

6 May 2020

Aberdeen Latin American Income Fund Limited

Legal Entity Identifier (LEI): 549300DN623WEGE2MY04

Half Yearly Results for the Six Months to 29 February 2020

Information disclosed in accordance with paragraph 4.2 of the Disclosure Guidance and Transparency Rules

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.

	29 February 2020	31 August 2019	% change
Total assets (£'000)	48,374	53,755	-10.0
Equity shareholders' funds (£'000)	42,374	47,755	-11.3
Net asset value per Ordinary share	74.15p	82.34p	-9.9
Ordinary share price	62.00p	69.20p	-10.4
Discount to net asset value per Ordinary share{A}	16.4%	16.0%	
Net gearing{A}	13.2%	11.4%	
Ongoing charges ratio{A}	2.00%	2.00%	

{A} Considered to be an Alternative Performance Measure as defined below.

Performance (total return){A}

	Six months ended 29 February 2020	Year ended 31 August 2019
Net asset value	-8.0%	+22.4%
Ordinary share price	-8.2%	+19.9%
Composite MSCI EM Latin American 10/40 Index/JP Morgan GBI-EM Global Diversified Index (Latin America carve out)(sterling adjusted)	-8.2%	+17.4%

{A} Considered to be an Alternative Performance Measure as defined below.

Source: Aberdeen Standard Investments, Lipper and Morningstar.

INTERIM BOARD REPORT – CHAIRMAN'S STATEMENT

Overview

Latin American equities retreated, underperforming the broader emerging markets in the volatile six months under review. Latin American debt markets also struggled as local-currency bonds posted negative returns. An overarching theme was the ongoing dispute between the US and its key trading partners, as well as punitive tit-for-tat tariffs imposed. Faced with the ensuing resultant economic slowdown, global central banks loosened monetary policy. Countries such as Brazil, Mexico and Chile followed suit. Towards the end of 2019, Washington and Beijing made progress towards a preliminary trade deal and markets ended on a positive note.

In the New Year, however, concerns that the spread of Covid-19 would severely interfere with global supply chains and trade overshadowed optimism over the actual signing of a US-China agreement. As the number of people infected by the virus continued to climb, the World Health Organisation raised its threat assessment to the highest level.

Regionally, the key factors influencing market sentiment beyond the external backdrop were fiscal and policy reforms.

For Brazil, the Senate's final approval of a comprehensive bill to reform the pension system was positive for the country; the incumbent structure pressurised public finances for years. However, the initial euphoria over President Jair Bolsonaro's pension reform victory evaporated as the lacklustre economic recovery disappointed markets. Furthermore, tensions between the President and Legislature increased which resulted in his split with the ruling party and the formation of his own political party.

In Mexico, President Andrés Manuel López Obrador's heavy-handed and unorthodox policies negatively impacted an already fragile economy. There was, however, a bright spot in the shape of progress towards the ratification of a North American trade agreement with the US and Canada.

The Chilean economy took a hit from nationwide demonstrations as wealth inequality widened. The government has attempted to address these issues by introducing minimum wage hikes and tax reforms, which may help pave the road to recovery.

Meanwhile, Argentina endured bouts of uncertainty stemming from business-friendly incumbent Mauricio Macri's loss to Peronist Alberto Fernandez during the presidential elections. However, the central bank's foreign exchange controls and the new administration's emergency relief measures as well as other policy reforms helped cushion the adverse effects on the economy.

Against this backdrop, your Company's net asset value (NAV) in sterling terms closely matched the benchmark's 8% decline. The contributors and detractors to performance are set out in the Investment Manager's review.

Change of Auditor

During the period, the Company, led by the Audit Committee, undertook a public tender of its auditor, as referenced in the Annual Report to 31 August 2019. Following the conclusion of the public tender, the Board approved the appointment of PricewaterhouseCoopers CI LLP ("PWC") as the Company's auditor. PWC will undertake the audit of the Company's Annual Report to 31 August 2020 and shareholders will be invited to vote upon their appointment at the Company's Annual General Meeting, due to take place in December 2020. The Board would like to formally thank Ernst & Young LLP, the Company's auditor since launch in 2010, for their support over the years.

Dividends

In accordance with the Company's stated aim to pay a minimum dividend of 3.5 pence per Ordinary share for the year to 31 August 2020, the Company has declared a second interim dividend of 0.875 pence per Ordinary share payable on 29 May 2020 to Ordinary shareholders on the register on the record date of 15 May 2020.

The Board is aware of the importance of income to shareholders particularly during times of such severe market stress and has maintained this payment. Whilst there will undoubtedly be an impact to earnings from the COVID-19 crisis as Latin American governments attempt to manage the effect on their economies and our investee companies struggle to manage difficult trading conditions during government imposed lock downs, the Directors note the revenue reserve that has been built up during better times. The revenue reserve provides us with up to one years' dividend reserve. The Board's current intention is that interim dividends will continue to be paid quarterly, subject to cash levels being sufficient to allow us to do so, and that in the current financial year revenue reserves will be utilised where there is a shortfall in earnings. Revenue reserves have been built up with just such a contingency in mind. The Directors place great emphasis on exercising prudence particularly in these uncertain times and ensuring the robustness of the Company's balance sheet is maintained. The Board will continue to monitor closely the evolution of COVID-19, together with its impact on the region, valuations and recurring earnings, while balancing the income requirements of its shareholders, and keep its future dividend policy under review.

Share Capital

During the period the Company purchased 857,000 Ordinary shares for cancellation at a weighted average discount of 12.3% to the prevailing NAV per share (ex-income). The Board is cognisant of recent heavy market falls following the COVID-19 outbreak and the impact on the size of the Company together with the requirement to balance cash outflows where possible with income. Selective share buybacks may be used to seek to limit share price volatility. However, during these uncertain times this will be subject to prevailing market conditions whilst balancing the best use of cash and reserves and where to do so would be deemed to be in our Shareholders' best interests.

Subsequent to the period end a further 30,000 Ordinary shares have been purchased for cancellation. At the date of this report, there are 57,113,324 Ordinary Shares in issue and 6,107,500 held in treasury and the Ordinary shares are trading at a discount of 14.3% to the NAV (ex-income).

Gearing

The level of drawings under the Company's three year £8 million multi-currency revolving facility agreement with Scotiabank (Ireland) Designated Activity Company remained at £6.0 million during the period. This represents net gearing of 13.2% at the period end. The Board will continue to monitor the level of gearing under recommendation from the Investment Manager and in the light of market conditions. The facility is due to expire in August 2020 and the Board is considering options for renewal.

Ongoing Charges

The Board's agreement with the Manager to ensure that the Company's ongoing charges ratio ("OCR") will not exceed 2.0% when calculated annually as at 31 August continues. To the extent that the OCR exceeds 2.0% the Manager will rebate part of its fees in order to bring that ratio down to 2.0%.

Electronic Communications for Registered Shareholders

The Board is proposing to move to more electronic-based forms of communication with its registered shareholders. Increased use of electronic communications should be a more cost effective, as well as faster and more environmentally friendly, way of providing information to shareholders. Registered shareholders will therefore find enclosed with this Half Yearly Report a letter containing our electronic communications proposals and an opportunity to supply an email address to the Registrars, Computershare. Registered shareholders who wish to continue to receive hard copies of documents and communications by post are encouraged to send back their replies as soon as possible but in any event by 30 June 2020.

Shareholders who hold their shares through the Aberdeen Standard Investment Trust Share Plan, ISA and Children's Plan ("Planholders") will continue to receive all documentation by post in hard copy form for the time being. Aberdeen Asset Managers Limited, the plan manager, is currently assessing how to adopt more electronically-based communications within these savings plans and Planholders will be contacted directly with more detail in due course.

Outlook

I remain cautious about the near-term outlook for Latin American equities as Covid-19's impact on Latin America and the wider global economy continues to unfold. The intensification of the pandemic, severe financial stress, border closures, country lockdowns and a halt in business activities threaten to drag the region into recession this year.

Meanwhile, mixed data in Brazil indicates that any recovery remains uneven at best, particularly as countrywide lockdowns will result in a decline in business activity. Hence, further progress in President Jair Bolsonaro's reform agenda will be needed to bolster the country's prospects, in addition to measures announced in response to the global pandemic. In Mexico, despite steps made towards the ratification of a trade agreement with the US and Canada, further rate cuts are expected, on the back of dismal economic data, after the latest one in February. The government's delayed response to the outbreaks and travel restrictions at the US-border also threaten to further contract growth. Since the period end, Argentina's biggest bondholders have rejected the government's offer to restructure \$83 billion of foreign debt, raising the prospect that the country is headed for its ninth sovereign debt default. Investors will stay watchful over the outcome of Chile's constitutional referendum, which has been postponed due to the viral outbreak, and whether the government's stimulus measures can arrest slowing growth.

Despite these short to medium term uncertainties and the unprecedented impact on global economies of the Covid-19 pandemic, I remain optimistic about the resilience of the portfolio's underlying holdings chosen by the Investment Manager's highly experienced team of professionals using its dedicated bottom up approach. I have confidence in your Investment Manager's ability to select high quality investments that are backed by solid fundamentals and that retain long-term growth potential that should continue to deliver robust performance over the coming years.

Richard Prosser,
Chairman
5 May 2020

INTERIM BOARD REPORT – INVESTMENT MANAGER'S REVIEW

Performance Commentary

Latin American equity had a rough six months to the end of February 2020, underperforming its emerging market peers. Markets started on the back foot as global growth took a hit over US-China trade friction, but optimism returned after both sides reached a partial trade deal. This was further helped by monetary policy easing as Latin American central banks and governments followed their global counterparts in enacting accommodative policies to support their economies. Entering the new year, sentiment soured once again as the coronavirus epidemic spread rapidly to the rest of the world, igniting fears that the global economy could slip into recession. Before the turn of the year, Brazil was buoyed by an improvement in third-quarter GDP data, underpinned by robust consumption and manufacturing. Higher oil prices and tax reforms, including lower corporate tax aided Colombia, whereas Mexico was cushioned by the trade agreement with the US and Canada, as well as a hike in the minimum wage. In Argentina, the market rebounded after Congress approved an emergency rescue package to support the economy and the central bank intervened to limit outflows to stabilise the currency and reduce pressure on its foreign exchange reserve. However, Chile bucked the trend as ongoing protests over wage inequality weighed on its export-dependent economy.

But, this all changed in the New Year with the onset of the Covid-19 outbreak and poor economic data, which hurt investor sentiment.

Latin American debt markets moved down over the six-month period with local-currency bonds posting negative returns, while Latin American currencies depreciated almost 9% (in aggregate) against sterling. Declining oil

prices also had a negative impact on oil-sensitive Latin American currencies. Brent crude fell dramatically in February as the rise of Covid-19 fuelled fears of a global economic slowdown. This saw prices finish the period at US\$50.52 per barrel, the lowest level since January 2019, and have subsequently turned negative.

In Argentina, Alberto Fernandez was sworn in as president in December after defeating incumbent Mauricio Macri in the October presidential elections. The new leader announced his intention to seek sovereign debt restructuring negotiations with current investors and the International Monetary Fund (IMF). However, the resultant talks ended somewhat ambiguously in February, with the IMF reiterating the need for a restructuring of Argentina's debt without alluding to any commitments made by the government.

Brazil saw the passing of the much-debated pension reform bill in October, one of President Bolsonaro's flagship policies and a major step in the fiscal consolidation process. The Central Bank of Brazil also cut its benchmark interest rate for a fifth consecutive time at its meeting in February, to a record low of 4.25%. However, it indicated that a pausing in monetary easing may be warranted as it assesses the effects on the economy.

In Mexico, the revamped US-Mexico-Canada Agreement was ratified by Congress in December, reducing trade uncertainty. Banco de Mexico maintained its accommodative policy throughout the period, lowering its overnight target rate to 7.0% in February. The central bank cited weakening growth, with the Mexican economy contracting by 0.1% year on year in 2019.

Against this backdrop, your Company's equity portfolio NAV fell by 8.2% in sterling terms, roughly in line with the benchmark MSCI Emerging Markets Latin America 10/40 Index.

The choice of holdings, particularly in Brazil, contributed to performance. Most notably, **Arezzo Industria**, **Bradespar**, **Multiplan**, **Totvs** and **WEG** rose after recovering from earlier weakness. In addition, mall operator Multiplan reported better than expected third-quarter results on solid shopping centre performance. Electrical equipment manufacturer WEG, will construct wind farms to generate up to 180.6 megawatts of power for utility company Alianca Geracao de Energia. The deal will likely earn about US\$142 million in revenue. Software firm Totvs advanced on expectations of a recovery in information technology spending by its clients. This also helped Argentina's software firm **Globant**. Elsewhere, in Mexico, airport operators **OMA** and **ASUR** continued to benefit from robust passenger traffic growth. Lender **Banorte** also advanced on good 2019 results.

Conversely, not holding Mexican telco America Movil dented performance as its shares re-rated on an improvement in its core markets. A lack of exposure to Brazil-based Magazine Luiza also weighed on the portfolio as the retailer's shares rose amid successful efforts to grow its e-commerce operations. Further capping gains was food producer **BRF**, following the outbreak of Covid-19 in China, one of its export partners. Elsewhere, **Banco Bradesco** fell despite its plan to close about 300 branches in 2020 to cut operating expenses. The Brazilian lender will also spin off its digital bank to improve competitiveness. Likewise, Chilean mall operator **Parque Arauco** declined in line with the broader stock market. However, its earnings improved driven by its Peruvian and Colombian businesses.

Over the period, the Company's bond portfolio returned -2.92% in sterling terms, compared to the benchmark JPM GBI-EM Global Diversified Latin America Index's return of -5.56%. The yield on the index fell nine basis points to end the period at 5.68%.

Allocation and selection effects drove the bond portfolio's relative outperformance, while currency effects proved negative. In particular, the lack of exposure to Chile contributed to positive relative returns, as local bonds and the Chilean peso performed poorly over the period. Allocation effects in Uruguay, Brazil and Argentina also helped drive returns. Moreover, security selection in Mexico contributed, as did Argentina to a lesser extent.

Conversely, the portfolio's currency effects in Uruguay, Brazil, Mexico and Peru were detrimental to returns over the period. Security selection in Uruguay and Brazil, and the allocation to Mexico, also detracted from performance.

Portfolio Activity

During the period under review, we made several changes to the Company's portfolio, adding quality stocks with solid fundamentals, experienced management and steady cash flow, while exiting those with a worsening outlook and where valuations appeared fulsome. These changes should enable the portfolio to circumvent the adverse market conditions, and position it well for a recovery when this unprecedented global situation improves.

The volatility in the market allowed us to purchase several high-quality companies at better valuations. To this end, we introduced **Mercado Libre**, Latin America's leading e-commerce group. In Brazil, we added **Burger King Brasil**, an attractive business with good growth opportunities; **Instituto de Resseguros do Brasil**, the country's leading re-insurance player; and **XP** the biggest brokerage by equity-trading volume.

Against this, we exited several holdings in favour of better opportunities mentioned above. These disinvestments included fuel distributor **Ultrapar**, given concerns over its growth prospects and strategic business direction; lender **BBVA** amid Argentina's deteriorating macro outlook; and steel manufacturer **Tenaris** and dairy maker **Lala** on lower conviction.

In the fixed income portion of the Company's portfolio, we reduced our local-currency exposure to Argentine index-linked bonds and Mexican government bonds. We also reduced our local currency holdings in Colombian and Uruguayan government bonds.

Outlook

The near to medium-term outlook for Latin America is likely to stay volatile. The world is facing a pandemic unlike any other in recent history. Even as events unfold, the full impact on the global economy is likely to be worse than anticipated. With the number of Covid-19 cases still rising, most governments have restricted domestic and international travel. This will be detrimental for sectors such as tourism and retail. Factory closures are likely to hurt supply chains for the auto and the technology sectors, as will declining commodity prices on the back of lower global demand and the recent oil price war between Saudi Arabia and Russia. In contrast, new age e-commerce and technology businesses could benefit from an uptick in activities.

In Latin America, policymakers are taking steps to cushion the impact of the fallout. Brazil and Mexico cut rates amid benign inflation and poor economic data, while Chile slashed interest rates in mid-March. We believe that suitable policy easing from emerging market central banks following on from developed market central-bank easing will provide a cushion to growth and emerging markets bond returns, before a more meaningful recovery in asset prices takes place.

Under these circumstances, we are cautious with regards to the short to medium term outlook in the Latin American region given the deteriorating global economic outlook from the Covid-19 pandemic, the challenges it brings for all, and the unsettled political landscape. Notwithstanding this, the current market distortions will provide us with opportunities to gain exposure to, and build our positions in, quality investments at attractive levels.

Equity valuations in the region stand at a discount to historical averages, both in terms of price-to-earnings and price-to-book ratios, while discounts to the broader Global Emerging Markets universe and Global equities have also widened. We have already seen negative earnings revisions coming through but, given the high levels of uncertainty around the length of quarantines, pace of economic reopening and economic recovery in the region, we might still see further downward revisions. This considered, we are conscious that, whilst some sectors and markets might look very attractive from a valuation standpoint, the current environment requires a very cautious approach to assessing investment opportunities on a case by case basis. We continue to favour companies with strong balance sheets, solid management teams and sound business models.

Given our long term investment time horizons, we believe that we are well positioned despite market volatility. To that end, your Company is positioned to deliver sustainable returns in the years ahead once we move beyond the pandemic crisis.

Aberdeen Asset Managers Limited
5 May 2020

INTERIM BOARD REPORT

Directors' Responsibility Statement

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

- The condensed set of financial statements has been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting" and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- The Interim Board Report (constituting the interim management report) includes a fair review of the information required by DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- The financial statements include a fair review of the information required by DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

Principal Risks and Uncertainties

The Board regularly reviews the principal risks and uncertainties faced by the Company together with the mitigating actions it has established to manage the risks. These are set out within the Strategic Report contained within the Annual Report for the year ended 31 August 2019 and comprise the following risk categories:

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

The Board notes that there are a number of contingent risks stemming from the Covid-19 pandemic that may impact the operation of the Company. These include investment risks surrounding the companies in the portfolio such as employee absence, reduced demand, reduced turnover and supply chain breakdowns. The Manager will continue to review carefully the composition of the Company's portfolio and to be pro-active in taking investment decisions where necessary. Operationally, Covid-19 is also affecting the suppliers of services to the Company including the Manager and other key third parties. To date these services have continued to be supplied seamlessly and the Board will continue to monitor arrangements in the form of regular updates from the Manager.

In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the 2019 Annual Report.

Going Concern

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Company's assets, including those of its subsidiary, consist of a diverse portfolio of listed equities, equity-related investments and fixed income investments which, in most circumstances, are realisable within a very short timescale.

The Directors are mindful of the principal risks and uncertainties disclosed above, including Covid-19, and review on a regular basis forecasts detailing revenue and liabilities and the Company's operational expenses. Consequently the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Half Yearly Report. Accordingly, they continue to adopt the going concern basis in preparing the Half Yearly Report.

For and on behalf of the Board
Richard Prosser,
Chairman
5 May 2020

Top 10 Investments As at 29 February 2020

Banco Bradesco

A leading privately-owned Brazilian bank with a well-recognised brand, robust loan portfolio and experienced management team.

Itau Unibanco Holdings

Brazil's largest privately-owned bank, it is well-capitalised with sound growth prospects and asset quality.

Grupo Financiero Banorte

Mexico's leading privately-owned bank with a well-recognised nationwide brand, sizeable pension business and proven track record in conservative lending.

Fomento Economico Mexicano

FEMSA participates in beverages through Coca-Cola FEMSA, the largest Coca-Cola bottler globally. The company also participates in small-format convenience stores, gas stations and pharmacies through FEMSA Comercio.

Arca Continental

Arca Continental bottles non-alcoholic beverages. The company produces carbonated soft drinks, bottled water, iced tea and fruit drinks. Arca operates in northern Mexico and northern Argentina.

Petrobras

Brazilian state owned oil & gas company primarily engaged in exploration and production, refining, energy generation, trading and distribution of oil products.

B3 Brasil Bolsa BalcoB

B3 is a vertically integrated stock exchange provider of securities, commodities and futures trading services along with depository and registration for fixed income securities and a clearing house for private assets in Brazil.

Bradespar

A holding company where the single underlying asset is Brazil's iron ore producer Vale.

Lojas Renner

One of Brazil's largest clothing retailers with a complementary financing arm catering to customers' store credit needs. More recently Lojas Renner has ventured into neighbouring Uruguay and launched a home furnishing brand by the name of Camicado.

Multiplan Empreendimentos

Multiplan Empreendimentos develops real estate. The company builds and markets shopping centres and residential and commercial ventures in Brazil and abroad.

Investment Portfolio – Equities As at 29 February 2020

Company	Country	Valuation £'000	Total portfolio %
Banco Bradesco ADR{A}	Brazil	2,415	5.1
Petrobras{B}	Brazil	2,202	4.6
Itau Unibanco Holdings ADR{A}	Brazil	1,666	3.5
B3 Brasil Bolsa BalcoB{B}	Brazil	1,207	2.5
Grupo Financiero Banorte	Mexico	1,144	2.4
Bradespar{B}	Brazil	1,105	2.3
Fomento Economico Mexicano ADR	Mexico	1,080	2.3
Lojas Renner{B}	Brazil	1,071	2.2
Arca Continental	Mexico	835	1.8
Multiplan Empreendimentos{B}	Brazil	822	1.7
Top ten equity investments		13,547	28.4
Grupo Aeroportuario Sureste ADR	Mexico	819	1.7

Localiza Rent A Car{B}	Brazil	819	1.7
Wal-Mart de Mexico	Mexico	817	1.7
Vale ADR	Brazil	768	1.6
Rumo{B}	Brazil	744	1.6
Arezzo Industria e Comercio{B}	Brazil	621	1.3
Ambev{B}	Brazil	582	1.2
BRF{A}	Brazil	542	1.1
Itausa Investimentos Itau Pref{B}	Brazil	510	1.1
Globant	Argentina	488	1.0
Top twenty equity investments		20,257	42.4
Infraestructura Energetica	Mexico	482	1.0
Grupo Aeroportuario Centro Norte	Mexico	481	1.0
TOTVS{B}	Brazil	473	1.0
Mercadolibre	Argentina	429	0.9
IRB Brasil Resseguros{B}	Brazil	423	0.9
Parque Arauco{B}	Chile	367	0.8
Wilson, Sons{B}	Brazil	358	0.7
WEG{B}	Brazil	342	0.7
XP	Brazil	341	0.7
Cementos Pacasmayo	Peru	331	0.7
Top thirty equity investments		24,284	50.8
Raia Drogasil{B}	Brazil	324	0.7
Geopark	Chile	324	0.7
Embotelladora Andina 'A' Pref{B}	Chile	320	0.7
Notredame Intermedica{B}	Brazil	320	0.7
Kimberly-Clark de Mexico	Mexico	313	0.7
Banco Santander-Chile ADR	Chile	312	0.6
S.A.C.I. Falabella{B}	Chile	300	0.6
Banco Santander-Mexico	Mexico	299	0.6
Odontoprev{B}	Brazil	279	0.6
Linx{B}	Brazil	278	0.6
Top forty equity investments		27,353	57.3
BK Brasil{B}	Brazil	271	0.6
Hoteles City Express	Mexico	156	0.3
Grana Y Montero	Peru	107	0.2
Fossal	Peru	1	-
Total equity investments		27,888	58.4

{A} Holding includes investment in common and ADR lines.

{B} Held in Subsidiary.

Investment Portfolio – Bonds
As at 29 February 2020

	Valuation	Total
	£'000	portfolio
Bonds		%
Brazil (Fed Rep of) 10% 01/01/25{A}	3,947	8.2
Colombia (Rep of) 9.85% 28/06/27	2,561	5.4
Mex Bonos Desarr Fix Rt 10% 20/11/36	2,131	4.5
Brazil (Fed Rep of) 10% 01/01/21{A}	2,080	4.4
Mex Bonos Desarr Fix Rt 8.5% 18/11/38	1,958	4.1
Uruguay (Rep of) 4.375% 15/12/28	1,801	3.8
Peru (Rep of) 6.95% 12/08/31	1,314	2.7
Brazil (Fed Rep of) 10% 01/01/27{A}	1,006	2.1
Petroleos Mexicanos 7.47% 12/11/26	948	2.0
Uruguay (Rep of) 4.25% 05/04/27	717	1.5
	<hr/>	<hr/>
Top ten bond investments	18,463	38.7
	<hr/>	<hr/>
Peru (Rep of) 6.95% 12/08/31	447	0.9
Uruguay (Rep of) 9.875% 20/06/22	419	0.9
Mex Bonos Desarr Fix Rt 10% 05/12/24	256	0.5
Mexico (United Mexican States) 7.75% 13/11/42	149	0.3
Petroleos Mexicanos 7.19% 12/09/24	139	0.3
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Total bond investments	19,873	41.6
	<hr/>	<hr/>
Total investments	47,761	100.0
	<hr/>	<hr/>

{A} Held in Subsidiary.

Distribution of Investments
As at 29 February 2020

	Equities	Bonds	Total
Country	%	%	%
Argentina	1.9	-	1.9
Brazil	38.7	14.7	53.4
Chile	3.4	-	3.4
Colombia	-	5.4	5.4
Mexico	13.5	11.7	25.1
Peru	0.9	3.7	4.6
Uruguay	-	6.1	6.1
	<hr/>	<hr/>	<hr/>
	58.4	41.6	100.0
	<hr/>	<hr/>	<hr/>

Condensed Statement of Comprehensive Income

		Six months ended 29 February 2020 (unaudited)		
	Notes	Revenue £'000	Capital £'000	Total £'000
Income				
Income from investments	3	1,215	-	1,215
(Losses)/gains on financial assets held at fair value through profit or loss		-	(4,497)	(4,497)
Currency gains/(losses)		-	72	72
(Losses)/gains on forward currency contracts held at fair value		-	(13)	(13)
		<hr/>	<hr/>	<hr/>
		1,215	(4,438)	(3,223)
Expenses				
Investment management fee		(104)	(155)	(259)
Other operating expenses	4	(204)	-	(204)
		<hr/>	<hr/>	<hr/>
Profit/(loss) before finance costs and taxation		907	(4,593)	(3,686)
Finance costs		(22)	(34)	(56)
		<hr/>	<hr/>	<hr/>
Profit/(loss) before taxation		885	(4,627)	(3,742)
Taxation		(25)	-	(25)
Profit/(loss) for the period		<hr/>	<hr/>	<hr/>
		860	(4,627)	(3,767)
		<hr/>	<hr/>	<hr/>
Earnings per Ordinary share (pence)	5	1.49	(8.03)	(6.54)
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The profit/(loss) for the period is also the comprehensive income for the period.

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

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

Condensed Statement of Comprehensive Income (Cont'd)

		Six months ended 28 February 2019 (unaudited)		
	Notes	Revenue £'000	Capital £'000	Total £'000
Income				
Income from investments	3	1,641	-	1,641
(Losses)/gains on financial assets held at fair value through profit or loss		-	4,589	4,589
Currency gains/(losses)		-	(66)	(66)
(Losses)/gains on forward currency contracts held at fair value		-	60	60
		1,641	4,583	6,224
Expenses				
Investment management fee		(104)	(156)	(260)
Other operating expenses	4	(216)	-	(216)
		1,321	4,427	5,748
Profit/(loss) before finance costs and taxation				
Finance costs		(24)	(36)	(60)
		1,297	4,391	5,688
Profit/(loss) before taxation				
Taxation		(25)	-	(25)
		1,272	4,391	5,663
Profit/(loss) for the period				
Earnings per Ordinary share (pence)	5	2.13	7.36	9.49

Condensed Statement of Comprehensive Income (Cont'd)

		31 August 2019 (audited)		
	Notes	Revenue £'000	Capital £'000	Total £'000
Income				
Income from investments	3	3,230	-	3,230
(Losses)/gains on financial assets held at fair value through profit or loss		-	6,882	6,882
Currency gains/(losses)		-	45	45
(Losses)/gains on forward currency contracts held at fair value		-	(108)	(108)
		3,230	6,819	10,049
Expenses				

Investment management fee		(213)	(320)	(533)
Other operating expenses	4	(411)	-	(411)
Profit/(loss) before finance costs and taxation		2,606	6,499	9,105
Finance costs		(49)	(73)	(122)
Profit/(loss) before taxation		2,557	6,426	8,983
Taxation		(32)	35	3
Profit/(loss) for the period		2,525	6,461	8,986
Earnings per Ordinary share (pence)	5	4.27	10.93	15.20

Condensed Balance Sheet

	Notes	As at 29 February 2020 (unaudited) £'000	As at 28 February 2019 (unaudited) £'000	As at 31 August 2019 (audited) £'000
Non-current assets				
Investments held at fair value through profit or loss		47,761	52,054	53,327
Current assets				
Cash		281	290	459
Forward foreign currency contracts		47	115	62
Other receivables		740	612	392
		1,068	1,017	913
Current liabilities				
Bank loan	8	(6,000)	(6,500)	(6,000)
Forward foreign currency contracts		(60)	(55)	(111)
Other payables		(395)	(300)	(374)
		(6,455)	(6,855)	(6,485)
Net current liabilities		(5,387)	(5,838)	(5,572)
Net assets		42,374	46,216	47,755
Equity capital and reserves				
Equity capital	9	65,936	65,936	65,936
Capital reserve		(26,117)	(22,195)	(20,885)
Revenue reserve		2,555	2,475	2,704

Equity shareholders' funds		42,374	46,216	47,755
Net asset value per Ordinary share (pence)	10	74.15	78.22	82.34

Condensed Statement of Changes in Equity

Six months ended 29 February 2020 (unaudited)

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2019		65,936	(20,885)	2,704	47,755
(Loss)/profit for the period		-	(4,627)	860	(3,767)
Dividends paid	6	-	-	(1,009)	(1,009)
Purchase of own shares for cancellation		-	(605)	-	(605)
Balance at 29 February 2020		65,936	(26,117)	2,555	42,374

Six months ended 28 February 2019 (unaudited)

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

Year ended 31 August 2019 (audited)

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2018		65,936	(25,861)	2,250	42,325
Profit for the period		-	6,461	2,525	8,986
Dividends paid	6	-	-	(2,071)	(2,071)
Purchase of own shares for cancellation		-	(1,485)	-	(1,485)
Balance at 31 August 2019		65,936	(20,885)	2,704	47,755

Condensed Cash Flow Statement

	Six months ended 29 February 2020 (unaudited) £'000	Six months ended 28 February 2019 (unaudited) £'000	Year ended 31 August 2019 (audited) £'000
Operating activities			
Dividend income	241	147	530
Fixed interest income	340	618	1,508
Income from Subsidiary	514	497	1,107
Interest income	1	2	4
Investment management fee paid	(268)	(256)	(525)
Other paid expenses	(382)	(185)	(336)
	<hr/>	<hr/>	<hr/>
Cash generated from operating activities before finance costs and taxation	446	823	2,288
Interest paid	(57)	(62)	(122)
Withholding taxes paid	(11)	(11)	(40)
	<hr/>	<hr/>	<hr/>
Net cash inflow from operating activities	378	750	2,126
Cash flows from investing activities			
Purchases of investments	(1,714)	(3,055)	(4,827)
Proceeds from sales of investments	2,288	3,787	7,581
Receipts from/(payments to) Subsidiary	463	232	(778)
	<hr/>	<hr/>	<hr/>
Net cash inflow from investing activities	1,037	964	1,976
Cash flows from financing activities			
Equity dividends paid	(1,009)	(1,047)	(2,071)
Repurchase of own shares	(605)	(720)	(1,469)
Loan repaid	-	-	(500)
	<hr/>	<hr/>	<hr/>
Net cash outflow from financing activities	(1,614)	(1,767)	(4,040)
Net decrease in cash	(199)	(53)	62
Foreign exchange	21	(68)	(14)
Cash at start of period	459	411	411
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period	281	290	459
	<hr/>	<hr/>	<hr/>

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

ALTERNATIVE PERFORMANCE MEASURES

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

Total return. NAV and share price total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend. The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the six months ended 29 February 2020 and 28 February 2019 and the total return for the period.

	Dividend rate	NAV	Share price
2020			
31 August 2019	N/A	82.34p	69.20p
26 September 2019	0.875p	82.60p	71.50p
19 December 2019	0.875p	82.61p	71.60p
29 February 2020	N/A	74.15p	62.00p
Total return		-8.0%	-8.2%
	Dividend rate	NAV	Share price
2019			
31 August 2018	N/A	70.34p	60.80p
4 October 2018	0.875p	74.32p	64.40p
20 December 2018	0.875p	75.32p	63.30p
28 February 2019	N/A	78.22p	68.20p
Total return		+13.8%	+15.3%

Discount to net asset value per Ordinary share. The discount is the amount by which the share price of 62.00p (31 August 2019 - 69.20p) is lower than the net asset value per Ordinary share of 74.15p (31 August 2019 - 82.34p), expressed as a percentage of the net asset value per Ordinary share.

Net gearing. Net gearing measures the total borrowings of £6,000,000 (31 August 2019 – £6,000,000) less cash and cash equivalents of £291,000 (31 August 2019 - £535,000) divided by shareholders' funds of £42,374,000 (31 August 2019 - £47,755,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due from brokers of £10,000 (31 August 2019 - £76,000) at the period end as well as cash at bank and in hand of £281,000 (31 August 2019 - £459,000).

Ongoing charges. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year. The ratio for 29 February 2020 is based on forecast ongoing charges for the year ending 31 August 2020.

	29 February 2020	31 August 2019
Investment management fees (£'000)	500	533
Administrative expenses (£'000)	400	411
Less: non-recurring charges (£'000)	(8)	(10)
Ongoing charges (£'000)	892	934

Average net assets (£'000)	44,613	46,712
Ongoing charges ratio	2.00%	2.00%

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations which amongst other things, includes the cost of borrowings and transaction costs.

Notes to the Financial Statements
For the six month period ended 29 February 2020

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

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

2. **Accounting policies - basis of preparation.** The Half-Yearly Report has been prepared in accordance with International Accounting Standards (IAS) 34 - 'Interim Financial Reporting'. It has also been prepared using the same accounting policies applied for the year ended 31 August 2019 financial statements (which received an unqualified audit report), and which were prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on a going concern basis. In accordance with the Financial Reporting Council's guidance on 'Going Concern and Liquidity Risk' the Directors have undertaken a review of the Company's assets which primarily consist of a diverse portfolio of listed equity shares, equity-related investments and fixed income investments which, in most circumstances, are realisable within a very short timescale, despite the principal risks and uncertainties facing the Company, including the risks stemming from the Covid-19 pandemic.

3. **Income from investments**

	Six months ended	Six months ended	Year ended
	29 February 2020	28 February 2019	31 August 2019
	£'000	£'000	£'000
Dividend income	269	227	511
Fixed interest income	451	803	1,534
Income from Subsidiary	494	609	1,181
	1,214	1,639	3,226
Other Income			
Deposit interest	1	2	4
	1,215	1,641	3,230

4. **Other operating expenses - revenue**

	Six months ended	Six months ended	Year ended
	29 February 2020	28 February 2019	31 August 2019
	£'000	£'000	£'000
Directors' fees	47	44	92
Promotional activities	12	12	24

Secretarial and administration fees	17	36	73
Auditor's remuneration:			
- fees payable for the audit of the annual accounts	16	16	32
Legal and advisory fees	7	12	12
Custodian and overseas agents' charges	37	28	60
Broker fees	15	15	30
Stock Exchange fees	10	10	20
Registrar's fees	13	12	22
Printing	12	12	18
Other	18	19	28
	204	216	411

5. Earnings per share

	Six months ended 29 February 2020 pence	Six months ended 28 February 2019 pence	Year ended 31 August 2019 pence
Ordinary share - basic			
Revenue return	1.49	2.13	4.27
Capital return	(8.03)	7.36	10.93
Total return	(6.54)	9.49	15.20

The figures above are based on the following:

	£'000	£'000	£'000
Revenue return	860	1,272	2,525
Capital return	(4,627)	4,391	6,461
Total return	(3,767)	5,663	8,986
Weighted average number of Ordinary shares in issue	57,586,978	59,673,169	59,116,420

6. Dividends on Ordinary shares

	Six months ended 29 February 2020 £'000	Six months ended 28 February 2019 £'000	Year ended 31 August 2019 £'000
Distributions to equity holders in the period:			
Second interim dividend for 2019 - 0.875p	-	-	514
Third interim dividend for 2019 - 0.875p	-	-	510
Fourth interim dividend for 2019 - 0.875p (2018 - 0.875p)	506	526	526
First interim dividend for 2020 - 0.875p (2019 - 0.875p)	503	521	521
	1,009	1,047	2,071

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

	Six months ended 29 February 2020 £'000	Six months ended 28 February 2019 £'000	Year ended 31 August 2019 £'000
Purchases	4	4	8
Sales	3	4	7
	7	8	15

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

8. **Bank loan.** The Company has an £8 million three year revolving multi-currency facility with Scotiabank (Ireland) Designated Activity Company. At the period end, £6,000,000 (28 February 2019 - £6,500,000; 31 August 2019 - £6,000,000) had been drawn down in Sterling under the facility, fixed to 17 March 2020 at an all-in rate of 1.78413% (28 February 2019 - 1.804425%; 31 August 2019 - 1.78563%).

At the date of this Report, £5,500,000 remains drawn down, fixed to 18 May 2020 at an all-in rate of 1.3285%.

9. **Stated capital**

	29 February 2020		28 February 2019		31 August 2019	
	Number	£'000	Number	£'000	Number	£'000
Issued and fully paid						
Ordinary shares in issue	57,143,324	65,936	59,085,324	65,936	58,000,324	65,936
Ordinary shares held in Treasury	6,107,500	-	6,107,500	-	6,107,500	-
		65,936		65,936		65,936

The Company's Ordinary shares have no par value.

During the period ended 29 February 2020, 857,000 (28 February 2019 – 1,090,000; 31 August 2019 2,175,000) Ordinary shares were bought back for cancellation at a total cost of £605,000 (28 February 2019 – £725,000; 31 August 2019 £1,485,000) including expenses. No Ordinary shares (28 February 2019 – nil; 31 August 2019 – nil) were bought back to be held in treasury. At 29 February 2020 there were 6,107,500 (28 February 2019 – 6,107,500; 31 August 2019 – 6,107,500) Ordinary shares held in treasury, which represented 9.66% (28 February 2019 – 9.37%; 31 August 2019 – 9.53%) of the Company's total issued share capital on those dates.

Following the period end a further 30,000 Ordinary shares have been bought back and cancelled at a total cost of £20,000 resulting in there being 57,113,324 Ordinary shares in issue and 6,107,500 Ordinary shares held for treasury at the date this Report was approved. Ordinary shares that have been purchased for treasury are available to be cancelled or sold at a later date.

10. **Net asset value per share.** The net asset value per Ordinary share and the net asset values

attributable to Ordinary shareholders at the period end calculated in accordance with the Articles of Association were as follows:

	As at 29 February 2020	As at 28 February 2019	As at 31 August 2019
Basic			
Net assets attributable to Ordinary shareholders (£'000)	42,374	46,216	47,755
Number of Ordinary shares in issue	57,143,324	59,085,324	58,000,324
Net asset value per Ordinary share (p)	74.15	78.22	82.34

- 11. Related party transactions and transactions with the Manager.** The management fee is payable monthly in arrears based on an annual amount of 1% of the net asset value of the Company valued monthly. During the period £259,000 (28 February 2019 - £260,000; 31 August 2019 - £533,000) of management fees were payable, of which £83,000 (28 February 2019 - £90,000; 31 August 2019 - £93,000) was outstanding at the period end.

During the period fees in respect of promotional activities of £12,000 (28 February 2019 - £12,000; 31 August 2019 - £24,000) were payable with £4,000 (28 February 2019 - £9,000; 31 August 2019 - £4,000) outstanding at the period end.

The company secretarial and administration fee is based on an annual amount of £125,000 (28 February 2019 - £122,000; 31 August 2019 - £122,000), increasing annually in line with any increases in the UK Retail Price Index, payable quarterly in arrears. During the period £17,000 (28 February 2019 - £36,000; 31 August 2018 - £96,000) was payable after deduction of a rebate of £45,000 (28 February 2019 - £25,000; 31 August 2019 - £49,000) to bring the OCR down to 2.0%, with £17,000 (28 February 2019 - £36,000; 31 August 2019 - 49,000) outstanding at the period end.

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

The Company owns 100% of the share capital of the Subsidiary. The Company receives income from the Subsidiary and there are no significant restrictions on the transfer of funds to or from the Subsidiary. During the period the Subsidiary transferred £616,000 (28 February 2019 – £728,000; 31 August 2019 - £778,000) to the Company by way of income and capital returns and at 29 February 2020 the amount due to the Company by its Subsidiary was £14,356,000 (28 February 2019 – £14,572,000; 31 August 2019 - £14,972,000), which is a loan to the Subsidiary and incorporated in the fair value of the investment in the Subsidiary as at the period end.

- 12. Subsequent events.** Subsequent to the year end, the Company's NAV has suffered as a result of a decline in stockmarket values caused by the Covid-19 pandemic. At the date of this Report the latest NAV per share was 52.01p as at the close of business on 1 May 2020, a decline of 29.9% compared to the NAV per share of 74.15p at the period end.
- 13. Half Yearly Financial Report.** The financial information for the six months ended 29 February 2020 and for the six months ended 28 February 2019 has not been audited.

This Half-Yearly Financial Report was approved by the Board on 5 May 2020.

The Half-Yearly Financial Report will be available on the Company's website, www.latamincome.co.uk, and the Half-Yearly Report will be posted to shareholders in May 2020 and copies will be available from the Investment Manager.

Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise. Investors may not get back the amount they originally invested