



abrdn Latin American Income Fund Limited

Capturing the powerful income potential of Latin American equities and bonds

Performance Data and Analytics to 30 April 2023

Proposal to liquidate the Company

Please note, the Board of abrdn Latin American Income Fund Limited have announced that proposals will be put forward for the Company to be placed into summary winding up (the Jersey solvent liquidation process commenced by members' special resolution), with the net cash proceeds of the liquidation being returned to shareholders. A circular detailing the expected timetable and rationale containing the proposed resolutions to be put to shareholders at an EGM will be issued in due course.

Investment objective

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.

Benchmark

60% MSCI EM Latin American 10/40 Index and 40% JP Morgan GBI EM Global Diversified (Latin America carve out). Given that the Manager does not adopt a benchmark approach, performance can vary widely from the benchmark.

Cumulative performance (%)

	as at 30/04/23	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	58.5p	4.5	4.0	9.2	7.6	59.0	11.6
NAV ^a	62.2p	0.2	(2.3)	(5.1)	4.3	40.1	(1.4)
Composite Benchmark		0.6	(1.2)	(0.4)	9.3	45.4	12.4

Discrete performance (%)

	30/04/23	30/04/22	30/04/21	30/04/20	30/04/19
Share Price	7.6	10.8	33.5	(30.4)	0.8
NAV ^a	4.3	6.9	25.6	(30.2)	0.8
Composite Benchmark	9.3	11.6	19.3	(24.2)	2.0

Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: abrdn Investments Limited, Lipper and Morningstar.

Past performance is not a guide to future results.

^a Including current year revenue.

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^c Consolidates all equity holdings from same issuer.

Morningstar Rating™



^b Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

Ten largest equity holdings (%)

FEMSA	4.4
ITAUSA	4.1
Grupo Financiero Banorte	3.7
Raia Drogasil	3.0
Walmart de Mexico	3.0
Petrobras	2.7
Telefonica	2.3
Southern Copper	2.3
WEG	2.2
Equatorial Energia	2.1
Total	29.8

Ten largest fixed income holdings (%)

Brazil (Fed Rep of) 10% 01/01/25	5.9
Mex Bonos Desarr Fix Rt 10% 20/11/36	2.9
Mex Bonos Desarr Fix Rt 8.5% 18/11/38	2.8
Brazil (Fed Rep of) 10% 01/01/27	2.5
Uruguay (Rep of) 4.25% 05/04/27	2.3
Colombia (Rep of) 9.85% 28/06/27	2.3
Petroleos Mexicanos 7.47% 12/11/26	2.2
Secretaria Tesouro 10% 01/01/31	2.1
Republic Orient Uruguay 8.5% 15/03/28	2.0
Secretaria Tesouro 10% 01/01/33	1.9
Total	26.9

As at 30 April 2023 the equity exposure within total investments was 61.58% and fixed income exposure 38.42%.

Total number of investments 63

All sources (unless indicated): abrdn: 30 April 2023.



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1 Year Premium/Discount Chart (%)



Fund managers' report

Latin American stocks gained over the month outperforming most emerging market asset classes. Colombia, Brazil, and Mexico were top performers of the region.

The JP Morgan GBI-EM Global Diversified (Latin America) Index (unhedged in sterling terms) returned -0.46% in April, and the index yield grew by four basis points, closing at 9.50%. Local-currency bonds experienced positive performance over the month and Latin American currencies depreciated (on aggregate) against sterling. On a country basis, Mexico, Colombia and Chile detracted while Peru, Uruguay, the Dominican Republic, Brazil, and Argentina were positive.

In Mexico, the deputy finance minister announced that Mexico and the US were aiming to align strategies to attract nearshoring investments. We think that such a move could benefit our holdings, such as airport operator OMA and industrial property developer Vesta due to increasing demand. Meanwhile, discussions around a potential review to the mining law were received with skepticism by market participants. The head of the mining chamber warned the changes could lead to a loss of about \$9 billion in investments and over 400,000 direct jobs in the future years. In economic news, consumption remained resilient while inflation fell to 6.85% in March on an annualised basis, from 7.62% in February, the lowest reading since October 2021, and the central bank governor indicated the possibility of holding rates at the next monetary policy meeting.

Brazilian equities outperformed the Latin American region. Inflation slowed to 4.65% in March on an annualised basis from 5.60% in February, marking the

Fund managers' report continues overleaf

^c Expressed as a percentage of average daily net assets for the year ended 31 August 2022. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

^d 1% per annum of the value of the Company's net assets.

^e Calculated using the Company's historic net dividends and month end share price.

^f The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings. For Aberdeen Latin American Income Fund this relates purely to the equity element of the portfolio.

^g Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

Geographic breakdown (%)

Brazil	48.0
Mexico	30.6
Colombia	6.5
Uruguay	5.1
Peru	3.5
Chile	3.0
Argentina	1.5
Dominican Republic	0.7
Cash	1.0
Total	100.0

Figures may not add up to 100 due to rounding.

Key information

Calendar

Year end	31 August
Accounts published	November
Annual General Meeting	December
Dividend paid	January, May, July, October
Launch date	August 2010
Fund manager	Emerging Market Equity Team Emerging Market Debt Team
Ongoing charges ^c	2.00%
Annual management fee ^d	1.0%
Premium/(Discount)	(6.0)%
Yield ^e	6.0%
Active share ^f	68.6%

Net gearing (%)

Total ^g	14.4
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AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Assets/Debt

Assets	£m
Equities	24.7
Fixed income	15.4
Total investments	40.1
Cash & cash equivalents	0.4
Other net assets	0.5
Debt	(5.5)
Net assets	35.5

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Fund managers' report – continued

lowest since January 2021. President Lula remained critical of the current high lending rates, with the benchmark rate at 13.75%. However, the central bank governor, Roberto Campos Neto, continued the hawkish tone. Meanwhile, the administration remained focused on progressing with the approval for a new fiscal framework which has received criticism from market participants due to its excessive reliance on tax increases, but still offered some support for asset prices.

In Peru, inflation slowed to 8.40% in March on an annualised basis, recording the lowest reading in five months. The central bank maintained the interest rate at 7.75% while not ruling out further increases despite it expecting inflation to fall over the coming months. Meanwhile, President Boluarte pointed at 2.5% economic growth for 2023, lower than the previous estimate, driven by the social instability. Against this backdrop, Peruvian stocks rose marginally over the month, but underperformed the Latin American region.

Colombian equities performed well over the month and outperformed the region. This was despite the previous finance minister Jose Antonio Ocampo resigning and the president naming Ricardo Bonilla as the new minister amid a cabinet reshuffle. Markets reacted negatively to Ocampo's departure, with stocks, bonds and the peso declining after the news.

Chile announced plans to nationalise its lithium industry, although the markets expect challenges that may take years to resolve. Lithium producer SQM showed its willingness to start discussions with the government, but Chilean stocks were down over the period.

In April, we initiated a position in electric motor manufacturer WEG, re-introducing the stock on strengthening conviction, solid long term growth prospects and to add quality and defensiveness to portfolio. We added to SQM on valuation grounds and topped up energy company Equatorial to continue adding quality and defensiveness to the portfolio at attractive valuation. Conversely, we trimmed iron ore producer Vale given the seasonally weaker outlook for iron ore and preference to retain active exposure to copper producers.

Previously in March, we initiated energy company Alupar, a strong capital allocator within the transmission segment.

The risks outlined overleaf relating to gearing, emerging market exposure and exchange rate movements are particularly relevant to this trust but should be read in conjunction with all warnings and comments given.
Important information overleaf

Capital structure

Ordinary shares	57,113,324
Treasury shares	6,107,500

Allocation of management fees and finance costs

Capital	60%
Revenue	40%

Trading details

Reuters/Epic/ Bloomberg code	ALAI
ISIN code	JE00B44ZTP62
Sedol code	B44ZTP6
Stockbroker	N+1 Singer
Market makers	CFEP, INV, JPMS, NUMS, PEEL, STFL, WINS



Factsheet

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Important information

Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- The Company invests in emerging markets which tend to be more volatile than mature markets and the value of your investment could move sharply up or down.
- Certain trusts may seek to invest in higher yielding securities such as bonds, which are subject to credit risk, market price risk and interest rate risk. Unlike income from a single bond, the level of income from an investment trust is not fixed and may fluctuate.
- With funds investing in bonds there is a risk that interest rate fluctuations could affect the capital value of investments. Where long term interest rates rise, the capital value of shares is likely to fall, and vice versa. In addition to the interest rate risk, bond investments are also exposed to credit risk reflecting the ability of the borrower (i.e. bond issuer) to meet its obligations (i.e. pay the interest on a bond and return the capital on the redemption date). The risk of this happening is usually higher with bonds classified as 'sub-investment grade'. These may produce a higher level of income but at a higher risk than investments in 'investment grade' bonds. In turn, this may have an adverse impact on funds that invest in such bonds.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

Other important information:

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