

**Aberdeen Latin America Equity Fund Inc****LAQ****Morningstar Peer Group Classification**

Morningstar US LatinAmerica Eqty P

**Investment Objective**

The Fund seeks long term capital appreciation through investment in equity securities of Mexico, Brazil, Chile, Argentina and other Latin American countries

**Valuation**

	16 May 2012	12m High & Low
Price	\$31.03	\$39.25 / \$28.39
NAV	\$33.86	\$43.27 / \$31.56
Discount	-8.37%	-6.37% / -11.09%
Peer Group Discount	-7.58%	
Z-Statistic <sup>1</sup>	1.36	

Inception Date	25 Jul 1990
Exchange	NY Stock Exchange AMEX
NAV Ticker	XLAQX
Total Assets	\$252.207m
Net Assets	\$252.207m
Market Capitalization	\$231.102m
Common Shares Outstanding	7,448,517
Preferred Shares Amount	\$-
Total Leverage Ratio <sup>2</sup>	0%
1940 Act Leverage Ratio <sup>3</sup>	0%
Non-1940 Act Leverage Ratio <sup>4</sup>	0%
Average Daily Shares Traded (1yr)	0.011m
Average Daily Value Traded (1yr)	\$0.358m
Total Expense Ratio <sup>5</sup> (2011)	1.19%
Income-only Rate (Price) <sup>6</sup>	2.19%
Inc & Cap Gains Rate (Price) <sup>7</sup>	2.19%
Total Distribution Rate (Price) <sup>8</sup>	2.19%
Latest Distribution Cover <sup>10</sup>	N/A
Latest UNII per share <sup>11</sup>	\$-0.3662

**Distribution Policy**

The fund pays Semi-annual distributions

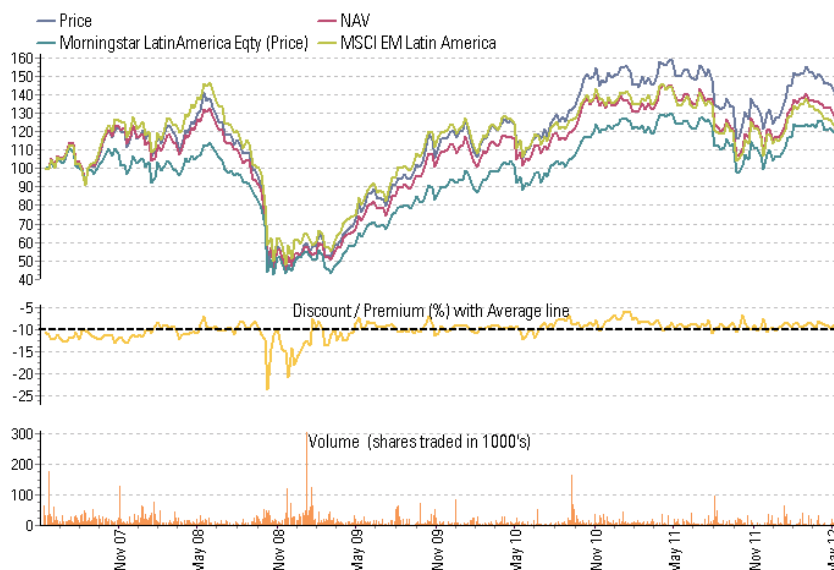
**Latest Distribution History<sup>12</sup>**

Ex-Date	Income	S/T Cap	L/T Cap	Tot Cap	Rtn Cap	Total
28 Mar 2012	0.0261					0.0261
28 Dec 2011	0.5879					0.5879
28 Dec 2011		0.1089	1.2259	1.3348		1.3348*
28 Sep 2011	0.0645					0.0645
28 Dec 2010	0.3649					0.3649
28 Dec 2010		0.3948	0.0458	0.4406		0.4406*
10 Sep 2010	0.1070	0.6710		0.6710		0.7780
10 Sep 2010			8.5040	8.5040		8.5040*
18 Dec 2009	0.5806	0.4083		0.4083		0.9889
28 Sep 2009	0.0156					0.0156
24 Dec 2008	0.4400					0.4400
24 Dec 2008			2.0500	2.0500		2.0500*

\* Special Distribution

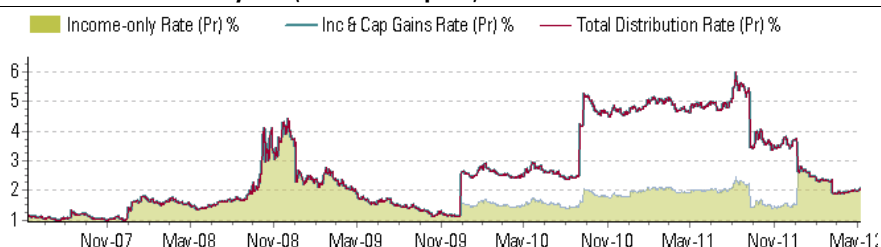
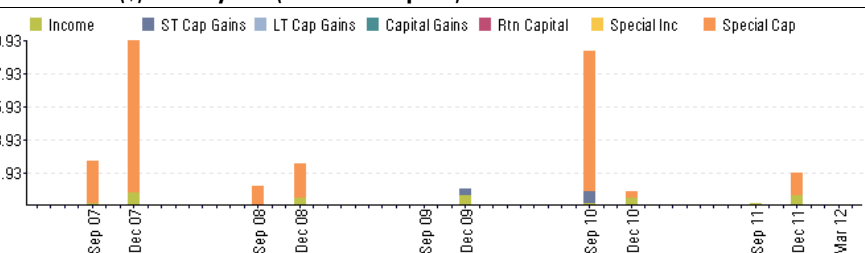
**Asset Class (% Total Assets) as at 31 Dec 2011**

Equity - Listed	104.8%
Cash Alternatives	-5.0%
Debt - Short term	0.2%

**Total Return Performance over 5 years (or since inception)****Performance (Total Return%<sup>13</sup>)****(Annualized)**

	1 W	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr
Price	-3.84	-8.93	-12.12	+0.22	+3.15	-11.50	+20.27	+5.96
NAV	-4.73	-9.66	-13.30	-1.60	+1.96	-12.67	+18.52	+3.67
Peer Group (Price)	-5.38	-8.72	-9.74	-0.18	+3.77	-10.92	+20.38	+2.11
Peer Group (NAV)	-5.23	-7.77	-9.17	+1.07	+4.26	-10.70	+18.31	+0.48
Benchmark	-6.11	-11.51	-16.11	-6.92	-2.12	-16.56	+11.63	+2.51

Benchmark: MSCI EM LATIN AMERICA

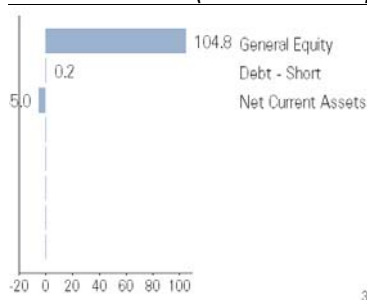
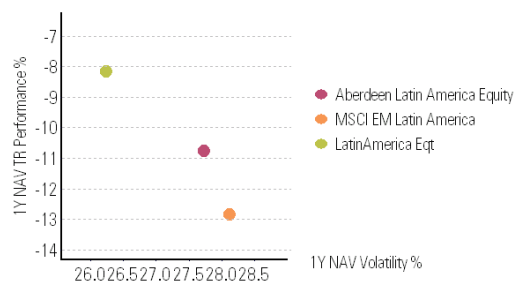
Fund distributions reinvested on ex-dividend date<sup>8</sup>**Distribution Rates over 5 years (or since inception)****Distributions (\$) over 5 years (or since inception)****Distribution History by Calendar Year<sup>12</sup>**

Year	Income	S/T Cap	L/T Cap	Tot Cap	Rtn Cap	Total
2012	0.0261					0.0261
2011	0.6524					1.9873*
2010	0.4719	0.6710		0.6710		10.0875*

\* Includes Special Distribution(s)

**Aberdeen Latin America Equity Fund Inc****LAQ****Largest Holdings (% Portfolio) as at 29 Feb 2012**

Petroleo Brasileiro SA Petrobras ADR	9.1%
Vale S.A. ADR	8.8%
America Movil SAB de CV	5.2%
Bank Bradesco	5.2%
Lojas Renner S.A.	4.5%
Mexican Economic Development, Inc. ADR	4.2%
Multipan Empreendimentos Imobiliarios S	4.1%
Ultrapar Holdings Inc ADR	4.1%
Grupo Financiero Banorte SAB de CV	3.7%
Tenaris SA ADR	3.5%
<b>Total</b>	<b>52.2%</b>

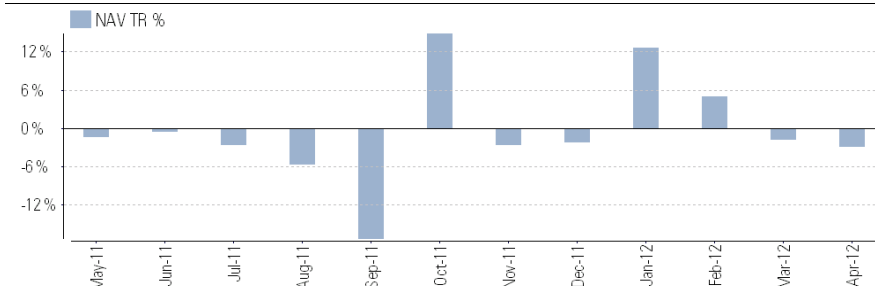
**Sector Breakdown (% of total assets)****Geographic Breakdown (% of total assets)****Risk & Return****Risk & Correlation**

	3 Mo	6 Mo	1 Yr	3 Yr	5 Yr
Alpha (NAV) <sup>19</sup>	0.02	0.04	0.33	0.47	0.07
Beta (NAV) <sup>20</sup>	0.85	0.91	0.92	0.99	1.00
R-squared (NAV) <sup>21</sup>	0.87	0.89	0.98	0.97	0.98
Sharpe (NAV) <sup>22</sup>	-0.30	0.53	0.01	1.20	0.42
Price Volatility <sup>23</sup>	18	21	29	26	41
NAV Volatility <sup>23</sup>	17	22	28	25	36
Benchmark Volatility <sup>23</sup>	19	22	28	25	37
Peer Group Price Volatility <sup>23</sup>	16	19	26	23	33
Peer Group NAV Volatility <sup>23</sup>	16	19	26	22	30

Benchmark: MSCI EM LATIN AMERICA

**Latest Earnings for 6m to 31 Dec 2011**

EPS Pre-Prefs distributions, p/m	\$0.0625
EPS Post-Prefs distributions, p/m	\$0.0625
Last Distribution (Income), p/m	\$0.0043
Last Distribution (Inc & Cap Gns), p/m	\$0.0043
Last Distribution (Inc, Cap Gns & Rtn Cap), p/m	\$0.0043
Earnings Rate <sup>16</sup>	1440.47
Distribution Cover <sup>10</sup>	N/A
UNII per Share (31 Dec 2011)	-\$0.3662
Expected Life of UNII (months) <sup>17</sup>	n/a

**Discrete Monthly NAV Total Return %****Latest Capital Gains for 6m to 31 Dec 2011**

Realized Cap Gains per share p/m	\$0.0161
Unrealized Cap Gains per share p/m	-\$1.3143

**Capital Reserves as at 31 Dec 2011**

Accumulated Unrealized Capital Gains per share	\$8.6205
Accumulated Unrealized Cap Gains/Current NAV <sup>18</sup>	26%

**Management Fees**

Quarterly Adviser fee calculated on lower of average weekly market value or net assets at annual rate of 1.00% up to \$100m, 0.90% on next \$50m, and 0.80% over \$150m, plus \$20,000 admin fee. Chilean Investment sub-Adviser paid out of Adviser fee at annual rate of 0.10%. Annual Admin fee 0.10% of assets invested in Chilean securities. Monthly US Admin fee at annual rate of 0.10% on first \$100m and 0.08% over \$100 million.

**Fund Manager Details****Fund Manager:****Aberdeen Asset Management Inc**

1735 Market Street,, 32th Floor,, Philadelphia, PA 19103

**Telephone:****Website:** www.aberdeen-asset.us/usmutualfunds/closedhome**Initial Public Offering**

4,000,000 Common shares at 15.00 USD on 25 Jul 1990 raising 60.0m gross and 54.6m net of expenses

**Additional Performance (Cumulative, i.e. Non-Annualized) Total Return %<sup>13</sup>**

Period	Price	NAV	PG Price	PG NAV	FD B'mark
2012	+3.15	+1.96	+3.77	+4.26	-2.12
2011	-17.02	-15.96	-16.52	-17.07	-19.15
2010	+27.89	+23.29	+35.54	+30.58	+14.89
2009	+121.23	+109.17	+77.33	+76.10	+104.19
2008	-54.47	-54.05	-50.45	-50.74	-51.28
2007	+38.67	+42.50	+20.38	+20.27	+50.67
Since Inception (25 Jul 1990)	+1614.13	+2048.93	-	-	+2668.99
Since S&P 500 Low (5 Mar 09)	+155.89	+137.64	+153.18	+135.95	+102.13
Since Sub-Prime Crisis (20 Nov 07)	+13.96	+0.79	+9.80	-1.48	-7.09
Since NASDAQ Recovery (30 Sep 02)	+827.63	+674.07	+726.11	+617.85	+759.09
Since Sep 11 (11 Sep 01)	+651.14	+540.25	+628.34	+508.95	+553.42
Since Enron collapse (15 Oct 01)	+688.17	+529.50	+683.46	+510.46	+559.55

## Notes

- 1** Z-Statistic 1y shows whether the fund's current discount is significantly higher or lower than the average over the past year, calculated as  $(\text{Current Discount} - \text{Mean}) / \text{Std Dev}$
- 2** Total Leverage Ratio is a measure of how leveraged the fund is by the use of all types of leverage instruments. It is calculated by dividing the sum of the fund's leverage (includes Preferred Shares, Loans, Lines of Credit, Notes Payable/Commercial Paper, Tender Option Bonds, Reverse Repurchase Agreements, Securities Lending and Dollar Rolls) by the fund's Total Assets.
- 3** 1940 Act Leverage Ratio is a measure of how leveraged the fund is by the use of instruments classed as leverage under the 1940 Investment Company Act. It is calculated by dividing the sum of the fund's leverage in the form of Preferred Shares, Loans, Lines of Credit, Notes Payable & Commercial Paper, by the fund's Total Assets minus non-1940 Act Leverage.
- 4** Non-1940 Act Leverage Ratio is a measure of how leveraged the fund is by the use of instruments that are not classed as leverage under the 1940 Investment Company Act. It is calculated by dividing the sum of the fund's leverage in the form of Tender Option Bonds, Reverse Repurchase Agreement, Securities Lending & Dollar Rolls, by the fund's Total Assets minus 1940 Act Leverage.
- 5** Total Expense Ratio is calculated by dividing the total expenses for the year, minus the cost of leverage (i.e. debt servicing and Preferred distributions), by the net assets attributable to the common shares.
- 6** Income-only Rate is calculated by annualizing the income component of the latest regular distribution.
- 7** Inc & Cap Gains Rate is calculated by annualizing the income and capital gains components of the latest regular distribution.
- 8** Total Distribution Rate is calculated by annualizing the total latest distribution (income, capital gains and return of capital components). It is important to note that this Rate may include net investment income, capital gains and/or return of capital.  
(All Rates are expressed as a percentage of latest Share Price and exclude "Special" distributions. The finalized composition –i.e. % income, % capital gains, % return of capital - of distributions for previous years is sourced from the official 10-99 reports. The estimated composition of the distributions for the current calendar year is sourced from section 19a-1 notices published by the funds; these estimates are subject to change at the year-end.)
- 9** Tax-Equivalent Rate represents the Rate an investor in the highest federal tax bracket would require on a taxable fund to match the tax-exempt Rate paid by the fund. It is calculated by dividing the Income-only Rate (Price) by  $(1 \text{ minus the federal tax rate of } 35\%)$ .
- 10** Distribution Cover is calculated by dividing the latest net earnings per share per month after distributions to Preferred Shareholders by the latest total distribution paid per month. A Distribution Cover figure consistently less than 100 indicates that the fund's distribution is at least in part funded from capital gains/return of capital.
- 11** Latest UNII per share is the Undistributed Net Investment Income per share
- 12** Some or all of the distributions from income and short-term capital gains may be classed as qualified dividend income and subject to a reduced federal tax rate of 15%.
- 13** Total Return Performance is calculated by reinvesting distributions at the actual closing share price or NAV on the ex-dividend date as opposed to any dividend reinvestment plan ("DRIP") price. DRIP policies vary greatly between Funds whereas the Morningstar calculation is a pure and consistent calculation across all Funds. Therefore the Total Return performance data may vary slightly from the performance data reported by the Fund. All performance returns are calculated up to the close of business on the previous day, with the exception of the calendar year performance figures in the Additional Performance table on page 2
- 14** % Subject to AMT shows the percentage of the fund's portfolio subject to the Alternative Minimum Tax.
- 15** % Insured shows the percentage of the fund's portfolio insured against loss of principal and coupons.
- 16** Latest Earnings Rate is calculated by dividing the latest net earnings per share per month after distributions to Preferred Shareholders by the latest distribution (income component only) paid per month. An Earnings Rate of less than 100 indicates that the fund is under-earning its current distribution from income.
- 17** Expected Life of UNII (months) is calculated when the Earnings Rate is less than 100%, dividing the UNII per share by the monthly shortfall of net investment income to the latest distribution (income component only) paid per month. The statistic is not calculated if UNII is negative.
- 18** Accumulated Unrealized Capital Gains / NAV shows the accumulated capital gains since the fund's inception as a percentage of current NAV; it is effectively a measure of the store of value within a fund that could be paid out as capital gains were the investments on which gains have been made realized.
- 19** Alpha: The difference between the fund's average excess total return and the benchmark's average excess total return.
- 20** Beta: The sensitivity of the fund to broad market movements. A Beta of 0.5 would imply the fund will move by half as much as the index.
- 21** R-squared: A measure of correlation between the fund and index. A value of 0.8 means that 80% of the fund's NAV changes can be explained by changes in the index.
- 22** Sharpe: A risk-adjusted return measure, calculated by dividing the fund's average monthly excess total return over the risk-free rate by the standard deviation of those returns. The figure shown is the annualized Sharpe Ratio.
- 23** Volatility: The annualized standard deviation of the logged daily returns, adjusting for distributions.  
(Risk & Correlation: all statistics calculated on NAV using monthly values, except for volatility that uses daily values.)