights in the Company as at 3 November 2015 was 64,922,824.
h) There are special arrangements for holders of shares through the Aberdeen Share Plan and Investment Trust ISA. These are explained in the 'Letter of Direction' which such holders will have received with this report.

Corporate Information

Directors
Richard Prosser, Chairman
Jeremy Arnold, Audit Committee Chairman
Martin Adams
George Baird
Martin Gilbert

Manager, Secretary & Registered Office
Aberdeen Private Wealth Management Limited
Sir Walter Raleigh House
48 – 50 Esplanade
St Helier
Jersey JE2 3QB

Registered in Jersey with Number 106012

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

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

Tel: +44 (0) 370 707 4040
Fax: +44 (0) 370 873 5851

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.

Lending Bank
Scotiabank Europe plc
Scotia House
201 Bishopsgate, 6th Floor
London EC2M 3NS

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

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

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

Foreign Account Tax Compliance Act ("FATCA")
IRS Registration Number (GIIN): 9HSG0J.99999.SL.832

Website
www.latamincome.co.uk

Your Company's Share Capital History

Share Capital at 31 August 2015

65,022,824	Ordinary shares of no par value issued and allotted
1,550,000	Ordinary shares of no par value held in treasury
10,420,986	Subscription shares to subscribe for Ordinary shares. The Subscription shares carry the right to convert all or any such Subscription shares into fully paid Ordinary shares on the basis of one Ordinary share for every one Subscription share on 31 December in each of the years 2013 to 2015 (both inclusive) at a price of 120p per Ordinary share. The Subscription Shares expire on 31 December 2015.

Capital History

16 August 2010	52,106,185 Ordinary shares placed at 100p per share, 5,210,618 Subscription shares issued at 10.5p per Subscription share (to AAM) and 5,210,618 Subscription shares issued free to share issue applicants on the basis of one Subscription share for every 10 Ordinary shares applied for.
3 February 2012	15,597,185 C shares issued at 100p per C share under the terms of a Placing and Offer pursuant to a Prospectus published on 20 January 2012.
11 April 2012	14,466,389 new Ordinary shares issued and listed following the conversion of the C shares on the basis of 0.9275 Ordinary shares for every one C share held.
Year ended 31 August 2014	990,000 Ordinary shares bought into treasury. 100 new Ordinary shares issued at 120p per share following the conversion of 100 Subscription shares in the period to 31 December 2013.
Year ended 31 August 2015	560,000 Ordinary shares bought into treasury. 150 new Ordinary shares issued at 120p per share following the conversion of 150 Subscription shares in the period to 31 December 2014.

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

Aberdeen and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD') which can be found on the Company's website www.latamincome.co.uk. There have been no material changes to the disclosures contained within the PIDD since first publication in July 2014.

The periodic disclosures as required under the AIFMD to investors are made below:

- Information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 16 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by APWML

The above information entitled 'Alternative Investment Fund Managers Directive Disclosure (unaudited)' 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 Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Aberdeen