EDISON

Aberdeen Latin American Income Fund

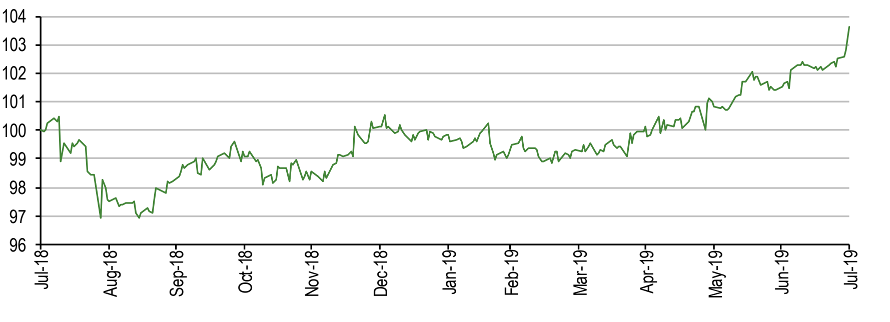
Outperforming a volatile market

Investment companies
Latin American equities/debt

19 August 2019

Aberdeen Latin American Income Fund (ALAI) offers broad exposure to Latin America (both equities and government debt). It is managed by Aberdeen Standard Investments' (ASI's) well-resourced global emerging markets equities and emerging market debt teams. They are cautiously optimistic on the outlook for Latin America, believing the continued low interest-rate environment is supportive for corporate earnings growth and has the potential to stimulate investor demand for attractively valued assets in the region. ALAI has generated solid double-digit annualised NAV and share price total returns over the last three years, with particularly strong absolute and relative performance in the last 12 months. The fund offers an attractive 4.9% dividend yield.

ALAI's NAV has outperformed the benchmark during a volatile period over the last 12 months



Source: Refinitiv, Edison Investment Research

The market opportunity

Looking out to 2020, International Monetary Fund (IMF) growth forecasts favour Latin America over developed economies. In addition, Latin American shares are trading at a discount to the world market in both absolute and relative terms, which may provide an opportunity for global investors looking to diversify their exposure.

Why consider investing in ALAI?

- Broad exposure to Latin America, both equities and fixed income.
- Strong absolute and relative performance over the last 12 months and double-digit annualised NAV and share price total returns over the last three years.
- Attractive 4.9% dividend yield.
- Managed by two well-resourced investment teams that employ ASI's focus on quality and value.

Discount broadly in line with historical averages

ALAI's current 14.0% share price discount to cum-income NAV compares with the 12.2% to 14.1% range of average discounts over the last one, three and five years. The board has maintained the fund's dividend at 3.5p per share for the last three financial years (current yield of 4.9%). Gearing of up to 20% of NAV is permitted; net gearing was 11.3% at end-June 2019.

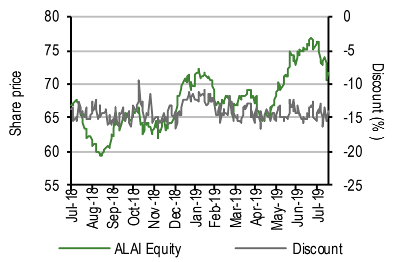
Price	**71.7p**
Market cap	**£41.7m**
AUM	**£54.9m**

NAV*	81.9p
Discount to NAV	12.4%
NAV**	83.4p
Discount to NAV	14.0%

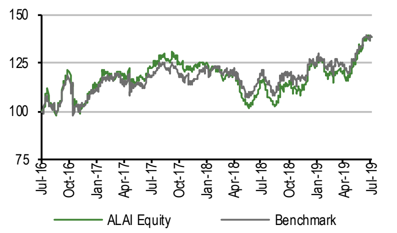
*Excluding income. **Including income. As at 15 August 2019.

Yield	4.9%
Ordinary shares in issue	58.2m
Code	ALAI
Primary exchange	LSE
AIC sector	Latin America
Benchmark	Composite benchmark

Share price/discount performance



Three-year performance vs index



52-week high/low	76.8p	59.2p
NAV** high/low	90.1p	68.7p

**Including income.

Gearing

Gross*	12.9%
Net*	11.3%

*As at 30 June 2019.

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Edison profile page

Aberdeen Latin American Income Fund is a research client of Edison Investment Research Limited

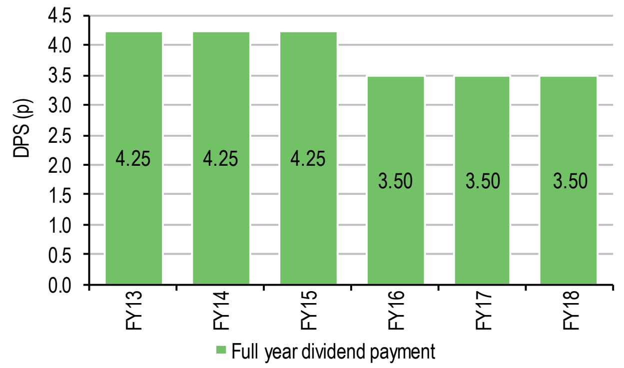
Exhibit 1: Company at a glance

Investment objective and fund background	Recent developments
Aberdeen Latin American Income Fund (ALAI) aims to provide investors with a total return, with an above-average yield, primarily through investing in Latin American securities. While the portfolio is constructed without reference to any benchmark, the company measures its performance against a composite index (in sterling terms): 60% MSCI EM Latin American 10/40 index and 40% J.P. Morgan Government Bond Index EM Global Diversified (Latin America carve-out).	▪ 20 June 2019: declaration of 0.875p third interim dividend. ▪ 29 April 2019: six-month results ending 28 February 2019. NAV TR +13.8% versus benchmark TR +11.2%, share price TR +15.3%. Declaration of 0.875p second interim dividend. ▪ 25 March 2019: appointment of independent, non-executive director Heather MacCallum, effective 24 April 2019.

Forthcoming		Capital structure		Fund details	
AGM	December 2019	Ongoing charges	2.0% (FY18)	Group	Aberdeen Standard Investments
Final results	October 2019	Net gearing	11.3%	Manager	Aberdeen Asset Managers
Year end	31 August	Annual mgmt fee	1.0%	Address	Sir Walter Raleigh House, 48–50 Esplanade, St Helier, Jersey JE2 3QB
Dividend paid	Jan, May, Jul, Oct	Performance fee	No		
Launch date	16 August 2010	Company life	Indefinite	Phone	0808 500 00 40
Continuation vote	None	Loan facilities	£8m	Website	www.latamincome.co.uk

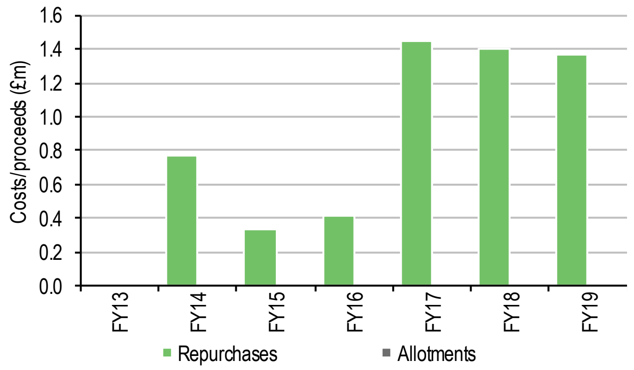
Dividend policy and history (financial years)

ALAI pays quarterly dividends in January, May, July and October.

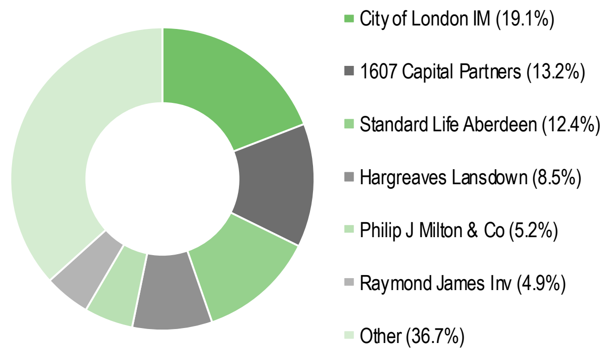


Share buyback policy and history (financial years)

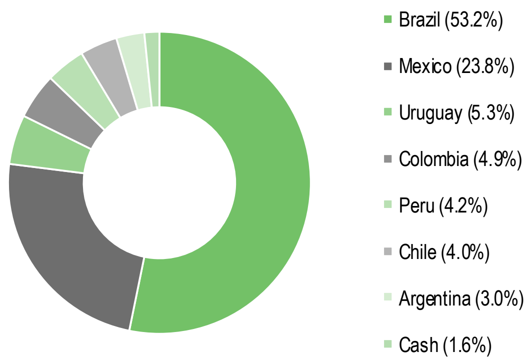
Renewed annually, the board has the authority to repurchase up to 14.99% and allot up to 10% of shares.



Shareholder base (as at 5 July 2019)



Portfolio exposure by geography (as at 30 June 2019)



Top 10 holdings (as at 30 June 2019)

			Portfolio weight %	
Company	**Country**	**Sector**	**30 June 2019**	**30 June 2018***
Brazil (Fed Rep of) 10% 01/01/25	Brazil	Government bond	8.1	8.0
Banco Bradesco	Brazil	Financials	5.7	3.5
Brazil (Fed Rep of) 10% 01/01/21	Brazil	Government bond	5.0	5.0
Colombia (Rep of) 9.85% 28/06/27	Colombia	Government bond	4.9	7.7
Petrobras	Brazil	Energy	4.6	N/A
Itaú Unibanco	Brazil	Financials	4.3	3.7
Mex Bonos Desarr Fix Rt 10% 20/11/36	Mexico	Government bond	4.0	3.5
Mex Bonos Desarr Fix Rt 8.5% 18/11/38	Mexico	Government bond	3.4	3.8
Uruguay (Rep of) 4.375% 15/12/28	Uruguay	Government bond	2.8	3.8
Grupo Financiero Banorte	Mexico	Financials	2.6	N/A
Top 10 (% of holdings)			**45.4**	**44.5**

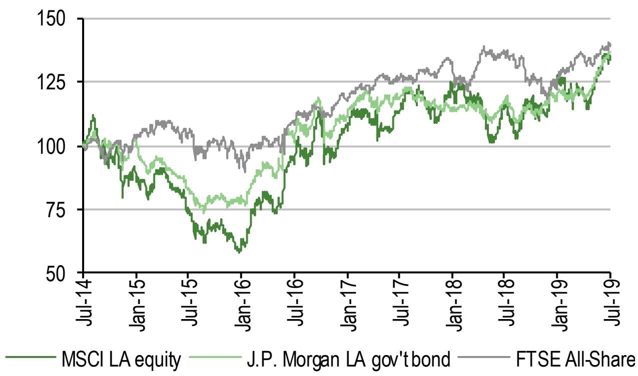
Source: Aberdeen Latin American Income Fund, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-June 2018 top 10.

Market outlook: Equity valuations relatively attractive

While there have been divergences in performance between Latin American securities and UK shares (in sterling terms) during the last five years, over the period as a whole, they have performed broadly in line (Exhibit 2, LHS). While IMF economic growth forecasts for Latin America are below those for advanced economies in 2019 (0.6% versus 1.9%), in 2020, the outlook for Latin America is superior (2.3% versus 1.7%). Economic drivers in the region include population growth, a more affluent middle class and low labour costs. In terms of valuation (Exhibit 2, RHS), looking at forward P/E multiples, Latin America appears attractive versus the world market in both absolute and relative terms. The growth and valuation prospects in Latin America may appeal to investors seeking attractive opportunities outside of the main developed markets, such as the US or Europe.

Exhibit 2: Market performance and valuations (last five years)

Performance of indices (£-adjusted)



Datastream indices forward P/E valuations (x)

	Last	High	Low	Five-year average	Last as % of average
Latin America	11.9	15.6	11.5	13.5	88
Brazil	12.7	14.4	10.3	12.3	103
Mexico	11.7	19.8	11.7	16.4	71
US	16.9	19.0	14.8	17.1	98
UK	11.6	15.7	11.3	14.0	83
World	14.3	16.3	13.0	14.9	96

Source: Refinitiv, Edison Investment Research. Note: Valuation data at 16 August 2019.

Fund profile: Latin American equity/government bonds

ALAI is a Jersey-incorporated closed-end investment company, launched on 16 August 2010. The fund is managed by ASI, which aims to generate a total return with an above-average yield, primarily via investing in Latin American securities. ALAI's performance is benchmarked against a sterling-based composite index comprising 60% MSCI EM Latin American 10/40 index and 40% J.P. Morgan Government Bond Index EM Global Diversified (Latin America carve-out). The manager invests in equity, equity-related and fixed income securities; at end-June 2019, the fund held c 61% in equities and c 39% in government bonds. Guidelines dictate that at least 25% of gross assets are held in equities, with at least 25% in fixed income investments, but there are no restrictions on geographic, sector or market cap exposure. At the time of investment, a maximum 15% of gross assets may be held in a single company, with up to 25% in non-investment grade government debt. Unlisted securities may be held at the manager's discretion, and derivatives are permitted (up to 50% of gross assets) for efficient portfolio management and to mitigate risk. The manager may employ gearing (up to 20% of net assets at the time of drawdown); at end-June 2019, net gearing was 11.3%.

The fund manager: Aberdeen Standard Investments

The managers' view: Cautiously optimistic

We met two of ASI's investment managers, Viktor Szabó (emerging market debt team) and Brunella Isper (global emerging markets equities team), who shared their thoughts about the outlook for

Latin America. Szabó says his team favours the region over other emerging markets, noting that from a top-down macro perspective, ‘these are interesting times’. He suggests that Asian economies are most at risk from the US-China trade dispute, including its implications for the global supply chain. The manager says that in Q418, Latin America suffered from falling commodity prices, but emerging markets were supported by more dovish Federal Reserve policy from early 2019, which led to very strong share prices across most regions in H119. He notes that on a global basis, bond yields have continued to fall and so far this year there have been significant inflows into emerging bond markets, reflecting the low-yield, low-growth environment. Szabó says that investors are desperately searching for yield and within the global bond market, there is c $15tn of assets with negative yields (mostly in developed markets, but also creeping into emerging markets).

The managers highlighted important features and developments in Latin America:

- **Brazil** – São Paulo-based Isper says that so far this year, there have been advances in social security and pension reform, which is deemed crucial as the current level of pension spending is unsustainable. There had been concern about the government’s willingness to implement reform, but there have been some positive surprises; the first vote in the lower house of congress was passed by a high margin of safety. If enacted, pension reform could save c $260bn over the next 10 years. The government has other ambitions, including tax reform and simplification, privatisation of state-owned assets, and reducing bureaucracy in the country. Brazilian stocks have rallied on the back of the reform agenda, but the manager suggests there is room for further upside in 2019. One caveat is that consensus GDP growth expectations have been coming down quite consistently since the end of 2018, from 2.5% to 1.0%, as reforms need to be implemented before the benefits show up in the economy. Brazil suffered two years of deep recession in 2015 and 2016 and a robust recovery is yet to materialise, which provides headroom for improved confidence and inflows from international investors. Isper is cautiously optimistic on the outlook for Brazil; she says that on the ground, companies are now better prepared to take advantage of a recovery, having adapted in the downturn to make their businesses more efficient. Brazil’s central bank interest rate is at a record low of 6% (and may come down further), so the manager suggests there are good reasons to believe that corporate earnings are set for positive momentum, despite weak economic growth. She says that valuations are attractive and there are some high-quality investment opportunities in the country.
- **Mexico** – investors had hoped for some respite from uncertainty following the appointment of president Andrés Manuel López Obrador (AMLO); however, he has a more populist rather than market-friendly agenda. He has followed through on his election promises, such as the formation of a national guard. While a positive development is the president’s fiscal conservatism, this stance could come under pressure if economic growth disappoints. National oil company Pemex is sucking up a significant amount of government funds as it struggles with falling production, high capex requirements and a leveraged balance sheet. There is no easy solution to the problem, as if there is too much government support, there is a risk of a sovereign downgrade, but a lack of support will lead to Pemex being downgraded. Szabó says there is a clear case for lower interest rates in Mexico as the central bank tightened more aggressively than the US Federal Reserve, so there is more scope to reduce rates in an environment of slower economic growth and moderating inflation. In light of this, the duration of ALAI’s Mexican bond exposure has been increased.
- **Argentina** has recently been in the headlines following the primary vote ahead of the October 2019 presidential election; populist challenger Alberto Fernández resoundingly beat the incumbent Mauricio Macri, who is perceived as market friendly. Fernández’s running mate is former president Cristina Fernández de Kirchner, who governed from 2007 to 2015 with protectionist policies and is against Argentina’s IMF aid package. The result of the primary election (which is seen as a good predictor of the final election result, given voting is compulsory) has led to dramatic falls in the Argentine stock market and currency in a country

that is already suffering a deep recession and rampant inflation. Szabó believes Argentina cannot survive without the IMF bailout, so the political environment presents a significant tail risk; hence, ALAI's bond exposure to the country has been significantly reduced in recent months.

- **Smaller economies** – Szabó says that growth is slowing, even in Colombia, whose economy had been growing faster than those of Chile, Peru and Uruguay, but whose budget is under pressure partly due to the costs of dealing with Venezuelan migrants, who are taking refuge from the upheaval in their own country. There are also upcoming presidential elections to consider in both Peru and Uruguay, which could lead to changes in governments.

Szabó says that a historically important theme in Latin America has been its problems with corruption (a main weakness in terms of economic, social and governance (ESG) standards). However, the manager argues that tolerance for corruption is diminishing and the perception of immunity from prosecution is gone, which is a big change from three to five years ago. Politicians are now winning elections based on anti-corruption and increased legislation policies, such as in Brazil and Mexico. He says there is an underlying structural improvement in the region, away from corruption, and is hopeful that this will continue, as he considers it would be very beneficial for investor sentiment towards Latin America.

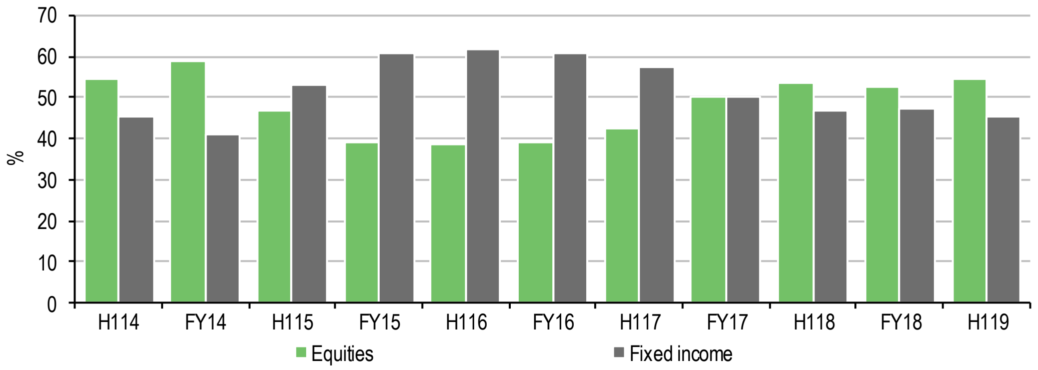
Asset allocation

Investment process: Focus on quality and value

ASI employs a team-based approach, seeking high-quality investments trading on reasonable valuations that can be held for the long term. For equity investments, the global emerging markets equities team seeks companies with stable growth or are benefiting from structural improvements, with robust balance sheets and strong management teams. Potential investee companies undergo bottom-up, proprietary research; regularly meeting company managements is a key element of the investment process, and there is a keen focus on a company's ESG track record. ALAI's equity portfolio turnover is c 15% pa, implying an average seven-year holding period, although some positions have been in the portfolio for more than a decade.

ASI's emerging market debt team seeks high-quality securities that generate a sufficient level of income. Analysis is undertaken on a bottom-up basis, focusing on the perceived prospects of each individual country. ALAI invests only in government or quasi-government issuers, rather than corporate debt, which can be illiquid. Investments are generally made in local rather than hard currencies, but the managers can hedge or take forward currency positions.

Exhibit 3: Portfolio exposure (since FY13)



Source: Aberdeen Latin American Income Fund, Edison Investment Research

ALAI's two investment teams communicate regularly to consider portfolio positioning (including the level of gearing), combining macro and micro inputs and discussing findings from recent trips and company meetings. The relative exposure between equity and debt represents the teams' views on the outlook for Latin America; a higher equity weighting denotes a more bullish outlook. Country and sector weightings will also change depending on where the managers see the best value and opportunities. ASI's investment approach is very risk aware; it has an independent performance and risk team to ensure that funds adhere to their investment guidelines and that managers are aware of their risk exposures.

Current portfolio positioning

Exhibit 4 shows ALAI's portfolio breakdown at end-June 2019. Over the preceding 12 months there was a 10.2pp shift from fixed income into equities. The number of holdings remained steady at 65, while the top 10 concentration was broadly unchanged (45.4% versus 44.5%). The fund's active share at end-June 2019 was 48.2%, versus 60.6% a year earlier. (This is a measure of how a portfolio differs from its benchmark, with 0% representing full index replication and 100% no commonality.)

Exhibit 4: Current portfolio breakdown (% unless stated)

	Portfolio end-June 2019	Portfolio end-June 2018	Change (pp)
Equity exposure	60.6	50.4	10.2
Fixed income exposure	39.4	49.6	(10.2)
Number of holdings	65	65	0

Source: Aberdeen Latin American Income Fund, Edison Investment Research

In terms of geographic exposure, the largest change over 12 months to end-June 2019 is a higher weighting in Brazil (+10.4pp), with lower weightings in the other countries in the region led by Colombia (-3.7pp), Uruguay (-2.9pp) and Mexico (-1.4pp).

Exhibit 5: Total portfolio breakdown by geography (% unless stated)

	Portfolio end-June 2019	Portfolio end-June 2018	Change (pp)
Brazil	53.2	42.8	10.4
Mexico	23.8	25.2	(1.4)
Uruguay	5.3	8.2	(2.9)
Colombia	4.9	8.6	(3.7)
Peru	4.2	4.7	(0.5)
Chile	4.0	4.6	(0.6)
Argentina	3.0	3.9	(0.9)
Cash	1.6	2.0	(0.4)
	100.0	**100.0**	

Source: Aberdeen Latin American Income Fund, Edison Investment Research

So far in 2019, on the equity side, there have been two new holdings and one complete disposal (see below). Isper comments that stock market volatility has afforded opportunities to modestly top up and trim positions, although over this year the position in Petrobras has broadly doubled, as the team has greater conviction in the investment case and the company has been trading at an attractive valuation.

- Rumo – purchased in March 2019 – is the leading independent railway in Brazil. The company's most important asset is its concession between Mato Grosso state and the port in Santos, São Paulo, which is a key export hub in Brazil. Rumo's management team has delivered on an intensive capex programme, which should support future growth and the company has experienced an operational and financial turnaround, with a significant reduction in its level of debt.
- GeoPark – a small position initiated in March 2019 – is a Colombian onshore oil and gas exploration and production (E&P) company. Its main assets are in Colombia, with smaller production operations in Argentina, Brazil and Chile; GeoPark also has development projects in Ecuador and Peru. Isper explains the company has a differentiated business model focusing on

onshore rather than offshore production (onshore is an area often overlooked by major E&P companies). GeoPark's staff are considered to have strong technological and geological expertise and the management team has exhibited strong capital discipline with good operating standards. The company takes ESG standards very seriously, which the ASI investment team gave a high weight to when considering an investment in the business. It had visited GeoPark for more than five years, gaining confidence in the firm as its reserves increased and the company built a longer-term E&P track record.

- Valid – sold in March 2019 – is an IT solutions provider and a SIM card manufacturer. It is a smaller-cap company, where the investment team had growing concerns about the long-term viability of its businesses, many of which are in decline.

Within the fixed income portion of ALAI's portfolio, the manager has meaningfully reduced the Argentine weighting and increased the duration of its Mexican bond exposure in anticipation of lower interest rates. Elsewhere, the Brazilian exposure has increased, while the Colombian exposure was reduced.

Performance: Strong 12-month absolute returns

Exhibit 6: Five-year discrete performance data

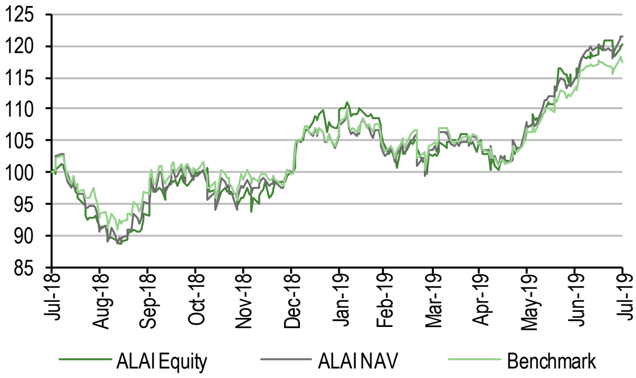
12 months ending	Share price (%)	NAV (%)	Composite benchmark (%)*	MSCI EM Latin American 10/40 (%)	J.P. Morgan GBI-EM Global Diversified (Latin America) (%)
31/07/15	(27.0)	(27.0)	(21.2)	(24.6)	(16.5)
31/07/16	28.8	32.4	25.1	25.5	23.5
31/07/17	22.6	21.1	17.8	19.3	14.9
31/07/18	(5.8)	(5.4)	0.6	1.7	(1.4)
31/07/19	20.1	21.5	17.3	16.8	17.1

Source: Refinitiv. Note: All % on a total return basis in pounds sterling. *Composite benchmark is 60% MSCI EM Latin American 10/40 index and 40% J.P. Morgan Government Bond Index EM Global Diversified (Latin America carve-out).

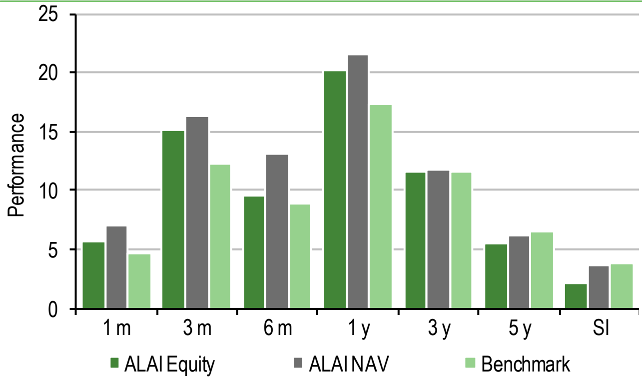
Over the last 12 months to end-July, ALAI's investors have enjoyed strong absolute total returns (NAV +21.5% and share price +20.1%, well ahead of the +17.3% of the benchmark). Isper highlights positive contributions from the holding in Brazilian department store retailer Lojas Renner, as well as having no exposure to Mexican companies América Móvil (telecoms) and Grupo Televisa (media), which performed relatively poorly. The underweight position in Brazilian oil company Petrobras detracted from performance. Within fixed income, Brazilian asset selection added to performance, while the fund's Uruguayan exposure detracted from returns.

Exhibit 7: Investment company performance to 31 July 2019

Price, NAV and benchmark total return performance, one-year rebased



Price, NAV and benchmark total return performance (%)



Source: Refinitiv, Edison Investment Research. Note: Three- and five-year and since inception (SI) performance figures annualised. Inception date is 16 August 2010. Composite benchmark is 60% MSCI EM Latin American 10/40 index and 40% J.P. Morgan Government Bond Index EM Global Diversified (Latin America carve-out).

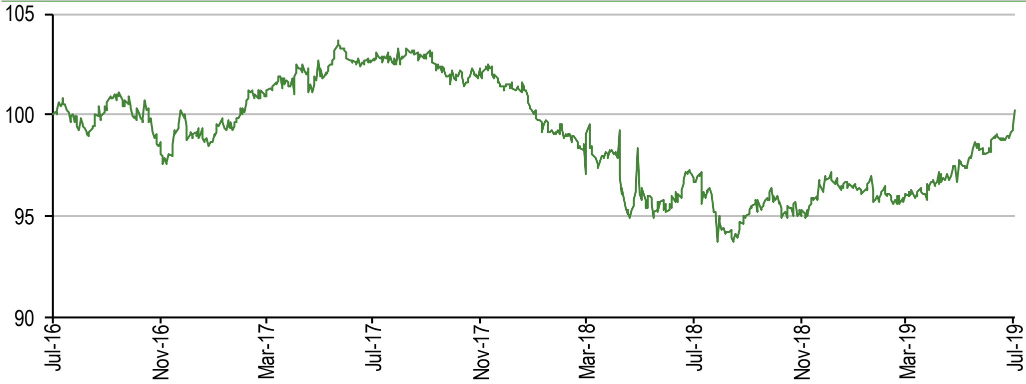
In terms of relative performance, ALAI is ahead of its composite benchmark over one year (a period characterised by elevated stock market volatility), and broadly in line over three years, while its NAV total return has lagged modestly over the last five years and since the fund was launched in 2010. Of note to UK investors, ALAI has outperformed the FTSE All-Share index over the last three years and very convincingly over the last 12 months.

Exhibit 8: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	SI
Price relative to benchmark	1.0	2.6	0.6	2.5	(0.1)	(4.7)	(13.4)
NAV relative to benchmark	2.2	3.5	3.8	3.6	0.2	(1.7)	(1.4)
Price relative to MSCI EM LA 10/40	1.6	3.8	3.6	2.8	(2.0)	(2.6)	(1.5)
NAV relative to MSCI EM LA 10/40	2.7	4.8	7.0	4.0	(1.7)	0.5	12.0
Price relative to JP Morgan LA gov't bond	0.2	0.8	(3.6)	2.6	4.7	(4.6)	(23.9)
NAV relative to JP Morgan LA gov't bond	1.4	1.7	(0.5)	3.8	5.0	(1.5)	(13.4)
Price relative to FTSE All-Share	3.7	12.3	(1.0)	18.6	9.3	(6.1)	(42.5)
NAV relative to FTSE All-Share	4.8	13.4	2.3	20.0	9.7	(3.1)	(34.5)

Source: Refinitiv, Edison Investment Research. Note: Data to end-July 2019. Geometric calculation.

Exhibit 9: NAV total return performance relative to benchmark over three years

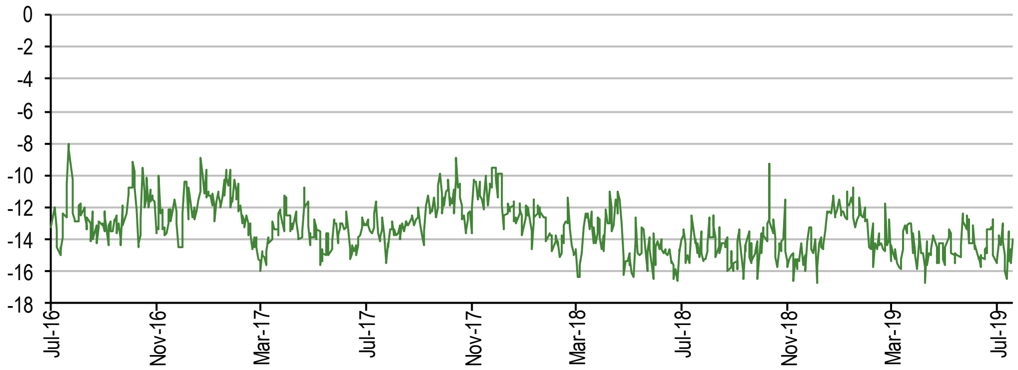


Source: Refinitiv, Edison Investment Research

Discount: Continuing to trade in a range

As shown in Exhibit 10, over the last three years, ALAI has generally traded within a range of a c 10% to c 16% discount. Its current 14.0% discount to cum-income NAV is towards the wider end of the 9.3% to 16.7% range over the last 12 months. It is also wider than the average discounts of 14.1%, 13.3% and 12.2% over the last one, three and five years, respectively.

Exhibit 10: Share price discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Renewed annually, the board has the authority to repurchase up to 14.99% and allot up to 10% of issued shares to manage a discount or premium. In H119, 1.1m shares were repurchased at a weighted average discount of 13.0% and so far in FY19 (ending 31 August), 2.0m shares have been bought back (3.4% of the share base) at a cost of £1.4m.

Capital structure and fees

ALAI is a Jersey-registered investment company with one class of share; there are currently 58.2m ordinary shares in issue (a further 6.1m are held in treasury). It has a three-year £8m, multi-currency, revolving credit agreement with Scotiabank (Ireland), of which £6.5m is drawn (the fund is not permitted to have fixed, long-term borrowings). At end-June 2019, net gearing was 11.3%.

Aberdeen Standard Fund Managers is ALAI's alternative investment fund manager and is paid an annual management fee of 1.0% of the company's NAV (charged 40% to the revenue and 60% to the capital accounts). The fund's ongoing charge ratio (OCR) is capped at 2.0%, with any excess fees rebated. In FY18 the OCR was at the 2.0% cap (1.98% in FY17).

Dividend policy and record

Having been rebased from 4.25p in FY16, due to the depreciation of Latin American currencies, ALAI's annual dividend has remained at 3.50p per share for the last three financial years (it was 1.1x covered in FY18. The fund distributes dividends quarterly, in January, May, July and October. At end-FY18 (after allowing for the final dividend), ALAI had revenue reserves of £1.7m (c 80% of the last annual dividend), with the board seeking to build these to give a full year of cover. It currently offers a 4.9% yield.

Peer group comparison

ALAI is one of two funds in the AIC Latin America sector. Its NAV total return is ahead of its peer group over one year, marginally ahead over five years, while trailing over three years. The fund has a wider discount and a higher ongoing charge (due the impact of fixed costs on a smaller base), and a broadly similar level of gearing. ALAI and BlackRock Latin American have markedly different investment strategies, but both offer attractive dividend yields.

We also compare ALAI with a range of open-ended funds investing in Latin America, although its government bond exposure is a unique feature. Its NAV total returns are above the average return of the open-ended funds over all periods shown. ALAI's dividend yield is also very attractive compared with the average of the open-ended funds.

Exhibit 11: Selected peer group as at 16 August 2019*

% unless stated	Market cap/ fund size £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
Aberdeen Latin American Income	41.7	15.3	19.0	20.8	(14.3)	2.0	No	111	4.9
BlackRock Latin American	180.6	10.7	21.0	19.6	(11.0)	1.0	No	110	5.5
Average	**111.1**	**13.0**	**20.0**	**20.2**	**(12.7)**	**1.5**		**111**	**5.2**
ALAI rank	**2**	**1**	**2**	**1**	**2**	**1**		**1**	**2**
Open-ended funds									
ASI Latin American Equity	138.4	13.4	20.2	26.7		1.6			0.6
Fidelity Latin America	989.1	13.2	16.2	19.6		1.9			0.5
Schroder ISF Latin American	177.2	10.1	22.8	15.5		1.9			2.4
Templeton Latin America	775.0	15.7	17.1	18.9		2.3			1.1
Threadneedle Latin America	425.4	10.7	13.5	4.7		1.7			1.2
Average	**501.0**	**12.6**	**18.0**	**17.1**		**1.9**			**1.2**

Source: Morningstar, Edison Investment Research. Note: *Performance as at 15 August 2019. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

ALAI's board has four independent, non-executive directors. Richard Prosser has been the chairman since the fund's launch in 2010, while George Baird has also been on the board since launch. As part of the board's refreshment programme, Hazel Adam became a director on 27 April 2018. The newest member of the board is Heather MacCallum (since 24 April 2019); she is a chartered accountant and was formerly a partner of KPMG, Channel Islands. MacCallum is a non-executive director and chair of the audit committee of Jersey Water and Blackstone/GSO Loan Financing and is a non-executive director of Kedge Capital Fund Management.

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