ABERDEEN LATIN AMERICAN INCOME FUND LIMITED
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021
Legal Entity Identifier (LEI): 549300DN623WEGE2MY04

STRATEGIC REPORT – COMPANY SUMMARY AND FINANCIAL HIGHLIGHTS

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 America through a diversified portfolio of equities and fixed income investments.

Gearing
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, calculated at the time of drawing. The Company will not have any fixed, long-term borrowings.

Risk Diversification
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.

Management
During the financial year, the Company was managed by abrdn Capital International Limited ("ACIL"), previously called Aberdeen Standard Capital International Limited ("ASCIL"), 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 to Aberdeen Asset Managers Limited ("AAML"). Both AAML and ACIL are wholly owned subsidiaries of abrdn plc ("abrdn").

References throughout this document to abrdn refer to ACIL and AAML and their responsibilities as Manager and Investment Manager respectively to the Company.

FINANCIAL HIGHLIGHTS

Ordinary share price total return {A}	**Earnings per Ordinary share (revenue)**	**Net asset value total return** {A}
+20.9%	**2.66p**	**+17.4%**
2020: -24.4%	2020: 2.21p	2020: -27.5%

Dividends per Ordinary share	**Benchmark total return**	**Discount to net asset value per Ordinary share** {AB}
3.50p	**+17.5%**	**11.4%**
2020: 3.50p	2020: -22.9%	2020: 13.2%

{A} Considered to be an Alternative Performance Measure. Further details can be found below.

{B} At 31 August.

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

	31 August 2021	**31 August 2020**	**% change**
Total assets (see definition on page 101 of the 2021 Annual Report and Accounts) (£'000)	41,419	37,855	9.4
Total equity shareholders' funds (net assets) (£'000)	35,919	32,355	11.0
Market capitalisation (£'000)	31,841	28,071	13.4
Ordinary share price (mid market)	55.75p	49.15p	13.4
Net asset value per Ordinary share	62.89p	56.65p	11.0

Discount to net asset value per Ordinary share{AB}	11.35%	13.24%	
Net gearing (see definition on page 100 of the 2021 Annual Report and Accounts){AB}	14.37%	16.05%	
Dividends and earnings			
Total return/(loss) per Ordinary share	9.74p	(22.26)p	
Earnings per Ordinary share (revenue)	2.66p	2.21p	20.4
Dividends per Ordinary share	3.50p	3.50p	
Dividend cover {AB}	0.76 times	0.63 times	
Revenue reserves {B} (£'000)	1,482	1,962	
Operating costs			
Ongoing charges ratio {ABC}	2.00%	2.00%	

{A} Considered to be an Alternative Performance Measure. Further details can be found below.

{B} Excludes payment of fourth interim dividend of 0.875p (2020 - 0.875p) per Ordinary share equating to £500,000 (2020- £500,000) as this was made after the year end.

{C} Details of a cap on the ongoing charges ratio can be found in notes 6 and 17 to the financial statements below.

CHAIRMAN'S STATEMENT

Overview

The year to 31 August 2021 was an eventful and testing one for Latin American risk assets, with spells of volatility regularly impacting financial markets in the region. This was highlighted by the contrasting fortunes of the Company's two asset classes. Equities posted double-digit gains as the recovery continued from 2020's coronavirus-induced shocks. Conversely, bonds retreated modestly as inflation and fiscal worries lifted yields.

Against this backdrop, the portfolio's composite benchmark rose by 17.5% in sterling terms over the 12 months to the end of August 2021. Your Company largely kept pace, with its net asset value ("NAV"), on a total return basis, advancing by a similar 17.4%. The share price, on a total return basis, fared even better, up by 20.9%, finishing the year at 55.75 pence, which helped to narrow the discount to NAV. The Company did especially well in the first half of the year, but performance, relative to the benchmark, moderated later in the period, due in part to investor attitudes towards the Latin American region that proved unfavourable for segments of the Company's portfolio. The Manager has taken steps to address the more notable risks and believes that several of the recent drivers of negative relative performance are temporary. The Investment Manager's Review above provides a more detailed explanation of the portfolio's performance.

More than one year on, Covid-19 remains the primary determinant of asset prices. Whereas efforts to contain infections and boost economic stimulus were priorities earlier in the pandemic, investors' subsequent focus turned to the brightening prospects for economies and corporate earnings. This was largely triggered by the commencement of vaccination programs, which enabled governments worldwide to loosen restrictions and reopen more sectors. Unfortunately, Latin America lagged the rest of the world in this respect as logistical constraints hindered the initial vaccine rollout in several countries. Nonetheless, I am heartened to note that inoculation rates have broadly picked up, alongside a concomitant decline in caseloads.

Overall, a combination of improving vaccination rates, easing curbs and the impact of prior stimulus efforts contributed to a strengthening economic recovery. The rosier outlook globally provided added stimulus, underpinning a robust rally in commodity prices and benefiting the region's resource exporters. Encouragingly, prospects still appear upbeat, with the International Monetary Fund recently upgrading its full-year GDP growth forecasts for two key markets, Brazil and Mexico.

However, a less welcome consequence of the better than expected rebound was the return of inflation. This was driven by rising food and energy prices, volatile currencies, together with global supply-chain disruptions. Central banks, wary of the price pressures that have long impacted the region, wasted little time in reverting to a tighter policy stance. In this regard, Brazil was the most aggressive, lifting its benchmark rate five times in 2021, from 2% to 6.25%. Mexico, Chile and Peru also raised borrowing costs, with more increases expected. The better news is that, with interest rates near record lows due to the pandemic, there is room for future hikes. These proactive moves, it is hoped, will reduce inflation to more sustainable levels.

Meanwhile, fresh worries in domestic politics added some unease. This was perhaps most evident in Colombia, where large-scale protests erupted violently against a government plan to raise taxes on food and other essentials. The extended unrest sparked a broad-based sell off in the domestic market. Investors also trimmed their exposures to Peru after leftist candidate Pedro Castillo unexpectedly won the presidential election. There were fears about his populist platform, although he appears to have moderated his stance since taking office. It was a similar story in Chile, where the election of a left-leaning assembly to rewrite the constitution raised worries among foreign investors about more radical proposals. In Brazil, heightened tensions between the president and the supreme court amid persistent concern over the country's strained fiscal position hampered the market's gains. By comparison, things appeared calmer in Mexico. In fact, markets there reacted well after voters denied the ruling party a supermajority in mid-term elections, an outcome that bolstered checks and balances against President Andres Manuel Lopez Obrador's government.

Despite these uncertainties, the picture at the company level still looks fairly promising. Crucially, corporate profits largely surpassed forecasts across most sectors lending support to equity prices. Furthermore, new opportunities are emerging that make the investment landscape appear attractive to our Manager. For example, more businesses are now catering to the growing adoption of digital solutions and services, a direct result of the pandemic and associated lockdowns. Another emerging segment is tapping into the global "green" push, encompassing a diverse group of sectors, from renewable power generation to electric vehicles.

While there is certainly an attractive array of opportunities, your Manager's discerning eye and active approach remains important, especially with regards to risk mitigation. This is because there is still significant variation in the quality of companies across the region and unexpected developments can suddenly sap investor confidence, particularly on the governance front. A recent example was Geopark, an oil and gas explorer held in your Company's portfolio. The unrest in Colombia hurt the company's share price, but this was exacerbated by a board level dispute, which further weighed down on it. Your Manager very quickly engaged with the company to gain a deeper understanding of the issues. Having extracted some reassurance from management, your Manager concluded that the impact of these events did not fundamentally impair the case for investing in the company and retained the portfolio's exposure. Nonetheless, it continues to remain vigilant.

Results and Dividends
The earnings per share for the year ended 31 August 2021 were 2.66p (2020: 2.21p), reflecting a 20% increase over 2020 following the severe impact of the pandemic on dividend payouts in the prior year. The Company has continued to pay four interim dividends of 0.875p per share (2020: 0.875p) in respect of the 12 month financial period maintaining the total level of dividends for the year at 3.5p per share (2020: 3.5p). As reported during the year, the Board is aware of the importance of income to the Company's shareholders, particularly during times of prolonged market stress and has maintained the dividend. Whilst there has been a clear impact to earnings resulting from Covid-19, the Directors have previously noted the accumulated revenue reserve. One of the benefits of the investment company structure is that the Company may use these accumulated reserves to maintain distributions to shareholders where there is a shortfall in earnings. To finance the dividends during the year, the Company paid £480,000 (2020: £742,000) from its revenue reserve. Following the payment of dividends during the financial year, the Company continued to carry forward £1,482,000 (2020: £1,962,000) in its revenue reserve. After accounting for the fourth interim dividend which was paid after the year end the revenue reserve held the equivalent of over 0.49x of a full year's current distribution.

The Board has reviewed revenue forecasts and, as previously reported, believes that, if the volatility experienced in the Latin American region continues and currencies remain weak, it is likely that the payment of a sustainable and covered dividend may necessitate a lower dividend payment in future years. We will continue to review this position closely.

The Board is pleased that the Manager continues to support the Company to ensure that its ongoing charges ratio ("OCR") does not exceed 2.0% when calculated annually at 31 August. To the extent that the OCR exceeds 2.0%, the Manager continues to rebate part of its fees in order to reduce the ratio down to 2.0%. Subsequent to the year end, a sum of £127,000 (2020: £83,000) had been repaid by the Manager to the Company in order to maintain the OCR at 2.0%.

Portfolio
During the year, the allocation between equities and bonds was adjusted as the Manager sought to benefit from the bounce back in equities. At the financial year end, the portfolio comprised 64.5% in equities and 35.5% in bonds (2020: 59.5% equities, 40.5% bonds). The Board and Manager will continue to keep this portfolio split under review to seek to exploit market opportunities.

Share Capital
There has been no change to the Company's share capital structure during the financial year. The Company has not bought back any shares, or issued any shares, in light of the volatile markets. However, the Company will make selective use of buybacks, subject to prevailing market conditions and having regard to the size of the Company,

where it would be in the best interests of shareholders to do so. At the time of writing, the Company's Ordinary share price discount to NAV is 13.5%.

Gearing

The Company refinanced its £6 million multi-currency revolving credit facility agreement with Scotiabank Europe plc during the financial year. In August 2021, the Company entered into a two year unsecured revolving multi-currency loan facility with The Bank of Nova Scotia, London Branch, which expires on 14 August 2023. At the year-end £5,500,000 was drawn down (2020 – £5,500,000). The Board continues to monitor the level of gearing under recommendation from the Manager and in light of market conditions.

Change of Company Name

Shareholders may be aware that the Company's Manager has recently rebranded as abrdn plc. The Board has discussed the impact of this on the Company and considers an alignment of the Company's name with that of the Manager and its new brand to be beneficial.

The Board is therefore proposing that the name of the Company be changed to "abrdn Latin American Income Fund Limited".

Under the terms of the Company's Articles of Association, the change of name requires to be approved by shareholders and the special resolution to do so is included in the Notice of Meeting for the Annual General Meeting ("AGM") on 20 December 2021. If approved, the change of the Company's name will be effected as soon as possible after the AGM.

Board Changes

In accordance with the Board's succession plan, I will step down as Chairman after the AGM in December 2021, with a view to retiring upon appointment of an additional independent non-executive director. Howard Myles has agreed to become the independent Chairman immediately after the AGM and a search is currently ongoing for an additional Jersey-resident independent non-executive director. Howard was appointed as a non-executive director on 1 October 2020 and on behalf of the Board, I am delighted to welcome him to his new role.

Annual General Meeting

This year's AGM will be held on Monday, 20 December 2021 at 8:30am at the offices of abrdn Capital International Limited, 1st Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey JE2 3QB. Based on current local Government Guidelines, I hope that shareholders will be permitted to attend the AGM and I look forward to meeting shareholders on the day.

However, given the risk of any potential increase in the number of Covid-19 cases in Jersey, leading to further lockdowns, the Board encourages all shareholders to exercise their votes in respect of the meeting in advance to ensure that votes are registered and counted at the meeting.

The Board welcomes questions from our shareholders and I would ask that shareholders submit questions to the Board prior to the AGM, and in any event before Wednesday, 15 December 2021. The Board or the Investment Manager will respond to all questions received. You may submit questions to the Board by email to Latin.American@abrdn.com.

The Board will continue to monitor Government Guidelines around social distancing in relation to Covid-19 and will update shareholders on any changes to the arrangements for the AGM by way of notice on the Company website.

Outlook

While the outlook for Latin America certainly appears much brighter than a year ago, investors should be mindful of the remaining risks. Most obviously, although the pace of vaccinations and infection levels seem to be on the right track, the experience of Asia shows how quickly things can turn again for the worse and caution is warranted. The spectre of inflation is another worry. Policymakers must strike a balance and ensure that tighter monetary policies do not derail the pickup witnessed in economic activity and growth. Additionally, many of the country-specific political risks are yet unresolved, and could dampen sentiment if things deteriorate.

That said, the macroeconomic backdrop remains broadly supportive for the region. The restoration of global trade should boost these commodity-dependent markets, while the reopening of domestic economies augurs well for the consumer and services segments. Moreover, the expansion of major structural themes, including middle-class consumption, digitalisation, infrastructure development and green technologies, should underpin growth over the longer term.

Allied to these promising prospects is an ever-widening selection of companies and sectors. With this in mind, I believe that your Manager's prudent approach should hold the Company in good stead. The underlying holdings in your Company's portfolio have not only been rigorously screened, but are also carefully monitored. These are well-run businesses, with solid financials, robust competitive advantages, clear earnings drivers, and, with our Manager's encouragement, improving commitment to environmental, social and governance best practices. I am confident that this focus on quality will position your Company well for not only the current but the future challenges of investing in the region, and supports the Company's objective of delivering sustainable, long-term returns to shareholders.

Richard Prosser,
Chairman
9 November 2021

STRATEGIC REPORT – OVERVIEW OF STRATEGY

Investment Objective and Business Model

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.

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 international stock exchanges;
- companies listed on 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 Manager follows a bottom-up investment process based on its conviction in individual stocks. Top-down factors are secondary in portfolio construction, with diversification rather than formal controls guiding geographical and sector weights.

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. The Manager employs a risk management process to oversee and manage the Company's exposure to derivatives. The Manager 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. The Manager 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 calculated at the time of drawing. 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 with the approval of Ordinary Shareholders (in the form of an ordinary resolution).

Investment Restrictions
The minimum and maximum percentage limits set out under "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 or the Subsidiary's gross assets will be invested in any one 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 the Investment Manager 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% of the Company's net assets.

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 "Benchmark"). 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.

Promoting the Company's Success
In accordance with corporate governance best practice, the Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year following the guidelines set out in the UK under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This Statement, from "Promoting the Success of the Company" to "Long Term Investment" below, provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The purpose of the Company is 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 Company's Investment Objective is disclosed above. The activities of the Company are overseen by the Board of Directors of the Company.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

Investment trusts, such as the Company, are long-term investment vehicles, with a recommended holding period of five or more years. Typically, investment trusts are externally managed, have no employees, and are overseen by an independent non-executive board of directors. Your Company's Board of Directors sets the investment mandate, monitors the performance of all service providers (including the Manager) and is responsible for reviewing strategy on a regular basis. All this is done with the aim of preserving and enhancing shareholder value over the longer term.

Shareholder Engagement
The following table describes some of the ways we engage with our shareholders:

AGM	The AGM ordinarily provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM will take place on 20 December 2021 in Jersey. In light of the challenges arising from Covid-19, the Board encourages shareholders to lodge their vote by proxy on all the resolutions put forward and to email any questions in advance to Latin.American@abrdn.com.
Annual Report	We publish a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format.
Company Announcements	We issue announcements for all substantive news relating to the Company. You can find these announcements on the website.
Results Announcements	We release a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a daily basis.
Monthly Factsheets	The Manager publishes monthly factsheets on the Company's website including commentary on portfolio and market performance.
Website	Our website contains a range of information on the Company and includes a full monthly portfolio listing of our investments as well as podcasts by the Investment Manager. Details of financial results, the investment process and Investment Manager together with Company announcements and contact details can be found here: latamincome.co.uk
Investor Relations	The Company subscribes to the Manager's Investor Relations programme.

Other Service Providers
The other key stakeholder group is that of the Company's third party service providers. The Board is responsible for selecting the most appropriate outsourced service providers and monitoring the relationships with these suppliers regularly in order to ensure a constructive working relationship. Our service providers look to the Company to provide them with a clear understanding of the Company's needs in order that those requirements can be delivered efficiently and fairly. The Board, via the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager, Investment Manager and other relevant stakeholders. Reviews include those of the Company's custodian, registrar, broker and auditor.

Principal Decisions
Pursuant to the Board's aim of promoting the long term success of the Company, the following principal decisions have been taken during the year:

Portfolio The Investment Manager's Review above details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to manage the investment portfolio throughout the year under the supervision of the Board. The Board has continued to support the Company's mandate and has encouraged the Investment Manager to engage with investee companies on ESG issues, as set out below. A list of the key portfolio changes can be found on pages 27 to 29 of the 2021 Annual Report and Accounts. The Management Engagement Committee, on behalf of the Board, has reviewed the continued appointment of the Investment Manager, and the terms of the Management Agreement, and believes that its continued appointment is in the best interests of Shareholders.

Dividend Despite the continued weakness of Latin American currencies against Sterling as a result of the Covid-19 pandemic, which have continued to have economic effects on the Company's equity investments in the form of pared back distributions, the Board has, supplemented by revenue reserves, maintained the level of the Company's dividend. The Board regularly reviews revenue forecasts and announced to the market that, if the volatility experienced in the region continues and currencies remain weak, it is likely that the payment of a sustainable and covered dividend may necessitate a lower dividend payment in future years. The Board is reviewing closely the strength of the Company's investments and its balance sheet and is monitorly closely the impact of Covid-19 and associated vaccine rollouts, together with the ramifications for the region, valuations and recurring earnings, while balancing the income requirements of its shareholders, and will continue to keep its distribution policy under close review.

Gearing The Company utilises gearing in the form of bank debt with the aim of enhancing shareholder returns over the longer term. In August 2021, the Board refinanced its unsecured revolving multi–currency loan facility with The Bank of Nova Scotia, London Branch (previously Scotiabank Europe plc) expiring on 14 August 2023. At the Board's instruction, the Investment Manager sought terms of a number of banks and the Board believes that the terms offered by The Bank of Nova Scotia, London Branch were the most compelling.

Change of Company Name As set out in the Chairman's Statement, the Board is seeking shareholder approval at the Company's AGM to align the Company's name to the Manager. The Board believes that there are benefits for the Company, and it shareholders, for the Company's name to be closely aligned to the Manager's brand.

ESG The Board is responsible for overseeing the work of the Investment Manager and this is not limited solely to the investment performance of the portfolio companies. The Board also has regard for environmental (including climate change), social and governance matters that subsist within the portfolio companies. The Board is supportive of the Investment Manager's pro-active approach to ESG engagement and encourages it, believing that ESG factors are highly relevant for the long-term. More information on the Manager's approach to ESG can be found on pages 33 to 36 of the 2021 Annual Report and Accounts.

Long Term Investment
The Investment Manager's investment process seeks to outperform over the longer term. The Board has in place the necessary procedures and processes to continue to promote the long term success of the Company. The Board will continue to monitor, evaluate and seek to improve these processes as the Company continues to grow over time, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

Key Performance Indicators ("KPIs")
The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and determine the progress of the Company in pursuing its investment policy. The main KPIs identified by the Board in relation to the Company which are considered at each Board meeting are as follows:

KPI	Description
Net Asset Value ("NAV") Total Return Performance versus Benchmark Index Total Return	The Board considers the Company's NAV total return figures versus the Benchmark to be the best indicator of performance over time and is therefore the main indicator of performance used by the Board. The figures for this year, three years, five years and since launch are set out on page 22 of the 2021 Annual Report and Accounts.
Share Price Discount/ Premium to NAV per Ordinary Share	The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The objective is to avoid large fluctuations in the discount relative to similar investment companies investing in the region by the use of share buy backs subject to market conditions. A graph showing the share price discount/premium relative to the NAV is shown on page 23 of the 2021 Annual Report and Accounts.
Ordinary Share Price Total Return Performance	The Board also monitors the price at which the Company's shares trade relative to the Benchmark on a total return basis over time. A graph showing the total NAV return and the share price performance against the comparative index is shown on page 23 of the 2021 Annual Report and Accounts.
Dividends per Ordinary Share	The Board's aim is to provide shareholders with an attractive yield. Dividends paid in 2020 and 2021 are set out on page 22 of the 2021 Annual Report and Accounts.

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 pages 100 and 101 of the 2021 Annual Report and Accounts.

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 carried out a robust assessment of the 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 Board has also identified emerging risks through a process of evaluating which of the principal risks increased materially during the year and/ or, through market intelligence, are expected to grow significantly. The principal risks associated with an investment in the Company's shares are published monthly on the Company's factsheet and 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 annually and a summary of the principal risks is set out below.

The key, principal uncertainty for the Company during the financial year was the ongoing impact of the Covid-19 pandemic ("Covid-19") which continued to cause significant economic disruption and contributed to global stock market volatility. The longer term effects of Covid-19 on the Latin American region are as yet unknown. From an operational perspective, the Manager, on behalf of the Board, sought assurances from the Company's key service providers, as well as from its own operations, that they had invoked business continuity procedures and appropriate contingency arrangements to ensure that they remain able to meet their contractual obligations to the Company.

In carrying out the assessment, the Board also considered the uncertainty arising from the end of the transition period on 31 December 2020 for the UK leaving the EU ("Brexit"). The Board does not expect the Company's business model, over the longer term, to be materially affected by Brexit.

The Board also regularly considers the increasing and emerging risk of ESG-related matters, particularly regarding the impact of climate change on financial performance of companies and the monitoring of developments in ESG reporting requirements, including how the Manager seeks to address them.

Description	**Mitigating Action**
Investment strategy and objectives – the setting of an unattractive strategic proposition for the Company 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, a reduction in the income generated by the portfolio 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. The Board considers the Company's strategy regularly and its attractiveness to shareholders. The Board regularly reviews the income generated by the underlying portfolio and has the ability to supplement the dividend with revenue reserves previously generated by the Company.
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 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 to ensure that covenant restrictions in the Company's loan facility are not breached and the Board 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 FCA's Listing Rules, Disclosure Guidance and Transparency Rules, 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 15 to the financial statements. The Board relies upon abrdn to ensure the Company's compliance with applicable regulations and from time to time employs external advisers to advise on specific matters.
Operational – the Company is dependent on third parties for the provision of all systems and services (in particular, those of the Manager) 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 Directors' Report on page 46.

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 and a note of how these risks are managed, is contained in note 15 to the financial statements on pages 82 to 90 of the 2021 Annual Report and Accounts.

Viability Statement

The Company does not have a formal fixed period strategic plan but the Board formally considers risks and strategy at least annually. The Board considers the Company, with no fixed life, to be a long term investment vehicle, but for the purposes of this viability statement has decided that a period of three years is an appropriate period over which to report. The Board considers that this period reflects an appropriate balance between looking out over a long term horizon and the inherent uncertainties of looking out further than three years.

In assessing the viability of the Company over the review period the Directors have carried out a robust assessment of the principal risks detailed in the Strategic Report focussing upon the following factors:

- The ongoing relevance of the Company's investment objective in the current environment;
- The demand for the Company's shares evidenced by the historical level of premium and or discount;
- The level of income generated by the Company;
- The liquidity of the Company's portfolio; and,
- The flexibility of the Company's multi-currency loan facility which matures in August 2023 including the financial covenants of the loans. The Directors will aim to agree a new facility upon the expiry of the current one in 2023 and in the event that satisfactory renewal terms are not available at that time the facility will be repaid from portfolio sales.

Accordingly, taking into account the Company's current position, the fact that abrdn has agreed to reduce the fees payable to the Manager to the extent necessary to ensure that the Ongoing Charges Ratio does not exceed 2.0%, the fact that the Company's investments are mostly liquid and the potential impact of its principal risks and uncertainties, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this Report. In making this assessment, the Board has considered that matters such as the ongoing Covid-19 pandemic, significant economic or stock market volatility, significant discount to NAV, a substantial reduction in the liquidity of the portfolio, or changes in investor sentiment could have an impact on its assessment of the Company's prospects and viability in the future.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by abrdn on behalf of a number of investment companies under its management. The Company's financial contribution to the programme is matched by abrdn. abrdn's promotional team reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

The purpose of the programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of your Company is key and therefore the Company also supports the abrdn investor relations programme which involves regional roadshows, promotional and public relations campaigns.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. However, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and, therefore, the Company does not consider it appropriate to set diversity targets. At 31 August 2021, there were two male and two female Directors on the Board.

Environmental, Social and Human Rights Issues

The Company has no employees as it is managed by ACIL 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 below.

Due to the nature of the Company's business, being a company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter. Through the Manager and its engagement with investee companies, the Company has oversight over supply chains within the portfolio. The Board encourages the Manager to engage with investee companies on all ESG matters, which could include modern slavery and human rights issues in investment portfolio companies. More information can be found on the Investment Manager's approach to ESG engagement on pages 33 to 36 of the 2021 Annual Report and Accounts.

The Company's Manager has confirmed that it complies with the Modern Slavery Act 2015.

Global Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting ("SECR")
All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reason as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information

Future
Many of the non-performance related trends likely to affect the Company in the future are common across all closed-ended investment companies, such as the attractiveness of investment companies as investment vehicles and the impact of regulatory changes. These factors need to be viewed alongside the outlook for the Company, both generally and specifically, in relation to the portfolio. The Board's views on the general outlook for the Company can be found in the Chairman's Statement on pages 6 to 9 of the 2021 Annual Report and Accounts, whilst the Investment Manager's views on the outlook for the portfolio are included on pages 12 to 13.

For and on behalf of the Board
Richard Prosser,
Chairman
9 November 2021

INVESTMENT MANAGER'S REVIEW

Performance Commentary
Latin American equities gained in the 12 months under review, although markets started off on the backfoot as the relentless uptick in Covid-19 infections worldwide and the tensions between the US and China threatened to scupper a nascent global recovery.

Fortunately 2020 ended on a high note as the approval and rollout of vaccines to combat the coronavirus and encouraging data out of the region's largest economy, Brazil, gave investors something to cheer about. The election of Joe Biden as US president also buoyed markets on hopes of a more nuanced approach in settling international disputes, and on the approval of his US$1.3 trillion stimulus package.

The looming spectre of new Covid-19 variants dampened market sentiment again as caseloads spiked in the New Year, compelling governments to re-impose social-distancing measures. In Brazil, political turmoil and government meddling in state-owned oil major Petrobras also weighed on the market.

However, rising demand for commodities, as many countries embarked on the road to recovery, pulled many Latin American markets back into positive territory as their export-oriented economies benefited from higher materials prices.

This, in addition to assurances from the US Federal Reserve and other developed market central banks of lower interest rates for longer, helped alleviate concerns of a resurgence in Covid-19 infections driven by the highly-infectious Delta variant toward the end of the Company's financial year.

Against this volatile backdrop, the Company's NAV performance, on a total return basis, almost matched that of its benchmark over the year, with the portfolio's net asset value rising by 17.4% versus a composite benchmark return of 17.5% in sterling terms. The Company's share price registered a total return of 20.9%.

At the stock level, key contributors to relative performance included our holdings in **Bradespar, Grupo Financiero Banorte and Magazine Luiza**.

The reopening of economies in North America, Europe and Asia, as Covid-19 infections ebbed, fuelled the iron-ore price rally, benefiting Bradespar, the holding company of Brazilian mining giant Vale. Meanwhile, Mexican lender Banorte's shares improved as the country's economic recovery gathered pace. Elsewhere, our underweight to Magazine Luiza, which we initiated during the period, proved astute as the Brazilian retail group's business continued to be affected by movement restrictions amid the periodic Covid-19 flare-ups. We still like the company for its exceptional strategy execution, particularly amid its shift to multichannel integration and digital fronts to overcome the challenges faced by its physical stores. Not holding investment in the Peruvian financial services firm Credicorp helped relative performance as its shares fell in tandem with the country's economic downturn seen throughout the period.

Conversely, our holding in the Chilean shopping mall operator **Parque Arauco** proved detrimental to performance. Its shares were weighed down by rolling social distancing measures imposed to curb Covid-19 infection rates and political concerns in the country. Nevertheless, we do expect the firm's operating statistics to rebound as the economy reopens, while good rental collections thus far are a reassuring sign of stable demand given its high quality assets.

Brazilian railway operator **Rumo's** shares were dented by lower grain cargo volumes as poor weather conditions affected the growing and harvesting of crops over the year. However, we believe its long-term growth story remains intact, supported by a deep competitive advantage around its business and entry barriers, as well as numerous opportunities for its organic expansion.

Meanwhile, **Grupo Mexico** also negatively impacted relative returns. The Mexican conglomerate's shares jumped as its materials related businesses had benefited from the copper price rally before we initiated the holding. Although we are historically underweight in the sector, we will continue to selectively add to companies that pass our quality assessment and demonstrate a willingness to engage on Environmental, Social and Governance ("ESG") matters. This is consistent with our long-term quality investment process.

Elsewhere, another initiation, **Arco Pl**atform weighed on performance. The Brazilian K-12 learning systems platform business was affected by social-distancing restrictions which kept schools shut for most of 2021. We expect the firm to emerge from the pandemic with an expanded addressable market as education institutions reopen.

Latin American debt markets retreated over the 12-month period. Local-currency bonds posted negative returns, while Latin American currencies appreciated (in aggregate) against sterling. Although the market saw increased volatility at the start of the period, momentum quickly turned positive following the US elections. News of the multiple successful Covid-19 vaccine trials and the passing of the new US stimulus bill supported global markets, even as a second wave of Covid-19 infections surged and many countries reinstated lockdown measures. The return of investment into emerging markets local-currency bond funds helped returns in November 2020.

Entering 2021, we saw higher volatility in emerging-market fixed-income instruments amid the sell-off in US bonds, following the announcement of a US$1.9 trillion US stimulus package. This shifted in February, when risk assets began to climb, driven by higher commodity prices, stronger inflation prospects, positive vaccine sentiment and the passing of the US Covid-19 relief package. Markets performed strongly towards the end of the period, as risk sentiment improved as vaccine rollouts accelerated – particularly in the developed world – and led to economic re-openings. Rising oil prices helped the oil-sensitive Latin American currencies, with the price of Brent crude moving up to US$72.99 per barrel by the end of the period, mainly due to vaccine optimism.

In Argentina, the government announced plans in November to seek to roll the Stand-By Arrangement programme with the International Monetary Fund (IMF) into an Extended Fund Facility. Meanwhile, the economy expanded at the fastest pace since 2018 in the first quarter of 2021, with GDP clocking a 2.5% year-on-year (y/y) increase. This performance was driven by higher agricultural prices, which boosted exports, as well as a continued recovery in investment and consumer spending. At the end of May 2021, the government also won a 60-day grace period from the so-called Paris Club of government creditors. It reached a deal to avoid another default by paying USD 430 million in two installments. The first installment was paid on July 31 2021 and extended the bulk of a USD 2.4 billion payment to the Paris Club. Argentina will have until 31 March 31 2022 to reach an agreement with its lenders. In August 2021, annual inflation rose to 51.8% year on year.

Brazil's economy benefited from the increased global stimulus in the wake of the US elections, with the central bank choosing to keep rates on hold in December, at 2%. However, in March 2021, it raised the benchmark Selic rate by 75 basis points (bps), for the first time in six years, to dampen down inflation expectations. It also trimmed its economic growth outlook for 2021 to 3.6%, from 3.8%. In the second quarter, the Selic rate was raised further, taking it to an almost pre-pandemic 4.25%. The central bank is regarded as one of the most hawkish among emerging markets. The lower house of Brazil's National Congress approved a privatisation bill that allows the dilution of the government's share in the state-owned electricity company Eletrobras from the current 60% to 45%. The move is expected to raise as much as US$20 billion for the state's coffers.

Early in the period, Banco de Mexico cut the benchmark policy rate by 25bps in February to 4.0%. The move was a resumption of its easing cycle, which was paused in the fourth quarter of 2020 to support weak economic activity. However, in a hawkish surprise, the move was reversed in the second quarter, raising the policy rate back to 4.25%. In August 2021, the central bank raised it further to 4.5%. The move was in line with market expectations, with the bank delivering a hawkish tone given the prevailing concerns on inflation. Moody's maintained the country's credit rating at Baa1 with a negative outlook. The rating agency cited the contained deterioration of the fiscal accounts and an improved economic outlook.

Over the period, the Company's bond portfolio returned 4.43% (gross of management expenses) in sterling terms, compared with the benchmark JPM GBI-EM Global Diversified Latin America Index's return of 1.61%. The yield on the index rose by 209bps to end the period at 7.04%.

In terms of management impact, asset allocation and selection drove the bond sleeve's relative outperformance, although currency allocation detracted somewhat from returns. The portfolio's overweight position in Uruguay and allocation to its inflation linked bonds had the largest positive contribution to relative performance. Our bond selection in Mexico also helped relative performance, as did the fact that we did not hold Chilean bonds or currency. On the other hand, overweight exposure to the Mexican peso had a small negative impact.

On the negative side, an underweight position in Mexico and a lack of exposure to the Dominican Republic weighed on returns. Elsewhere, security selection in Brazil and Colombia and exposure to the Mexican peso, Colombian peso and Peruvian sol detracted from performance.

Portfolio Activity
During the 12 months, aside from Magazine Luiza, Grupo Mexico and Arco Platform mentioned earlier, we initiated holdings in several Brazilian stocks, including Omega Geracao, a renewable power business with room for new project expansion and Sequoia, a leading private logistics provider that is well-positioned to serve the fast-growing e-commerce industry. We also subscribed to the initial public offers of Brazilian online homewares retailer Mobly, GetNinjas, an online platform which connects self-employed professionals with clients and biofuels company Raizen, a high-quality energy play with a range of assets, including best-in-class sugar and ethanol production, fuel distribution and renewable fuels.

Against this, we sold out of several positions, including **Ambev, Kimberly Clark de Mexico, Odontoprev and Embotelladora Andina**, in part to reduce our exposure to consumer staples. We also exited Linx following StoneCo's increased bid and, after its acquisition received the necessary approval, IEnova as we saw limited upside potential in the wake of the buyout offer from Sempra. We also sold positions in Aenza and Hoteles City Express due to our lower conviction in their business outlooks.

In the bond portfolio, we instigated a duration overweight in Brazil at the beginning of the financial year by selling shorter-dated positions, increasing longer-dated exposure and moving the foreign-exchange position to neutral from underweight versus the benchmark. These moves were driven by our observation that yields had corrected since the summer of 2020 and we saw value given the steeper curve. Additionally, we reduced our exposure to quasi-sovereign Mexican petroleum company Pemex to raise cash.

At the beginning of 2020, we had also reduced duration by selling longer-dated positions in Mexico and replacing them with shorter-dated positons. Furthermore, we realigned positions by increasing our exposure to Colombia and Brazil and carried out a relative value switch from 2031 Peru bonds into 2031 Brazil bonds.

Towards the end of the period, we further decreased our exposure to Pemex to cover outflows and increased positions in Peru. Finally, we raised cash by selling positions in Mexico, Uruguay and Brazil.

ESG Engagement
During the year we continued our engagement with companies on a wide-range of ESG matters, with a focus as always on collaboratively improving long-term quality for investors.

For example, from a governance perspective, we engaged with GeoPark to improve their protocols and transparency regarding share pledging and the company has since appointed an independent chair, resulting in the majority of the board comprising independent directors. Alongside this we held engagements with Bradespar culminating in the formation of a Socio Environmental Responsibility Policy. This policy governs Bradespars' stewardship practices on the board of directors at Vale. We believe this policy will help to ensure ESG improvements are catalysed at the company.

In terms of other ESG matters, climate change was a key theme, as might be expected. We engaged with Omega Geracao regarding the implementation of an environmental management system to support continuous improvement of the company's environmental performance and were encouraged to hear that the company has now committed to a target of 95% coverage of their generation assets by 2022. With Petrobras, we discussed their announcement at the beginning of the financial year regarding becoming a signatory to the Task Force for Climate Related Disclosure. This is a positive step for Petrobras, as they became the first Emerging Market Exploration and Production ("E&P") company to join the initiative. We continue to engage on this matter, specifically regarding the disclosure and appropriate target for Scope 3 emissions.

Finally, at the beginning of 2021, your Manager joined the 30% club; this is a global investor initiative seeking to increase gender diversity at board and senior management level. We wrote to a number of companies, including Weg, and explained that we will take voting action in coming annual general meetings should we not see improvements regarding diversity at the board level.

Outlook

Your Manager takes a constructive view with regard to the outlook for Latin America as we see the region as well-positioned to benefit from a combination of a conducive external backdrop for commodities and a cyclical recovery in domestic economies as well as offering an attractive set of investments.

That said, we are cognisant that risks continue to cloud the near-term outlook. Externally, the accommodative stance of the US Federal Reserve is likely to support sentiment and capital flows for the region although investors are monitoring closely the signals with regard to the tapering process. Weaker activity from China can put pressure on commodity prices which so far have been beneficial to the region. Regionally, investors are mindful of the political calendar, while Covid-19 remains a concern with rising infections worldwide amid the spread of new and more contagious variants. Moreover, renewed movement restrictions if they were imposed could jeopardise the rebound in activity and growth and require further support from governments at a time when fiscal budgets are already tight. Inflation is a further issue to monitor, particularly in Brazil where fears around power rationing are back on investors' radars, reducing the near-term visibility on inflation and growth prospects.

At the Company level we remain encouraged by the healthy results delivered by our equity holdings as well as the opportunities for growth, which are likely to materialise irrespective of the broader economy. During the pandemic, many of our equity holdings have stepped up to improve their efficiency and digitalise, positioning them better for when economies fully reopen and underpinning the Manager's belief that they will be better placed to increase dividends. We continue to favour such quality businesses, with their industry-leading positions, solid balance sheets, and experienced management giving us added confidence. Most also have compelling long-term growth drivers that are underpinned by secular themes, such as infrastructural development, renewable energy and growing consumption. From a bond perspective, financing needs should remain contained for many Emerging Market economies where better-than-expected growth in the first half of the year led to robust revenue growth. The recovery of the global economy should continue to support commodity prices and Emerging Market exports. Overall, we believe that your Company's portfolio remains well-placed to deliver sustained returns over the longer term.

Brunella Isper and Viktor Szabó,
Aberdeen Asset Managers Limited
9 November 2021

PERFORMANCE (TOTAL RETURN)

	1 year % return	3 year % return	5 year % return	Since launch{A} % return
Ordinary share price{B}	+20.86%	-22.21%	-21.54%	-0.08%
Net asset value{B}	+17.38%	+4.12%	+5.80%	+7.69%
Benchmark	+17.53%	+6.41%	+15.00%	+17.44%

Total return represents the capital return plus dividends reinvested.

{A} Launch date 16 August 2010.

{B} Considered to be an Alternative Performance Measure. Further details can be found below.

YEAR FINANCIAL RECORD

Year to 31 August	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Total revenue (£'000)	3,178	3,914	3,600	3,170	3,544	3,772	3,095	3,230	1,896	2,101
Per Ordinary share (p)										
Net revenue return	4.00	4.43	4.11	3.85	4.60	4.77	3.78	4.27	2.21	2.66
Total return/(loss)	0.18	(6.06)	8.65	(33.22)	24.04	18.00	(16.84)	15.20	(22.26)	9.74
Net dividends payable	4.25	4.25	4.25	4.25	3.50	3.50	3.50	3.50	3.50	3.50
Net asset value per Ordinary share (p) Basic & diluted	98.35	88.04	92.60	55.17	75.54	90.40	70.34	82.34	56.65	62.89
Equity shareholders' funds (£'000)	65,475	58,610	60,729	35,872	48,463	56,170	42,325	47,755	32,355	35,919

DIVIDENDS

	Rate	xd date	Record date	Payment date
1st interim 2021	0.875p	7 January 2021	8 January 2021	29 January 2021
2nd interim 2021	0.875p	13 May 2021	14 May 2021	28 May 2021
3rd interim 2021	0.875p	8 July 2021	9 July 2021	30 July 2021
4th interim 2021	0.875p	7 October 2021	8 October 2021	29 October 2021
Total dividends 2021	**3.500p**			

	Rate	xd date	Record date	Payment date
1st interim 2020	0.875p	19 December 2019	20 December 2019	29 January 2020
2nd interim 2020	0.875p	14 May 2020	15 May 2020	29 May 2020
3rd interim 2020	0.875p	9 July 2020	10 July 2020	31 July 2020
4th interim 2020	0.875p	8 October 2020	9 October 2020	30 October 2020
Total dividends 2020	**3.500p**			

INVESTMENT PORTFOLIO

Ten Largest Equity Investments
As at 31 August 2021

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

Wal-Mart De Mexico
The largest food and general retailer in Mexico with an established presence across a number of smaller Central American markets.

Vale ADR
Vale is a leading producer of iron ore and pellets. Vale also produces nickel, copper and coal. It operates large logistics systems, including railroads and maritime terminals which are integrated with its mining operations.

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.

Grupo Mexico SAB de CV
Large conglomerate in Mexico with top-tier core assets in copper mining and rail transportation. Grupo Mexico also develops, owns and operates infrastructure assets ranging from road concessions to generation of renewable energy.

Bradespar
A holding company where the single underlying asset is Brazil's iron ore producer Vale (see below Vale ADR).

B3 Brasil Bolsa Balco
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 clearing house for private assets in Brazil.

Fomento Economico Mexicano ADR
FEMSA participates in beverages through Coca-Cola FEMSA, the largest Coca-Cola bottler globally. The company also has exposure to small-format convenience stores, gas stations and pharmacies through FEMSA Comercio.

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

Rumo
A Brazilian logistics company mainly focused on railway line logistics in Brazil. They are the largest company in Latin America in this segment, and the company also provides transportation services.

Investment Portfolio - Equities
As at 31 August 2021

Company	Sector	Country	Valuation 2021 £'000	Total assets %{A}	Valuation 2020 £'000
Banco Bradesco{C}	Financials	Brazil	1,451	3.5	1,502
Bradespar{B}	Materials	Brazil	1,419	3.4	1,111
Wal-Mart De Mexico	Consumer Staples	Mexico	1,403	3.4	834
B3 Brasil Bolsa Balco{B}	Financials	Brazil	1,390	3.4	1,416
Vale ADR	Materials	Brazil	1,385	3.3	1,129
Fomento Economico Mexicano ADR	Consumer Staples	Mexico	1,283	3.1	1,004
Grupo Financiero Banorte	Financials	Mexico	1,214	2.9	1,038
Petrobras{B}	Energy	Brazil	1,027	2.5	1,366
Grupo Mexico SAB de CV	Materials	Mexico	1,025	2.5	-
Rumo{B}	Industrials	Brazil	991	2.4	766
Top ten equity investments			12,588	30.4	
TOTVS{B}	Information Technology	Brazil	914	2.2	499
Globant	Information Technology	Argentina	908	2.2	693
Raia Drogasil{B}	Consumer Staples	Brazil	815	2.0	539
Mercadolibre	Consumer Discretionary	Argentina	762	1.8	687
Itausa Investimentos Itau {B}	Financials	Brazil	686	1.7	405
Falabella {B}	Consumer Discretionary	Chile	673	1.6	274
Notredame Intermedica{B}	Health Care	Brazil	668	1.6	539
Grupo Aeroportuario Centro Norte	Industrials	Mexico	662	1.6	523
Geopark	Energy	Chile	544	1.3	224
Parque Arauco{B}	Real Estate	Chile	542	1.3	414
Top twenty equity investments			19,762	47.7	
Raizen{B}	Energy	Brazil	524	1.2	-
Arca Continental	Consumer Staples	Mexico	503	1.2	669
Corporacion Inmobilaria Vesta SAB de CV	Real Estate	Mexico	502	1.2	-
Sequoia Logistica e Transportes{B}	Industrials	Brazil	494	1.2	-
Omega Geracao{B}	Energy	Brazil	491	1.2	-
Arco Platform	Consumer Discretionary	Brazil	474	1.1	-
Arezzo Industria e Comercio {B}	Consumer Discretionary	Brazil	405	1.0	290
Multiplan Empreendimentos NPB {B}	Real Estate	Brazil	399	1.0	371
Magazine Luiza{B}	Consumer Discretionary	Brazil	367	0.9	-
Regional SAB de CV	Financials	Mexico	278	0.7	-
Top thirty equity investments			24,199	58.4	
XP	Financials	Brazil	272	0.7	343
Wilson, Sons {B}	Industrials	Brazil	272	0.7	275
Localiza Rent A Car {B}	Industrials	Brazil	270	0.6	499
Banco Santander-Chile ADR	Financials	Chile	258	0.6	380
BK Brasil{B}	Consumer Staples	Brazil	250	0.6	236
WEG{B}	Industrials	Brazil	239	0.6	432

Itau Unibanco Holdings {B}	Financials	Brazil	230	0.5	914
Lojas Renner {B}	Consumer Discretionary	Brazil	198	0.5	661
Mobly{B}	Consumer Staples	Brazil	162	0.4	-
Cementos Pacasmayo	Materials	Peru	152	0.4	316
Top forty equity investments			26,502	64.0	
GetNinjas{B}	Information Technology	Brazil	122	0.3	-
Fossal	Materials	Peru	-	-	1
Total equity investments			**26,624**	**64.3**	

{A} See definition on page 101 of the 2021 Annual Report and Accounts.

{B} Held in Subsidiary.

{C} Holding includes investment in ADR (held by the Company) and equity (held by the Subsidiary).

Portfolio investments reflect consolidated investee holdings of the Company and its Subsidiary. Values for 2021 and 2020 may not be directly comparable due to purchases and sales made during the year.

Investment Portfolio - Bonds

As at 31 August 2021

			Valuation	Total	Valuation
			2021	assets	2020
Issue	**Sector**	**Country**	**£'000**	**%{A}**	**£'000**
Brazil (Fed Rep of) 10% 01/01/25{B}	Government Bonds	Brazil	2,240	5.4	2,419
Colombia (Rep of) 9.85% 28/06/27	Government Bonds	Colombia	2,187	5.3	2,477
Uruguay (Rep of) 4.375% 15/12/28	Government Bonds	Uruguay	1,624	3.9	1,439
Mex Bonos Desarr Fix Rt 10% 20/11/36	Government Bonds	Mexico	1,113	2.7	1,378
Mexico (United Mexican States) 8.5% 18/11/38	Government Bonds	Mexico	1,082	2.6	1,344
Uruguay (Rep of) 4.25% 05/04/27	Government Bonds	Uruguay	754	1.8	681
Petroleos Mexicanos 7.47% 12/11/26	Government Bonds	Mexico	744	1.8	722
Brazil (Fed Rep of) 10% 01/01/23{B}	Government Bonds	Brazil	695	1.7	-
Brazil (Fed Rep of) 10% 01/01/27{B}	Government Bonds	Brazil	694	1.7	779
Secretaria Tesouro 10% 01/01/31{B}	Government Bonds	Brazil	616	1.5	-
Top ten bond investments			11,749	28.4	
Mex Bonos Desarr Fix Rt 10% 05/12/34	Government Bonds	Mexico	581	1.4	-
Colombia (Rep of) 7% 30/06/32	Government Bonds	Colombia	513	1.2	455
Brazil (Fed Rep of) 10% 01/01/29{B}	Government Bonds	Brazil	408	1.0	242
Mex Bonos Desarr Fix Rt 7.75% 29/05/31	Government Bonds	Mexico	363	0.9	-
Peru (Rep of) 6.95% 12/08/31	Government Bonds	Peru	306	0.7	1,059
Peru (Rep of) 6.85% 12/02/42	Government Bonds	Peru	301	0.7	428
Peru (Rep of) 6.95% 12/08/31	Government Bonds	Peru	238	0.6	429
Uruguay (Rep of) 9.875% 20/06/22	Government Bonds	Uruguay	30	0.1	103
Total value of bond investments			**14,489**	**35.0**	
Total value of equity investments			**26,624**	**64.3**	
Total value of portfolio investments			**41,113**	**99.3**	
Other net assets held in subsidiary			**127**	**0.3**	
Total investments			**41,240**	**99.6**	
Net current assets{C}			**179**	**0.4**	
Total assets{A}			**41,419**	**100.0**	

{A} See definition on page 101 of the 2021 Annual Report and Accounts.

{B} Held in Subsidiary.

{C} Excluding bank loans of £5,500,000.

Portfolio investments reflect consolidated investee holdings of the Company and its Subsidiary. Values for 2021 and 2020 may not be directly comparable due to purchases and sales made during the year.

DIRECTORS' REPORT

The Directors present their Report and the audited financial statements for the year ended 31 August 2021.

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 has a wholly owned subsidiary, Aberdeen Latin American Income Fund LLC, registered in Delaware. The subsidiary is used to hold certain investments as part of the efficient management of the group.

The Company intends to continue 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.

Results and Dividends

Details of the Company's results and dividends are shown above. The Company's dividend policy is to pay interim dividends on a quarterly basis and for the year to 31 August 2021 dividends have been paid in January, May, August and October 2021.

Management Arrangements

The Company has an agreement (the "Management Agreement") with ACIL for the provision of management, company secretarial and promotional services, details of which are shown in notes 5, 6 and 17 to the financial statements.

Under the Management Agreement, the Manager is entitled to both a management fee and a company secretarial and administration fee. 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%. In relation to the year ended 31 August 2021 an OCR rebate of £127,000 (2020: £83,000) was payable by the Manager in order to ensure that the OCR did not exceed 2.0%.

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 the Management team, in their opinion the continuing appointment of ACIL on the terms agreed, is in the interests of Shareholders as a whole.

Share Capital

As at 31 August 2021 there were 57,113,324 Ordinary shares in issue and 6,107,500 Ordinary shares held in treasury. There were no changes to the Company's shares in issue during the year.

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

Risk Management

Details of the principal risks and uncertainties and KPIs are disclosed above. Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 15 to the financial statements.

Directors

Richard Prosser, Hazel Adam, Heather MacCallum and Howard Myles were the only Directors in office during the financial year.

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 6 to the financial statements. All of the Directors are retiring and seeking re-election at the AGM on 20 December 2021. As part of an agreed succession plan, Richard Prosser will retire as Chairman of the Company immediately after the AGM and will remain as an independent non-executive director until the completion of a successful search for, and appointment of, an additional Jersey-based director. Howard Myles will succeed Richard Prosser as Company Chairman.

Corporate Governance
The Company is committed to high standards of corporate governance. The Board is accountable to the Company's Shareholders for good governance.

The Company is a member of the Association of Investment Companies ("AIC"). The Board has considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 ("AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code ("UK Code"), as well as setting out provisions on issues which are of specific relevance to the Company.

The AIC Code is available on the AIC's website: theaic.co.uk.

The Board considers that reporting against the provisions of the AIC Code which has been endorsed by the FRC provides more relevant information to shareholders.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC, and the relevant provisions of the UK Code, except as set out below:

The UK Corporate Governance Code includes provisions relating to:
- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- appointment of a senior independent director (provision 12);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally-managed investment company, with four Directors. 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 full text of the Company's Corporate Governance Statement can be found on the Company's website, latamincome.co.uk.

The Directors attended scheduled Board and Committee meetings during the year ended 31 August 2021 as follows (with their eligibility to attend the relevant meeting in brackets):

	Board	Audit Committee	MEC	Nomination Committee
Richard Prosser	4 (4)	2 (2)	1 (1)	1 (1)
Hazel Adam	4 (4)	2 (2)	1 (1)	1 (1)
Howard Myles	4 (4)	2 (2)	1 (1)	1 (1)
Heather MacCallum	4 (4)	2 (2)	1 (1)	1 (1)

In addition to scheduled meetings, additional meetings of the Board and its Committees were held on an ad hoc basis throughout the year to deal with business outside of normal reporting cycles.

Policy on Tenure
In normal circumstances, it is the Board's expectation that Directors will not serve beyond the AGM following the ninth anniversary of their appointment. However, the Board takes the view that independence of individual Directors is not necessarily compromised by length of tenure on the Board and that continuity and experience can add significantly to the Board's strength. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned, but also taking into account the need for managed succession and diversity.

It is also the Board's policy that the Chair of the Board will not serve as a Director beyond the AGM following the ninth anniversary of their appointment to the Board. However, this may be extended in exceptional circumstances or to facilitate effective succession planning and the development of a diverse Board. In such a situation the reasons for the extension will be fully explained to shareholders.

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 at abrdn. 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.

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
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 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 54 to 56 of the 2021 Annual Report and Accounts.

Audit Committee
The Report of the Audit Committee is on pages 51 to 53 of the 2021 Annual Report and Accounts.

Management Engagement Committee ("MEC")
The Board has appointed a MEC which comprises the entire Board. Richard Prosser is Chairman of the MEC. The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on an annual basis. Copies of the terms of reference are published on the Company's website: latamincome.co.uk.

The function of the MEC is to review performance of the Company's service providers 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 MEC remains satisfied that the continuing appointment of the Investment Manager and Manager on the terms agreed is in the interests of Shareholders as a whole. The key factors taken into account in reaching this decision were the investment skills, experience and commitment and performance record of abrdn. The Management Agreement may be terminated by either party by giving not less than 12 months' notice in writing. The MEC has also considered the performance of the Company's other service providers and remains satisfied that they support the Company effectively on reasonable commercial terms.

Nomination Committee
The Board has established a Nomination Committee, comprising all of the Directors, with Richard Prosser as Chairman. Appointments to the Board of Directors are considered by the Nomination Committee. The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on an annual basis. Copies of the terms of reference are published on the Company's website: latamincome.co.uk. The Committee reviews the effectiveness of the Board, succession planning, Board appointments, inductions and training, and determines the Directors' remuneration policy and level of remuneration.

During the year, the Committee also undertook an annual appraisal during which the Chairman of the Board, individual Directors and the performance of the Committees and the Board as a whole was assessed. The process involved the completion of questionnaires by each Director. The results of the process were discussed by the Board following its completion. The outcome of the appraisal process was considered by the Board to be satisfactory with all Directors having contributed effectively at the meetings that they had attended during the year. 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.

At the AGM on 20 December 2021, Richard Prosser, Hazel Adam, Heather MacCallum and Howard Myles will offer themselves for re-election as Directors of the Company.

The Board has considered the contribution of each Director, as set out on pages 41 and 42 of the 2021 Annual Report and Accounts, and considers that there is a balance of skills and experience within the Board to lead the Company and that all Directors contribute effectively.

In accordance with the provisions of the AIC Code and the Board's Policy on Tenure, the Board scrutinised the contribution and independence of Richard Prosser who has served on the Board, and as Chairman, for eleven years and five months.

The Directors are unanimously of the opinion that Richard Prosser, who was independent on appointment, remains independent of the Manager in character and judgement. He exercises independence of thought, regularly considers shareholder views in decisions and is not overly reliant upon the Manager. Notwithstanding his continued independence, Richard Prosser will retire as Chairman on the conclusion of the forthcoming AGM, as part of an agreed succession plan, and upon completion of a search for, and the appointment of, an additional Jersey-resident non-executive Director, will retire from the Board. Howard Myles has agreed to become Chairman, and a search has already commenced for a new independent non-executive Director. The Committee considers the continuation of Richard's appointment as a Director to be a requirement over the short-term for the effective operation of the Board in its transitional phase.

Accordingly, the Board has reviewed, and unanimously supports, the proposed re-election of Hazel Adams, Heather MacCallum, Howard Myles and Richard Prosser.

The Board's policy on diversity is disclosed in the Strategic Report above.

The Role of the Chairman
The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholder views.

Going Concern
In accordance with the FRC's guidance the Board has undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets including those of its wholly owned subsidiary, Aberdeen Latin American Income Fund LLC, consist of a diverse portfolio of listed equities, equity-related investments and fixed income investments exposed to the Latin American market which in most circumstances are realisable within a very short timescale.

The Company has considerable financial resources and, as a consequence, the Board believes that the Company is well placed to manage its business risks successfully despite uncertainties in the economic outlook.

The Board is mindful of the principal risks and uncertainties disclosed above, including the ongoing impact of Covid-19 and outlook for the Latin American region. It has reviewed forecasts detailing revenue and liabilities and believes 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 Board continues 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 and 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 Board confirms that there is an ongoing process for identifying, evaluating and managing the principal 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 FRC's guidance on internal controls. 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 principal risks affecting the Company and policies by which these risks are managed. The principal risks and uncertainties faced by the Company are detailed in the Strategic Report.

The key components designed to provide effective internal control are outlined below:
- the Manager prepares monthly forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and the Manager 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 the Manager as appropriate;
- as a matter of course the Manager's compliance department continually reviews its operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third-party service providers and the Audit Committee reviews, where relevant, periodic ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations; the Board is made aware by the Manager of relevant exceptions in ISAE3402 reporting from key third party service providers as part of the Manager's third party service provider oversight regime;
- at its November 2021 meeting, the Audit Committee members carried out an annual assessment of internal controls for the year ended 31 August 2021 by considering documentation from abrdn, including the internal audit

and compliance functions and taking account of events since 31 August 2021. 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 the Manager, has decided to place reliance on the Manager'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.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director themselves or their connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with their wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although each Director is issued with a letter of appointment when appointed to the Board. The Directors' interests in contractual arrangements with the Company are as shown in note 6 to the financial statements. No other Directors had any interest in contracts with the Company during the period or subsequently.

The Board has adopted appropriate procedures designed to prevent bribery. The Company receives periodic reports from its service providers on the anti-bribery policies of these third parties. It also receives regular compliance reports from the Manager.

In the UK the Criminal Finances Act 2017 introduced a new corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in an honest and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

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 2021:

Shareholder	**Number Of shares held**	**% held**
City of London Investment Management	12,272,459	21.5
abrdn Retail Plans	7,742,106	13.6
1607 Capital Partners	6,036,279	10.6
Hargreaves Lansdown, stockbrokers	5,069,392	8.9
Philip J Milton Stockbrokers	4,029,409	7.1
Interactive Investor	3,559,850	6.2
AJ Bell	2,021,043	3.5
Lazard Asset Management	1,700,000	3.0

On 8 October 2021, 1607 Capital Partners advised the Company that it had sold shares in the Company and now holds 10.0% of the issued Ordinary share capital.

There have been no other significant changes notified to the Company in respect of the above holdings between 31 August 2021 and 9 November 2021.

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. ACIL, as the Company's non-EEA alternative investment fund manager, also notified the 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, ACIL is required to make available certain disclosures for potential investors in the Company and these are available on the Company's website: latamincome.co.uk.

Annual General Meeting
The AGM will be held at 8:30am on Monday, 20 December 2021 at the Company's registered office, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB. Resolutions including the following business will be proposed:

Dividend Policy
As a result of the timing of the payment of the Company's quarterly dividends, the Company's Shareholders are unable to approve a final dividend each year. In line with good corporate governance, the Board therefore proposes to put the Company's dividend policy to Shareholders for approval at the AGM and on an annual basis thereafter.

The Company's dividend policy is that interim dividends on the Ordinary Shares are payable quarterly in relation to periods ending November, February, May and August. It is intended that, over the long term, the Company will pay quarterly dividends consistent with the expected annual underlying portfolio yield. Resolution 3 will seek shareholder approval for the dividend policy.

Appointment of Independent Auditor
The Directors will put a resolution before the AGM to re-appoint PricewaterhouseCoopers CI LLP ("PwC") as independent auditor for the ensuing year, and to authorise the Directors to determine their remuneration.

Authority to Purchase the Company's Shares
In the past the Company has quoted that the aim of its discount management policy has been to try to maintain the price at which the Ordinary shares trade relative to the Company's NAV at a discount of no more that 5%. The Company's discount to NAV was -11.4% at 31 August 2021. As set out in the Chairman's Statement above, in light of ongoing market volatility arising from the Covid-19 pandemic, and the lack of meaningful impact on the discount, the Board reviewed its share buyback programme and has not bought back any shares during the financial year. No shares have been bought back since the financial year end.

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), subject to prevailing market conditions and having regard to the size of the Company, where the Directors believe it is in the best interest of shareholders to do so.

Resolution 10, 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 FCA's Listing Rules. The Company will seek authority to purchase up to a maximum of 8,561,287 Ordinary shares (representing 14.99% of the current issued Ordinary share capital excluding treasury shares as at the date of publication of this Annual Report). The authority being sought shall expire at the conclusion of the AGM in 2022 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. The Directors monitor the level of shares held in treasury and whilst there are no upper limits on the number of shares that can be held in treasury consideration will be given to cancelling treasury shares if the number becomes excessively high compared to the issued share capital.

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 main market of the London Stock Exchange 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, any issue will not be dilutive to existing Ordinary Shareholders.

Unless previously disapplied by special resolution, in accordance with the FCA's Listing Rules, 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 11, 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 AGM to be held in 2022.

Change of Company Name
Resolution 12, which will be proposed as a special resolution, seeks shareholder approval to change the Company's name to "abrdn Latin American Income Fund Limited". The change of name is being proposed in order to align the Company's name with the name of the Manager's business, which has recently changed. If shareholders pass resolution 12, the Board will effect the change of name as soon as possible after the AGM.

Recommendation
Your Board considers all resolutions 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 all resolutions to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings.

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

Relations with Shareholders
The Directors place a great deal of importance on communication with Shareholders and welcome feedback from all Shareholders. The Chairman 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 the Manager's freephone information service and the Company's website: 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 the Manager) in situations where direct communication is required.

The Notice of the AGM, 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 Manager, either formally at the Company's AGM 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. You may submit questions to the Board by email to latin.american@abrdn.com.

Responsible Investment
The Board is aware of its duty to act in the best interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Company's Manager, encourage companies in which investments are made to adhere to best practice in the area of Corporate Governance. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective, however, is to deliver superior investment returns for its shareholders. Accordingly, whilst the Manager will seek to favour investment in companies which pursue best practice in ESG matters, this is always considered in the context of return on the investment portfolio.

Directors' Report Continued
UK Stewardship Code and Proxy Voting as an Institutional Shareholder
Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager.

The full text of the Company's response to the Stewardship Code may be found on the Company's website: latamincome.co.uk.

ESG Policy
As an investment company, the Company has no direct social, environmental or community responsibilities. However, the Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner and the Board, therefore, challenges whether decisions take appropriate account of the social, environment and ethical factors, which may affect the performance or value of the Company's investments, including climate change. More details on the Investment Manager's approach to ESG engagement can be found on pages 33 to 36 of the 2021 Annual Report and Accounts.

For and on behalf of the Board
abrdn Capital International Limited,
Secretary
9 November 2021
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, Guidance & Transparency Rules of the Financial Conduct 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 41 and 42 of the 2021 Annual Report and Accounts, 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 issued by 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 position and 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
9 November 2021
1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade,
St Helier
Jersey JE2 3QB

The Manager is 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.

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 August 2021			Year ended 31 August 2020		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income							
Income	4	2,101	-	2,101	1,896	-	1,896

	Note						
Realised losses on financial assets held at fair value through profit or loss	10	-	(290)	(290)	-	(1,393)	(1,393)
Unrealised gains/(losses) on financial assets held at fair value through profit or loss		-	4,334	4,334	-	(12,579)	(12,579)
Realised currency (losses)/gains		-	(67)	(67)	-	85	85
Unrealised currency losses		-	(6)	(6)	-	(60)	(60)
Realised gains on forward foreign currency contracts		-	482	482	-	20	20
Unrealised (losses)/gains on forward foreign currency contracts		-	(7)	(7)	-	84	84
		2,101	4,446	6,547	1,896	(13,843)	(11,947)
Expenses							
Investment management fee	5	(154)	(232)	(386)	(180)	(269)	(449)
Other operating expenses	6	(340)	-	(340)	(386)	-	(386)
Profit/(loss) before finance costs and taxation		1,607	4,214	5,821	1,330	(14,112)	(12,782)
Finance costs		(34)	(51)	(85)	(39)	(58)	(97)
Profit/(loss) before taxation		1,573	4,163	5,736	1,291	(14,170)	(12,879)
Taxation	7	(53)	(119)	(172)	(24)	136	112
Profit/(loss) for the year		**1,520**	**4,044**	**5,564**	**1,267**	**(14,034)**	**(12,767)**
Earnings per Ordinary share (pence)	9	**2.66**	**7.08**	**9.74**	**2.21**	**(24.47)**	**(22.26)**

The profit/(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.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 August 2021 £'000	As at 31 August 2020 £'000
Non-current assets			
Investments held at fair value through profit or loss	10	41,240	37,504
Current assets			
Cash		333	306
Forward foreign currency contracts		33	162
Other receivables		178	160
		544	628
Current liabilities			
Bank loan	11	(5,500)	(5,500)
Forward foreign currency contracts		(40)	(78)
Other payables		(206)	(199)
		(5,746)	(5,777)
Net current liabilities		(5,202)	(5,149)
Non-current liabilities			
Deferred tax liability	7	(119)	-
Net assets		**35,919**	**32,355**
Equity capital and reserves			
Equity capital	12	65,936	65,936
Capital reserve	13	(31,499)	(35,543)
Revenue reserve		1,482	1,962
Equity Shareholders' funds		**35,919**	**32,355**
Net asset value per Ordinary share (pence)	14	**62.89**	**56.65**

STATEMENT OF CHANGES IN EQUITY

Year ended 31 August 2021

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 September 2020		65,936	(35,543)	1,962	32,355
Profit for the year		-	4,044	1,520	5,564
Dividends paid	8	-	-	(2,000)	(2,000)
Balance at 31 August 2021		**65,936**	**(31,499)**	**1,482**	**35,919**

Year ended 31 August 2020

	Notes	Stated capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 September 2019		65,936	(20,885)	2,704	47,755
(Loss)/profit for the year		-	(14,034)	1,267	(12,767)
Dividends paid	8	-	-	(2,009)	(2,009)
Purchase of own shares		-	(624)	-	(624)
Balance at 31 August 2020		**65,936**	**(35,543)**	**1,962**	**32,355**

STATEMENT OF CASH FLOWS

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Net cash inflow from operating activities		
Dividend income	529	367
Fixed interest income	696	849
Income from Subsidiary	785	824
Interest income	-	2
Investment management fee paid	(406)	(477)
Other paid expenses	(233)	(490)
Cash generated from operations	1,371	1,075
Interest paid	(86)	(98)
Withholding taxes paid	(53)	(24)
Net cash inflow from operating activities	1,232	953
Cash flows from investing activities		
Purchases of investments	(6,549)	(5,351)
Proceeds from sales of investments	9,403	6,346
(Payments to)/receipts from Subsidiary	(2,463)	923
Net cash inflow from investing activities	391	1,918
Cash flows from financing activities		
Equity dividends paid	(2,000)	(2,009)
Repurchase of own shares	-	(624)
Loan repaid	-	(500)
Net cash outflow from financing activities	(2,000)	(3,133)
Net decrease in cash	(377)	(262)
Reconciliation of net cash flow to movements in cash		
Net decrease in cash as above	(377)	(262)
Foreign exchange	404	109
Cash at start of year	306	459
Cash and cash equivalents at end of year	**333**	**306**

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

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 years ended 31 August 2021 and 31 August 2020.

2021	**Dividend rate**	**NAV**	**Share price**
31 August 2020	N/A	56.65p	49.15p
8 October 2020	0.875p	57.56p	48.60p
7 January 2021	0.875p	67.49p	60.60p
13 May 2021	0.875p	61.82p	55.25p
8 July 2021	0.875p	63.21p	55.75p
31 August 2021	N/A	62.89p	55.75p
Total return		**+17.4%**	**+20.9%**

2020	**Dividend rate**	**NAV**	**Share price**
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
14 May 2020	0.875p	51.57p	40.60p
9 July 2020	0.875p	61.28p	52.50p
31 August 2020	N/A	56.65p	49.15p
Total return		**-27.5%**	**-24.4%**

Discount to net asset value per Ordinary share. The discount is the amount by which the share price is lower than the net asset value per Ordinary share, expressed as a percentage of the net asset value per share per Ordinary share.

		31 August 2021	**31 August 2020**
NAV per Ordinary share (p)	a	62.89	56.65
Share price (p)	b	55.75	49.15
Discount	(a-b)/a	11.4%	13.2%

Dividend cover. Revenue return per Ordinary share divided by dividends per Ordinary share, expressed as a ratio.

		31 August 2021	**31 August 2020**
Revenue return per Ordinary share (p)	a	2.66	2.21
Dividends declared (p)	b	3.50	3.50
Dividend cover	a/b	0.76	0.63

Net gearing. Net gearing measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to and from brokers at the year end as well as cash at bank and in hand.

		31 August 2021	31 August 2020
Borrowings (£'000)	a	5,500	5,500
Cash (£'000)	b	333	306
Amounts due to brokers (£'000)	c	6	-
Amounts due from brokers (£'000)	d	10	10
Shareholders' funds (£'000)	e	35,919	32,355
Net gearing	(a-b+c-d)/e	**14.4%**	**16.0%**

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.

	2021	2020
Investment management fees (£'000)	386	449
Administrative expenses (£'000)	340	386
Less: non-recurring charges (£'000)	(6)	(33)
Ongoing charges (£'000)	**720**	**802**
Average net assets (£'000)	**35,952**	**40,107**
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

1. **Principal activity.** The Company is a closed-end 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 wholly owned subsidiary, Aberdeen Latin American Income Fund LLC, is similar in all relevant respects to that of its 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 2021.
   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 assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances, including in the current market environment, are realisable within a short timescale. The Board has set limits for borrowing and regularly reviews cash flow projections and compliance with banking covenants, including the headroom available. The Company has a revolving loan facility which expires in August 2023. Having taken these factors into account as well as the impact of Covid-19 and having assessed the principal risks and other matters including the Company having net current liabilities at the year end, the Directors believe that, after making enquiries, the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited) on page 46.

The Company's financial statements are presented in sterling, which is also the functional currency as it is the currency in which shares are issued 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 April 2021.

Significant accounting judgements, estimates and assumptions. The preparation of financial statements in conformity with IFRS requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies. Management have identified two such judgements in preparing the financial statements.

Accounting judgement - Application of IFRS 10: Assessment of investment entity. One of the key 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 standard requires entities that meet the definition of an investment entity to fair value certain subsidiaries through profit or loss in accordance with IFRS 9 'Financial Instruments', rather than consolidate their results. However, entities which are not themselves investment entities and provide investment related services to the Company will continue to be consolidated.

An investment entity meets the definition of an investment entity if it satisfies 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 the investment in its subsidiary solely for 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 and Subsidiary each meet the definition of an investment entity, and, therefore, all investments in subsidiaries are recorded at fair value through profit or loss.

Accounting judgement - Fair value of the Subsidiary. The Directors conclude that the net asset value of the wholly owned Subsidiary is considered to be its fair value for financial reporting purposes based on the Subsidiary's portfolio of investments being liquid and there being no significant restrictions on the transfer of funds to the parent company.

New and amended standards and interpretations. The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The nature and impact is described below:

- IAS 1, 8, 34, 37, 38 and IFRS 2, 3, 6, 14 - Amendment to references to the conceptual framework
- IFRS 9, IAS 39 and IFRS 7 Amendments - Interest rate benchmark reform
- IFRS 3 Amendment - Definition of a Business
- IAS 1 and IAS 8 Amendments - Definition of Material
- IFRIC 12, 19, 20, 22 and SIC 32 - Amendment to references to the conceptual framework

At the date of authorisation of these financial statements, the following Standards and Interpretations were assessed to be relevant and are effective for annual periods beginning on or after 1 January 2021:

- IAS 1 Amendments Classification of Liabilities as current or non-current
- IAS 1 Amendments Disclosure of Accounting Policies
- IAS 8 Amendments Definition of Accounting Estimates
- IAS 12 Amendments - Deferred Taxes
- IAS 16 Amendments Proceeds before intended use
- IAS 37 Amendments Onerous Contracts – Cost of fulfilling a contract

- IAS 39, IFRS 4, 7, 9 and 16 Amendments Interest Rate Benchmark Reform (Phase 2)
- IAS 41, IFRS 1, 9 and 16 Amendments Annual Improvements 2018-20 Cycle
- IFRS 3 Amendments Reference to the Conceptual Framework
- IFRS 4 Amendments Extension of IFRS 9 Deferral

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

(b) **Income.** Dividend income from equity investments is recognised on the ex-dividend date. Dividend income from equity investments where no ex-dividend date is quoted are recognised 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 recognised as capital or revenue according to their circumstances.

The fixed returns on debt instruments are recognised using the time apportioned accruals basis.

(c) **Expenses and interest payable.** All expenses, with the exception of interest, which is recognised using the effective interest method, are recognised 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 2021 will be subject to Jersey income tax at the rate of 0% (2020 - 0%).

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.

Deferred tax is recognised in respect of all temporary differences at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Balance Sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise, using enacted tax rates that are expected to apply at the date the deferred tax position is unwound.

(e) **Investments held at fair value through profit or loss.** The Company has adopted the classification and measurement provisions of IFRS 9 'Financial Instruments'.

The Company classifies its investments based on their contractual cash flow characteristics and the Company's business model for managing the assets. The business model, which is the determining feature for debt instruments, is such that the portfolio of investments is managed, and performance is evaluated, on a fair value basis. The Manager is also compensated based on the fair value of the Company's assets. Equity instruments are classified as FVTPL because cash flows resulting from such instruments do not represent payments of principal and interest on the principal outstanding, and therefore they fail the contractual cash flows test. Consequently, all investments are measured at FVTPL.

Purchases and sales of investments are recognised on a trade date basis. Proceeds are measured at fair value, which is regarded as the proceeds of sale less any transaction costs.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Gains/(losses) on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

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.

(f) **Cash and cash equivalents.** Cash comprises cash at banks and short-term deposits.

(g) **Other receivables.** Other receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. As such they are measured at amortised cost. Other receivables do not carry any interest and they have been assessed for any expected credit losses over their lifetime due to their short-term nature.

(h) **Other payables.** Other payables are non interest bearing and are stated at amortised cost.

(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 Note 2(c) above.

When the Company purchases its Ordinary shares to be held in treasury and for cancellation, 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) **Foreign currency.** Monetary assets and liabilities denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the reporting date. The financial statements are presented in sterling, which is the Company's functional and presentation currency. The Company's performance is evaluated and its liquidity is managed in sterling. Therefore sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Transactions during the year involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Gains or losses arising from a change in exchange rates subsequent to the date of a transaction are included as a currency gain or loss in revenue or capital in the Statement of Comprehensive Income, depending on whether the gain or loss is of a revenue or capital nature.

(k) **Bank loans.** The Company has adopted the classification and measurement provisions of IFRS 9 'Financial Instruments' which replaces IAS 39 'Financial Instruments: Recognition and Measurement'. Borrowings are measured at amortised cost using the effective interest rate method. No impact on the classification or measurement of borrowings has arisen due to the adoption of IFRS 9.

Borrowings are stated at the amount of the net proceeds immediately after draw down plus cumulative finance costs less cumulative payments. The finance cost of borrowings is allocated to years over the term of the debt at a constant rate on the carrying amount and charged 40% to revenue and 60% to capital to reflect the Company's investment policy and prospective revenue and capital growth.

(l) **Derivative financial instruments.** The Company may use 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.

(m) **Dividends payable.** Interim dividends payable are recognised in the financial statements in the period in which they are paid.

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 viewed on a portfolio wide basis and are interrelated, with each activity 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, including income derived from the Subsidiary's investments, by geographical location. The basis for attributing the income is the place of incorporation of the instrument's investment, however, where the Company invests in ADR designated securities the underlying geographic location is considered to be the basis.

	2021	2020
	£'000	£'000
Argentina	-	1
Brazil	1,045	911
Chile	62	39
Columbia	180	186
Mexico	498	470
Peru	131	126
Uruguay	185	161
United Kingdom	-	2
	2,101	**1,896**

The Company's income (including that generated by its Subsidiary's investments) comprises 45% (2020 - 31%) from equities and 55% (2020 - 69%) from fixed income securities.

4. Income

	2021	2020
	£'000	£'000
Income from investments		
Dividend income	532	317
Fixed interest income	762	835
Income from Subsidiary	807	742
	2,101	1,894
Other income		
Deposit interest	-	2
	2,101	**1,896**

The Company owns 100% of the share capital of its Subsidiary and has the ability to control the Subsidiary's operations. There are no significant restrictions on the transfer of funds to or from the Subsidiary and accordingly income is recognised by the Company in the same period as received by the Subsidiary. During the year net revenue of £807,000 (2020 – £742,000) was generated by the Subsidiary.

5. Investment management fee. The Company had an agreement with ACIL for the provision of management services during the year. Portfolio management services have been delegated by ACIL to AAML during the year.
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 ACIL at the year end was £46,000 (2020 - £65,000). Investment management fees are charged 40% to revenue and 60% to capital.

6. Other operating expenses

	2021	2020

	£'000	£'000
Directors' fees	101	87
Promotional activities	24	24
Secretarial and administration fee	-	42
Auditor's remuneration:		
- fees payable for the audit of the annual accounts	36	35
Legal and advisory fees	14	33
Custodian and overseas agents' charges	47	57
Broker fees	30	22
Stock exchange fees	23	20
Registrar's fees	23	27
Printing	20	19
Other	22	20
	340	**386**

The Company has an agreement with Aberdeen Standard Fund Managers Limited ("ASFML") for the provision of promotional activities. The total fees incurred under the agreement during the year were £24,000 (2020 - £24,000), of which £4,000 (2020 - £4,000) was due to ASFML at the year end.

The Company's management agreement with ACIL provides for the provision of company secretarial and administration services. This agreement has been sub-delegated to Aberdeen Standard Fund Managers Limited. ACIL is entitled to an annual fee of £127,000 (2020 - £125,000) which increases annually in line with any increase in the UK Retail Price Index. A balance of £nil (2020 - £42,000) was due to ACIL at the year 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. As the OCR exceeded 2.0% for the year ended 31 August 2021, the Manager has agreed to rebate £127,000 (2020 - £83,000) of the secretarial and administration fee and £24,000 (2020 - £nil) of the management fee in order to bring the OCR down to 2.0%.

No fees were paid to the auditor for services other than in respect of the audit of the Company's annual accounts.

7. Taxation

		2021			2020	
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Analysis of charge for the year						
Overseas tax suffered	53	-	53	24	-	24
Total current tax charge for the year	53	-	53	24	-	24
Deferred tax liability on Mexican capital gains	-	119	119	**-**	(136)	**(136)**
Total tax charge for the year	**53**	**119**	**172**	**24**	**(136)**	**(112)**

The Company has provided for a deferred tax liability on Mexican capital gains at 31 August 2021 of £119,000 (2020 - £nil).

Factors affecting the tax charge for the year. The tax charged for the year can be reconciled to the profit/(loss) per the Statement of Comprehensive Income as follows:

		2021			2020	
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Profit/(loss) before taxation	**1,573**	**4,163**	**5,736**	**1,291**	**(14,170)**	**(12,879)**

Tax on profit/(loss) at the standard rate of nil% (2020 - nil%)	-	-	-	-	-	-
Effects of:						
Losses on investments held at fair value through profit or loss not taxable	-	-	-	-	-	-
Currency gains not taxable	-	-	-	-	-	-
Movement in excess expenses	-	-	-	-	-	-
Expenses not deductible for tax purposes	-	-	-	-	-	-
Movement in deferred tax liability on Mexican capital gains	-	119	119	-	(136)	(136)
Irrecoverable overseas withholding tax	53	-	53	24	-	24
Non-taxable dividend income	-	-	-	-	-	-
Total tax charge	**53**	**119**	**172**	**24**	**(136)**	**(112)**

The effective rate of tax of the Company is nil% (2020 - nil%) and the amounts in the table are reconciling items between tax at the effective rate and the taxation charge in the Statement of Comprehensive Income.

8. Dividends on equity shares

	2021 £'000	2020 £'000
Distributions to equity holders in the year:		
Fourth interim dividend for 2020 - 0.875p (2019 - 0.875p) per Ordinary share	500	506
First interim dividend for 2021 - 0.875p (2020 - 0.875p) per Ordinary share	500	503
Second interim dividend for 2021 - 0.875p (2020 - 0.875p) per Ordinary share	500	500
Third interim dividend for 2021 - 0.875p (2020 - 0.875p) per Ordinary share	500	500
	2,000	**2,009**

The fourth interim dividend for the year of 0.875p per Ordinary share has not been included as a liability in these financial statements as it was announced and paid after 31 August 2021.

9. Earnings per Ordinary share. Earnings or loss per Ordinary share is based on the profit for the year of £5,564,000 (2020 loss - £12,767,000) and on 57,113,324 (2020 - 57,349,075) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.
The earnings per Ordinary share detailed above can be further analysed between revenue return and capital return as follows:

	2021			2020		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Profit/(loss) (£'000)	**1,520**	**4,044**	**5,564**	**1,267**	**(14,034)**	**(12,767)**
Weighted average number of Ordinary shares in issue ('000)			**57,113**			**57,349**
Return per Ordinary share (pence)	**2.66**	**7.08**	**9.74**	**2.21**	**(24.47)**	**(22.26)**

10. (a) Investments held at fair value

	Year ended 31 August 2021	Year ended 31 August 2020

Fair value through profit or loss	Quoted bonds & Equities £'000	Investment in Subsidiary £'000	Total £'000	Quoted bonds & Equities £'000	Investment in Subsidiary £'000	Total £'000
Opening book cost	25,366	13,226	38,592	27,606	14,971	42,577
Opening investment holdings (losses)/gains	(4,092)	3,004	(1,088)	866	9,884	10,750
Opening fair value	21,274	16,230	37,504	28,472	24,855	53,327
Movements in the year:						
Purchases	6,611	-	6,611	5,396	-	5,396
Sales proceeds	(9,404)	-	(9,404)	(6,242)	-	(6,242)
Payments to/(receipts from) Subsidiary by Company	-	2,463	2,463	-	(923)	(923)
Realised losses on financial assets held at fair value through profit or loss	(290)	-	(290)	(1,393)	-	(1,393)
(Decrease)/increase in investment holdings fair value gains/(losses)	3,944	390	4,334	(4,959)	(7,620)	(12,579)
Net income generated in Subsidiary	-	807	807	-	742	742
Cash transfer to/(from) Subsidiary to Parent (Income from Subsidiary)	-	(785)	(785)	-	(824)	(824)
Closing fair value	22,135	19,105	41,240	21,274	16,230	37,504

	£'000	£'000	£'000	£'000	£'000	£'000
Closing book cost	22,285	14,904	37,189	25,366	13,226	38,592
Closing investment holdings (losses)/gains	(150)	3,394	3,244	(4,092)	2,262	(1,830)
Net income generated in Subsidiary	-	807	807	-	742	742
Closing fair value	22,135	19,105	41,240	21,274	16,230	37,504

The Company received £9,404,000 (31 August 2020 - £6,242,000) from investments sold in the period. The book cost of these investments when they were purchased was £9,694,000 (31 August 2020 - £7,636,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

(b) **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 fair value of the Subsidiary is based on its net assets which comprises investments held at fair value, cash, income receivable and other receivables/payables. The Company receives income from its Subsidiary and there are no significant restrictions on the transfer of funds to or from the Subsidiary. During the year the Company paid a net transfer to the Subsidiary of £2,463,000 (2020 - receipt of £923,000).

(c) **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 2021 £'000	Year ended 31 August 2020 £'000
Purchases	10	7
Sales	12	5
	22	12

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.

11. Creditors: amounts falling due within one year

Bank loan. On 13 August the Company entered a £6 million two year unsecured revolving multi-currency loan facility with The Bank of Nova Scotia, London Branch, expiring on 14 August 2023. This replaced the existing £6m loan facility agreement with Scotiabank Europe plc. At the year end £5,500,000 was drawn down (2020 - £5,500,000) under the facility, fixed to 13 September 2021 at an all-in rate of 1.4203%.

At the date this Report was approved, £5,500,000 was drawn down under this facility and fixed to 12 November 2021 at an all-in rate of 1.4213%.

Under the terms of the loan facility the Company's borrowings must not exceed 25% of adjusted NAV. Adjusted NAV is defined as total net assets less, inter alia, the aggregate of all excluded assets, excluded assets being, without double counting, the value of any unquoted assets, all investments issued by a single issuer in excess of 15% of total NAV, all Brazilian and Mexican bonds in excess of 30%, any MSCI Industry category in excess of 25%, and cash along with any shortfall in cash, equities and investment Grade bonds below 70%.

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.

12. Stated capital

	2021 Number	2021 £'000	2020 Number	2020 £'000
Issued and fully paid - Ordinary shares				
Balance brought forward	57,113,324	65,936	58,000,324	65,936
Ordinary shares bought back in the period	-	-	(887,000)	-
Balance carried forward	57,113,324	65,936	57,113,324	65,936

	2021 Number	2021 £'000	2020 Number	2020 £'000
Issued and fully paid - Treasury shares				
Balance brought forward	6,107,500	-	6,107,500	-
Ordinary shares bought back in the period	-	-	-	-
Balance carried forward	6,107,500	-	6,107,500	-
Stated capital	**63,220,824**	**65,936**	**63,220,824**	**65,936**

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

During the year the Company bought back no (2020 - 887,000) Ordinary shares for cancellation. No Ordinary shares (2020 - none) were bought back for treasury.

Shares held in treasury consisting of 6,107,500 (2020 - 6,107,500) Ordinary shares represent 9.66% (2020 - 9.66%) of the Company's total issued share capital at 31 August 2021.

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.

13. Capital reserve

	2021	2020
	£'000	£'000
At beginning of year	(35,543)	(20,885)
Net currency (losses)/gains	(73)	25
Forward foreign currency contracts gains	475	104
Movement in investment holdings fair value gains/(losses)	4,334	(12,579)
Loss on sales of investments	(290)	(1,393)
Capitalised expenses	(402)	(191)
Purchase of own shares	-	(624)
At end of year	**(31,499)**	**(35,543)**

14. Net asset value per Ordinary share. Net asset value per Ordinary share is based on a net asset value of £35,919,000 (2020 - £32,355,000) and on 57,113,324 (2020 - 57,113,324) Ordinary shares, being the number of Ordinary shares issued and outstanding at the year end.

15. 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 14 of the 2021 Annual Report and Accounts. 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. The Company entered into forward foreign currency contracts for the purpose of hedging short term foreign currency cash flows consistent with its investment policy. As at 31 August 2021 there were 19 open positions in derivatives transactions (2020 – 9) details of which can be found on page 86 of the 2021 Annual Report and Accounts. The Company has not entered into forward foreign currency contracts for the purpose of hedging fair values as at each reporting date.

The Directors conclude that it is appropriate to present the financial risk disclosures of the Company and its wholly owned Subsidiary in combination as this accurately reflects how the Company uses its Subsidiary to carry out its investment activities, including those relating to portfolio allocation and risk management.

These financial risks of the Company and its Subsidiary 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 ASFML'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 15(b)), currency risk (see note 15(c)) and interest rate risk (see note 15(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 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 Subsidiary's combined investment portfolio is shown on pages 27 to 29 of the 2021 Annual Report and Accounts. This shows the significant amounts invested in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay. 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 20% (2020 - 20%) 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 2021, with all other variables held constant.

	2021 Increase in fair value £'000	**2021 Decrease in fair value £'000**	**2020 Increase in fair value £'000**	**2020 Decrease in fair value £'000**
Statement of Comprehensive Income - return after tax				
Revenue return	(33)	33	(30)	30
Capital return	8,197	(8,197)	7,422	(7,422)
Impact on total return after tax for the year and net assets	**8,164**	**(8,164)**	**7,392**	**(7,392)**

(c) **Currency risk.** Most of the Company's assets (including indirectly through its investment in its Subsidiary), liabilities and income are denominated in currencies other than sterling (the Company's functional currency, and the currency 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 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 do not use financial instruments to mitigate currency exposure in the period between the time that income is accrued 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 an aggregated basis and excludes forward currency contracts which are used for the purpose of ensuring the Company's foreign currency exposure is appropriately hedged.

	ARS	**BRL**	**CLP**	**COP**	**MXN**	**PEN**	**UYU**	**USD**
2021	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Debtors (due from brokers, dividends and other receivables)	-	96	-	39	87	13	25	15
Cash	-	29	2	-	17	13	-	13
Creditors (due to brokers, accruals and other creditors)	-	(2)	-	(22)	(6)	-	-	(10)
Total foreign currency exposure on net monetary items	-	123	2	17	98	26	25	18

	ARS	BRL	CLP	COP	MXN	PEN	UYU	USD
Investments at fair value through profit or loss	1,670	20,568	2,018	2,699	9,227	890	2,407	1,634
Total net foreign currency exposure	**1,670**	**20,691**	**2,020**	**2,716**	**9,325**	**916**	**2,432**	**1,652**

	ARS	BRL	CLP	COP	MXN	PEN	UYU	USD
2020	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Debtors (due from brokers, dividends and other receivables)	-	87	-	41	75	6	25	7
Cash	-	1	3	-	-	-	-	12
Creditors (due to brokers, accruals and other creditors)	-	-	-	-	(35)	-	-	(43)
Total foreign currency exposure on net monetary items	-	88	3	41	40	6	25	(24)
Investments at fair value through profit or loss	1,380	18,284	1,583	2,932	7,065	2,233	2,223	1,634
Total net foreign currency exposure	**1,380**	**18,372**	**1,586**	**2,973**	**7,105**	**2,239**	**2,248**	**1,610**

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. This sensitivity excludes forward currency contracts entered into for hedging short term cash flows.

It assumes the following changes in exchange rates:

£/Argentine Peso (ARS) +/-172% (2020 +/-344%) (maximum downside risk 100%)

£/Brazilian Real(BRL) +/-32% (2020 +/-81%)

£/Chilean Peso (CLP) +/-21% (2020 +/-28%)

£/Columbian Peso (COP) +/-30% (2020+/-32%)

£/Mexican Peso (MXN) +/-11% (2020 +/-28%)

£/Peruvian Nuevo Sol (PEN) +/-31% (2020 +/-14%)

£/Uruguayan Peso (UYU) +/-40% (2020+/-54%)

£/US Dollar (USD) +/-6% (2020 +/-4%)

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.

For 2021, if sterling had strengthened against the currencies shown, this would have had the following effect, with a weakening of sterling having an equal and opposite effect with the exception of the Argentine Peso which is capped at 100% on the downside amounting to £nil for revenue returns and £1,670,000 for capital returns but on the upside revenue returns would increase by £nil and capital returns by £2,873,000:

	ARS	BRL	CLP	COP	MXN	PEN	UYU	USD
2021	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Statement of Comprehensive Income - return after tax								
Revenue return	-	(40)	-	(12)	(10)	(5)	(10)	(1)
Capital return	(1,670)	(6,621)	(424)	(815)	(1,026)	(284)	(973)	(99)

Impact on total return after tax for the year and net assets	**(1,670)**	**(6,661)**	**(424)**	**(827)**	**(1,036)**	**(289)**	**(983)**	**(100)**

For 2020, if sterling had strengthened against the currencies shown, this would have had the following effect, with a weakening of sterling having an equal and opposite effect with the exception of the Argentine Peso which is capped at 100% on the downside amounting to £nil for revenue returns and £1,380,000 for capital returns but on the upside revenue returns would increase by £nil and capital returns by £4,747,000:

	ARS	**BRL**	**CLP**	**COP**	**MXN**	**PEN**	**UYU**	**USD**
2020	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Statement of Comprehensive Income - return after tax								
Revenue return	-	(63)	(1)	(12)	(19)	(1)	(13)	(1)
Capital return	(1,380)	(14,818)	(443)	(939)	(1,970)	(313)	(1,201)	(63)
Impact on total return after tax for the year and net assets	**(1,380)**	**(14,881)**	**(444)**	**(951)**	**(1,989)**	**(314)**	**(1,214)**	**(64)**

Foreign exchange contracts. The Company has entered into derivative transactions, in the form of forward exchange contracts, to ensure that exposure to foreign denominated cashflows is appropriately hedged. The following forward contracts were outstanding at the Balance Sheet date:

Date of contract	**Buy Currency**	**Sell Currency**	**Settlement date**	**Local currency Amount '000**	**Contracted rate**	**Unrealised gain/(loss) 31 August 2021 £'000**
1 June 2021	GBP	USD	1 September 2021	146	1.3764	(4)
1 June 2021	USD	BRL	1 September 2021	148	1.3763	(2)
8 July 2021	GBP	USD	13 October 2021	1,088	1.3764	(2)
8 July 2021	GBP	USD	13 October 2021	53	1.3764	-
8 July 2021	MXN	GBP	13 October 2021	1,622	27.7401	12
12 July 2021	GBP	USD	13 October 2021	149	1.3764	(1)
27 July 2021	GBP	MXN	13 October 2021	148	27.7401	(1)
28 July 2021	USD	GBP	13 October 2021	68	1.3764	1
30 July 2021	GBP	MXN	13 October 2021	267	27.7401	(3)
30 July 2021	GBP	USD	13 October 2021	70	1.3764	(1)
12 August 2021	USD	GBP	13 October 2021	228	1.3764	2
16 August 2021	BRL	USD	24 November 2021	540	0.1401	14
17 August 2021	USD	COP	24 November 2021	808	1.3765	(22)

17 August 2021	USD	PEN	24 November 2021	740	1.3765	1
23 August 2021	USD	GBP	13 October 2021	86	1.3764	(1)
26 August 2021	BRL	USD	1 September 2021	152	0.1419	3
26 August 2021	GBP	USD	13 October 2021	151	1.3764	-
26 August 2021	USD	GBP	1 September 2021	151	1.3763	-
26 August 2021	USD	BRL	24 November 2021	149	1.3765	(3)

Date of contract	Buy Currency	Sell Currency	Settlement date	Local currency Amount '000	Contracted rate	Unrealised gain/(loss) 31 August 2020 £'000
1 July 2020	GBP	USD	7 October 2020	91	1.3393	2
1 July 2020	MXN	GBP	7 October 2020	1,584	29.4384	(35)
9 July 2020	USD	GBP	7 October 2020	601	1.3393	(33)
23 July 2020	MXN	USD	7 October 2020	239	29.4384	6
10 August 2020	COP	USD	25 November 2020	290	0.0002	2
10 August 2020	USD	BRL	25 November 2020	213	1.3395	4
10 August 2020	USD	PEN	25 November 2020	1,977	1.3395	(9)
10 August 2020	GBP	USD	7 October 2020	2,162	1.3393	148
21 August 2020	USD	GBP	7 October 2020	41	1.3393	(1)

The fair value of forward exchange contracts is based on forward exchange rates at the Balance Sheet date.
A sensitivity analysis of foreign currency contracts is not presented as the Directors conclude that these are not significant given the short duration of the contracts and expected volatility of the respective foreign exchange rates over the term of the contracts.

(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 on 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 of market quoted prices include economic growth prospects, inflation, the relevant government's fiscal position, short-term interest rates and international market comparisons. The Investment Manager considers all these factors 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 result.

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 11 on page 81 of the 2021 Annual Report and Accounts.

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.

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.

	2021		2020	
	Within one year £'000	Total £'000	Within one year £'000	Total £'000
Exposure to floating interest rates				
Cash	333	333	306	306
Borrowings under loan facility	(5,500)	(5,500)	(5,500)	(5,500)
Total net exposure to interest rates	**(5,167)**	**(5,167)**	**(5,194)**	**(5,194)**

The Company does not have any fixed interest rate exposure to cash or bank borrowings at 31 August 2021 (2020 - 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 (2020 - same).
- interest paid on borrowings under the loan facility was at a margin above LIBOR to 13 August 2021 and at a margin above SONIA from 13 August 2021 to the Company's year end . The weighted average interest rate of these at 31 August 2021 was 1.49053% (2020- 1.470987%).

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 50 basis points higher or lower and all other variables were held constant, the Company's net interest for the year ended 31 August 2021 would decrease/increase by £26,000 (2020 – £26,000). This is attributable to the Company's exposure to interest rates on its floating rate cash balances and bank loan.

If interest rates had been 50 basis points higher and all other variables were held constant, a change in fair value of the Company's fixed income financial assets at the year ended 31 August 2021 of £14,489,000 (2020 - £14,793,000) would result in a decrease of £380,000 (2020 – £444,000). If interest rates had been 50 basis points lower and all other variables were held constant, a change in fair value of the Company's fixed rate financial assets at the year ended 31 August 2021 would result in an increase of £396,000 (2020 – £465,000).

(e) **Liquidity risk.** This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk. All of the Company's and its Subsidiary's portfolios are investments in quoted bonds and equities that are actively traded. 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 2021, based on the earliest date on which payment can be required are as follows (borrowings under the loan facility are subject to a resetting of the interest rate upon maturity):

31 August 2021	**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)	(5,504)	-	-	(5,504)
Amounts due on forward foreign currency contracts	(40)	-	-	(40)
Amounts due to brokers and accruals	(202)	-	-	(202)
	(5,746)	**-**	**-**	**(5,746)**

31 August 2020	**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)	(5,504)	-	-	(5,504)
Amounts due on forward foreign currency contracts	(78)	-	-	(78)
Amounts due to brokers and accruals	(195)	-	-	(195)
	(5,777)	**-**	**-**	**(5,777)**

(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. The Company is exposed to credit risk on debt instruments. These classes of financial assets are not subject to IFRS 9's impairment requirements as they are measured at FVTPL. The carrying value of these assets, under both IAS 39 and IFRS 9 represents the Company's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates (see table on page 90 "Credit Risk Exposure").

The Company's only financial assets subject to the expected credit loss model within IFRS 9 are cash and short-term other receivables. At 31 August 2021 the total of cash and short-term other receivables was £511,000 (2020 - £466,000).

As cash and short-term other receivables are impacted by the IFRS 9 model, the Company has adopted an approach similar to the simplified approach.

Management of the risk. Where the investment manager makes an investment in a bond, corporate or otherwise, where available, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default. Investment transactions are carried out with a number of brokers, whose credit-standing is reviewed regularly by ASFML, 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:

	2021		2020	
	Balance Sheet £'000	**Maximum exposure £'000**	**Balance Sheet £'000**	**Maximum exposure £'000**
Non-current assets				
Bonds at fair value through profit or loss{A}	14,489	14,489	14,793	14,793
Current assets				
Cash	333	333	306	306
Other receivables	178	178	160	160
Forward foreign currency contracts	33	33	162	162
	15,033	**15,033**	**15,421**	**15,421**

{A} Includes quoted bonds held by the Company and its Subsidiary on an aggregated basis. For more detail on these bonds refer to page 29 of the 2021 Annual Report and Accounts.

None of the Company's and Subsidiary'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 Standard and Poor's credit ratings for the bond portfolio at 31 August 2021 and 31 August 2020:

	2021 £'000	**2020 £'000**
A-	544	1,488
BB+	2,187	-
BB-	4,037	4,166
BBB+	3,883	3,556
BBB	2,378	2,120
BBB-	-	2,477
Non-rated	1,460	986
	14,489	**14,793**

At 31 August 2021 the Standard and Poor's credit ratings agency did not provide a rating for a Brazilian bond, a Colombian bond, a Peruvian bond and an Uruguayan bond (2020 - a Colombian bond, a Peruvian bond and an Uruguayan corporate bond) held by the Company and were accordingly categorised as non-rated in the table above. It is however noted that Fitch's credit rating agency do provide a BB- rating for the Brazilian bond valued at £616,000 (2020 - £nil), a BB+ rating for the Colombian bond valued at £513,000 (2020 - £455,000) and a BBB- rating for the Uruguayan bond valued at £30,000 (2020 - £103,000). Moody's credit ratings agency provide an Baa1 rating for the Peruvian bond valued at £301,000 (2020 - £428,000).

At 31 August 2021 the Company held cash of £333,000 (2020 - £306,000) with BNP Paribas SA, which has a credit rating of A-1 (2020 - A-1) with Standard and Poor's. No ECL adjustments have been made since the risk is considered negligible.

16. **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 2021 comprises its equity capital and reserves that are shown in the Balance Sheet at a total of £35,919,000 (2020 - £32,355,000). As at 31 August 2021 gross debt as a percentage of net assets stood at 15.3% (2020 - 17.0%).

The Board, with the assistance of abrdn, 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 abrdn'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 (i.e. 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.

17. Related party transactions

Directors' interests. Fees payable during the year to the Directors are disclosed within the Directors' Remuneration Report on pages 54 to 56 of the 2021 Annual Report and Accounts and in note 6 on page 77.

Transactions with the Manager. Under the terms of the management agreement with the Company, ACIL is entitled to receive both a management fee and a company secretarial and administration fee. Details of the management fee arrangements are presented in note 5 above. The company secretarial and administration fee is based on an annual amount of £127,000 (2020 - £125,000), increasing annually in line with any increases in the UK Retail Prices Index, payable quarterly in arrears. During the year no fee (2020 - £42,000) was payable after the deduction of a rebate £127,000 (2020 - £83,000) to bring the OCR down to 2.0%, with £nil (2020 - £42,000) outstanding at the period end.

The Manager has agreed to ensure that the Company's 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%.

Subsidiary. The Company owns 100% of the share capital of the Subsidiary. Details of the movements in the investment are presented in note 10 above.

18. Controlling party. The Company has no immediate or ultimate controlling party.

19. 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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments and forward currency contracts) 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 2021 are as follows:

	Note	Level 1 £'000	Level 2 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Quoted equities	a)	12,301	-	12,301
Quoted bonds	b)	-	9,835	9,835
Investment in Subsidiary	c)	-	19,104	19,104

		12,301	28,939	41,240
Forward foreign currency contracts	d)	-	33	33
Forward foreign currency contracts	d)	-	(40)	(40)
Net fair value		**12,301**	**28,932**	**41,233**

As at 31 August 2020	**Note**	**Level 1 £'000**	**Level 2 £'000**	**Total £'000**
Financial assets/(liabilities) at fair value through profit or loss				
Quoted equities	a)	10,647	-	10,647
Quoted bonds	b)	-	10,627	10,627
Investment in Subsidiary	c)	-	16,230	16,230
		10,647	26,857	37,504
Forward foreign currency contracts	d)	-	162	162
Forward foreign currency contracts	d)	-	(78)	(78)
Net fair value		**10,647**	**26,941**	**37,588**

There were no assets for which significant unobservable inputs (Level 3) were used in determining fair value during the years ended 31 August 2021 and 31 August 2020. For the years ended 31 August 2021 and 31 August 2020 there were no transfers between any levels.

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 Level 2 quoted bonds has been determined by reference to their quoted bid prices within markets not considered to be active. Index linked bonds are adjusted for indexation arising from the movement of the consumer prices index within the country of their incorporation.

c) **Investment in Subsidiary.** The Company's investment in its Subsidiary is categorised in Fair Value Level 2 as its fair value has been calculated with reference to its unadjusted net asset value. The net asset value is primarily driven by the value of underlying investments, which are all valued using unadjusted quoted prices, and other net assets held at amortised cost, including cash. There are no significant inputs used for the valuation that are not observable to the Directors.

d) **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.

20. **Analysis of changes in financial liabilities during the year.** The following tables shows the movements of financial liabilities in the Statement of Financial Position during the years ended 31 August 2021 and 31 August 2020 :

	At 1 September 2020 £000	**Cash flows £000**	**Other movements{A} £000**	**At 31 August 2021 £000**
Financing activities				
Bank loan	(5,500)	-	**-**	**(5,500)**
Total	**(5,500)**	**-**	**-**	**(5,500)**

	At 1 September 2019 £000	Cash flows £000	Other movements{A} £000	At 31 August 2020 £000
Financing activities				
Bank loan	(6,000)	500	**-**	**(5,500)**
Amounts due relating to repurchase of own shares	(28)	652	(624)	**-**
Total	**(6,028)**	**1,152**	**(624)**	**(5,500)**

{A} The other movements column represents the cost of repurchasing own shares as disclosed in the Statement of Changes in Equity.

The Annual General Meeting will be held at 8.30 a.m. on 20 December 2021 at 1st Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB.

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 and may be affected by exchange rate movements. Investors may not get back the amount they originally invested.

The Annual Financial Report Announcement is not the Company's statutory accounts. The above results for the year ended 31 August 2021 are an abridged version of the Company's full financial statements, which have been approved and audited with an unqualified report. The Annual Report and Accounts will be delivered to the Jersey Financial Services Commission in due course.

The audited Annual Report and Accounts will be posted in November 2021. Copies may be obtained during normal business hours from the Company's Registered Office, Aberdeen Standard Capital International Limited, 1st Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB or from the Company's website, latamincome.co.uk*.

** Neither the content of the Company's website nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is (or is deemed to be) incorporated into, or forms (or is deemed to form) part of this announcement.*

By Order of the Board
abrdn Capital International Limited
Secretary
9 November 2021