

ABERDEEN CHILE FUND, INC.  
Form N-CSRS  
September 06, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT  
COMPANIES**

Investment Company Act file number:	811-05770
Exact name of registrant as specified in charter:	Aberdeen Chile Fund, Inc.
Address of principal executive offices:	1735 Market Street, 32nd Floor Philadelphia, PA 19103
Name and address of agent for service:	Ms. Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street 32nd Floor Philadelphia, PA 19103
Registrant's telephone number, including area code:	800-522-5465
Date of fiscal year end:	December 31
Date of reporting period:	June 30, 2013

---

Item 1 Reports to Stockholders

---







## Managed Distribution Policy (unaudited)

## Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

The Board of Directors of the Fund has authorized a managed distribution policy ( MDP ) of paying quarterly distributions at an annual rate, set once a year, that is a percentage of the rolling average of the Fund 's prior four quarter-end net asset values. With each distribution, the Fund will issue a notice to shareholders and an accompanying press release which will provide detailed information regarding the amount and composition of the distribution and other

information required by the Fund 's MDP exemptive order. The Fund 's Board of Directors, at its discretion, may amend or terminate the MDP at any time without prior notice to shareholders; however, at this time, there are no reasonably foreseeable circumstances that might cause the termination of the MDP. You should not draw any conclusions about the Fund 's investment performance from the amount of distributions or from the terms of the Fund 's MDP.

## Distribution Disclosure Classification (unaudited)



## Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

The Fund's policy is to provide investors with a stable distribution rate. Each quarterly distribution will be paid out of current income, supplemented by realized capital gains and, to the extent necessary, paid-in capital.

The Fund is subject to U.S. corporate, tax and securities laws. Under U.S. tax rules, the amount applicable to the Fund and character of distributable income and gains and losses realized by the Fund for each fiscal period depends on the actual exchange rates during the entire year between the U.S. Dollar and the currencies in which Fund assets are denominated.

Therefore, the exact amount of distributable income for each fiscal year can only be determined as of the end of the Fund's fiscal year, December 31. Under Section 19 of the Investment Company Act of 1940, as amended (the "1940 Act"), the Fund is required to indicate

the sources of certain distributions to shareholders. The estimated distribution composition may vary from quarter to quarter because it may be materially impacted by future income, expenses and realized gains and losses on securities and fluctuations in the value of the currencies in which Fund assets are denominated.

Based on generally accepted accounting principles, the Fund estimates that distributions for the fiscal year commenced January 1, 2013, including the distribution paid on July 12, 2013, consisted of 14% net investment income, 1% net realized short-term capital gains, 34% net realized long-term capital gains and 51% return of capital.

In January 2014, a Form 1099-DIV will be sent to shareholders, which will state the amount and composition of distributions and provide information with respect to their appropriate tax treatment for the 2013 calendar year.

## Dividend Reinvestment and Direct Stock Purchase Plan (unaudited)

## Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

Computershare Trust Company, N.A. ( Computershare ), the Fund's transfer agent, sponsors and administers a Dividend Reinvestment and Direct Stock Purchase Plan (the Plan ), which is available to shareholders.

The Plan allows registered shareholders and first time investors to buy and sell shares and automatically reinvest dividends and capital gains through the transfer agent. This may be a cost-effective way to invest in the Fund.

Please note that for both purchases and reinvestment purposes, shares will be purchased in the open market at the current share price and cannot be issued directly by the Fund.

For more information about the Plan and a brochure that includes the terms and conditions of the Plan, please call Computershare at 1-800-647-0584 or visit [www.computershare.com/buyaberdeen](http://www.computershare.com/buyaberdeen).



## Letter to Shareholders (unaudited)

Dear Shareholder,

We present this Semi-Annual Report which covers the activities of Aberdeen Chile Fund, Inc. (the Fund) for the six-month period ended June 30, 2013. The Fund's principal investment objective is to seek total return, consisting of capital appreciation and income, by investing primarily in Chilean securities.

### Total Return Performance

For the six-month period ended June 30, 2013, the total return to shareholders of the Fund, based on the net asset value (NAV) of the Fund, was (10.5)%, assuming reinvestment of dividends and distributions, versus a return of (10.7)% for the Fund's benchmark, the MSCI Chile Index.

### Share Price and NAV

For the six-month period ended June 30, 2013, based on market price, the Fund's total return was (6.9)%, assuming reinvestment of dividends and distributions. The Fund's share price decreased 11.9% over the six months, from \$15.09 on December 31, 2012 to \$13.30 on June 30, 2013. The Fund's share price on June 30, 2013 represented a premium of 4.2% to the NAV per share of \$12.76 on that date, compared with a premium of 0.2% to the NAV per share of \$15.06 on December 31, 2012.

### Managed Distribution Policy

The Fund has a managed distribution policy of paying quarterly distributions at an annual rate, set once a year, that is a percentage of the rolling average of the Fund's prior four quarter-end net asset values. In September 2012, the Board of Directors of the Fund (the Board) determined the rolling distribution rate to be 10% for the 12-month period commencing with the distribution will be made from current income, supplemented by realized cap gains and, to the extent necessary, paid-in capital, which is a non-taxable return of capital.

On July 2013, the Fund paid a distribution of USD \$0.38 per share to all shareholders of record as of June 28, 2013.

### Open Market Repurchase Program

The Fund's policy is generally to buy back Fund shares on the open market when the Fund trades at certain discounts to NAV. During the six-month period ended June 30, 2013 and fiscal year ended December 31, 2012, the Fund did not repurchase any shares.

## Portfolio Holdings Disclosure

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The information on Form N-Q is also available to

shareholders on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-866-839-5205.

## Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available by August 30 of the relevant year: (i) upon request and without charge by calling Investor Relations toll-free at 1-866-839-5205; and (ii) on the SEC's website at <http://www.sec.gov>.

## Investor Relations Information

As part of our ongoing commitment to provide information to our shareholders, I invite you to visit the Fund on the web at [www.aberdeench.com](http://www.aberdeench.com). From this page, you can view monthly fact sheets and portfolio manager commentary, obtain distribution and performance information, view updated daily fact sheets courtesy of Morningstar®, conduct portfolio charting and view other timely data.

Please take a look at Aberdeen's award-winning Closed-End Fund Talk Channel, where you can watch fund manager web casts and view our latest short films. For replays of recent broadcasts or to register for upcoming events, please visit Aberdeen's Closed-End Fund Talk Channel at [www.aberdeen-asset.us/aam.nsf/usClosed/aberdeentv](http://www.aberdeen-asset.us/aam.nsf/usClosed/aberdeentv).

Please ensure that you are enrolled in our email services, which feature timely news from Aberdeen portfolio managers located around the world. Enroll today at [www.aberdeen-asset.us/aam.nsf/usclosed/email](http://www.aberdeen-asset.us/aam.nsf/usclosed/email) and be among the first to receive the latest closed-end fund news, announcements of upcoming fund manager web casts, films and other information. Please note that Aberdeen does not share our shareholder information with any other organizations.

Please contact Aberdeen Asset Management Inc. by:

- Calling toll free at 1-866-839-5205 in the United States;
- Emailing [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com);
- Visiting [www.aberdeench.com](http://www.aberdeench.com).

Yours sincerely,

**Christian Pittard**  
President





## Report of the Investment Adviser (unaudited)

## Market Review

Chilean equities fell during the six-month period ended June 30, 2013, underperforming the broader emerging markets asset class. The year began on a positive note, as the local stock market was buoyed by an improving global backdrop, receding worries about the fiscal crisis in Europe, and relief as U.S. lawmakers forged a last-minute deal to avert the fiscal cliff. However, gains were reversed as the prospect of the U.S. Federal Reserve starting to reduce its bond purchases sparked a sharp sell-off late in the reporting period potentially depressing stock markets for some time to come. Investor sentiment was further roiled by fears that a credit crunch in China would weaken its demand for resources including copper, Chile's top export. The normally defensive Chilean market was also affected by concerns that the likely winner of the upcoming presidential elections will raise corporate taxes. On the economic front, the nation's gross domestic product (GDP) grew by less than expected in the first quarter, despite robust mining activity.<sup>1</sup> The central bank lowered its growth forecasts for the year, but kept interest rates unchanged as consumption remained healthy<sup>2</sup> and unemployment remained near record lows.<sup>3</sup>

## Fund Performance Review

One of the key contributors to the Fund's relative performance for the reporting period was that the Fund was underweight versus the MSCI Chile Index in Latam Airlines. The company was weighed down by a difficult travel environment, particularly in Brazil after the takeover of local airline TAM. The lack of exposure to miner CAP Minería, whose shares fell in tandem with commodity price weakness, also helped performance. In addition, the Fund's more domestically-driven consumer holdings, including beverage company Coca-Cola Embonor and retailer Falabella, performed well as demand remained healthy,

while wine producer Concha y Toro benefited from investors' confidence in the prospect of a recovery in margins this year due to falling grape prices.

Conversely, fertilizer company SQM was among the main detractors from Fund performance, as the company's shares were hampered by weaker growth prospects and regulatory uncertainties in view of the upcoming elections. The Fund's lack of positions in utility companies such as AES Gener and Aguas Andinas also hurt its relative performance as the defensive sector outperformed the overall market; although, the Fund has exposure to Aguas Andinas through its controlling shareholder, Inversiones Aguas Metropolitanas, which was one of the Fund's top-performing holdings over the semiannual period.

## Outlook

We maintain a cautious outlook on Chilean equities, as we feel that the country's export dependence makes it vulnerable to weakness from major trading partners. In particular, we believe that the recent credit tightening in China is a key risk, as prices of Chile's top export, copper, are largely driven by Chinese demand. In our view, Chile may find it difficult to match the robust growth rates it has been enjoying if the commodity super cycle is indeed coming to an end. In addition, we feel that the looming prospect of an end to quantitative easing in the U.S. may potentially depress stock markets for some time to come. Domestically, however, still-healthy private consumption and investment should continue to support future growth, in our opinion. Regardless of market sentiment, we remain committed to our investment strategy of focusing on what we believe are high-quality companies trading at reasonable valuations.

1,2,3 Source: Banco Central de Chile, June 2013

2 Aberdeen Chile Fund, Inc.

## Portfolio Summary (unaudited)

The following chart summarizes the composition of the Fund's portfolio, in industry classification standard sectors, expressed as a percentage of net assets. An industry classification standard sector can include more than one industry group. As of June 30, 2013, the Fund did not have more than 25% of its assets invested in any industry group. The sectors, as classified by S&P's Global Industry Classification Standard Sectors, are comprised of several industry groups.

The following chart summarizes the composition of the Fund's portfolio, in sector classification, expressed as a percentage of net assets.

## Top Ten Equity Holdings (unaudited)

Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

The following were the Fund's top ten holdings, by Issuer, as of June 30, 2013.

Holding	Percent of Net Assets
1. S.A.C.I. Falabella	11.2%
2. Empresas COPEC S.A.	11.2%
3. Banco Santander Chile	10.2%
4. Empresas CMPC S.A.	9.4%
5. Enersis S.A.	8.9%
6. Sociedad Química y Minera de Chile S.A.	8.1%
7. Embotelladora Andina S.A., PNA	4.9%
8. Banco de Chile	4.9%
9. Viña Concha y Toro S.A.	4.7%
10. Cia Cervecerías Unidas S.A.	4.6%

## Average Annual Returns (unaudited)

The following table summarizes Fund performance compared to the MSCI Chile Index, the Fund's benchmark, for the 1-year, 3-year, 5-year and 10-year periods ended June 30, 2013.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	(6.54)%	2.70%	5.05%	15.07%
Market Value	(3.17)%	6.31%	8.26%	17.86%
MSCI Chile Index	(10.06)%	2.81%	6.88%	17.17%

*Aberdeen Asset Managers Limited has entered into a written contract with the Fund to waive a portion its fees, without which performance would be lower. See Note 3 in the Notes to Financial Statements. This contract's term aligns with the term of the advisory agreement and may not be terminated prior to the next annual consideration of the advisory agreement. Returns represent past performance. Total investment return at net asset value is based on changes in the net asset value of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the Fund's dividend reinvestment program sponsored by the Fund's transfer agent. Total investment return at market value is based on changes in the market price at which the shares traded on the NYSE MKT during the period and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program sponsored by the Fund's transfer agent. The Fund's annual total return is based on the reported NAV on June 30, 2013. Because the Fund's shares trade in the stock market based on investor demand, the Fund may trade at a price higher or lower than its NAV. Therefore, returns are calculated based on both market price and NAV. **Past performance is no guarantee of future results.** The performance information provided does not reflect the deduction of taxes that a shareholder would pay on distributions received from the Fund. The current performance of the Fund may be lower or higher than the figures shown. The Fund's yield, return, market price and NAV will fluctuate. Performance information current to the most recent month-end is available by calling 866-839-5205.*

*The annualized gross expense ratio is 2.08%. The annualized net expense ratio after fee waivers and/or expense reimbursements is 1.87%.*

4 Aberdeen Chile Fund, Inc.



## Portfolio of Investments (Unaudited)

June 30, 2013

No. of Shares	Description	Value
<b>LONG-TERM EQUITY SECURITIES 101.4%</b>		
<b>AIRLINES 2.6%</b>		
182,500	Latam Airlines Group S.A.	\$ 3,096,088
<b>BEVERAGES 16.8%</b>		
387,283	Cia Cervecerías Unidas S.A.	5,530,436
1,343,011	Coca-Cola Embonor S.A., PNA(a)	3,066,416
1,342,161	Embotelladora Andina S.A., PNA	5,917,608
2,847,000	Viña Concha y Toro S.A.	5,562,087
		<b>20,076,547</b>
<b>CHEMICALS 8.1%</b>		
115,650	Sociedad Química y Minera de Chile S.A., Class B, ADR	4,672,260
125,500	Sociedad Química y Minera de Chile S.A., PNB	5,088,672
		<b>9,760,932</b>
<b>COMMERCIAL BANKS 17.1%</b>		
40,263,948	Banco de Chile	5,809,167
41,450	Banco de Crédito e Inversiones	2,439,517
198,886,987	Banco Santander Chile	12,233,478
		<b>20,482,162</b>
<b>ELECTRIC UTILITIES 8.9%</b>		
32,441,000	Enersis S.A.	10,689,152
<b>INDEPENDENT POWER PRODUCERS &amp; ENERGY TRADERS 2.3%</b>		
1,850,000	Empresa Nacional de Electricidad S.A.	2,720,106
<b>IT SERVICES 4.5%</b>		
1,857,000	Sonda S.A.	5,409,625
<b>MULTILINE RETAIL 11.2%</b>		
1,237,083	S.A.C.I. Falabella	13,392,297
<b>OIL, GAS &amp; CONSUMABLE FUELS 11.2%</b>		
1,021,889	Empresas COPEC S.A.	13,375,774
<b>PAPER &amp; FOREST PRODUCTS 9.4%</b>		
3,648,130	Empresas CMPC S.A.	11,252,081
<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT 4.1%</b>		
2,271,000	Parque Arauco S.A.	4,961,736
<b>WATER UTILITIES-2.4%</b>		
1,442,500	Inversiones Aguas Metropolitanas S.A.	2,816,545
<b>WIRELESS TELECOMMUNICATION SERVICES 2.8%</b>		
203,000	ENTEL Chile S.A.	3,396,319
	<b>Total Long-Term Equity Securities (cost \$65,442,331)</b>	<b>121,429,364</b>



## Portfolio of Investments (Unaudited) (concluded)

June 30, 2013

Principal Amount (000 s)	Description	Value
<b>SHORT-TERM INVESTMENT 0.1%</b>		
<b>UNITED KINGDOM 0.1%</b>		
\$151	JPMorgan Chase & Co., overnight deposit, 0.03%, 07/01/13 (cost \$151,000)	\$ 151,000
	<b>Total Investments 101.5% (cost \$65,593,331)</b>	<b>121,580,364</b>
	Liabilities in Excess of Cash and Other Assets (1.5)%	<b>(1,769,889)</b>
	<b>Net Assets 100.0%</b>	<b>\$119,810,475</b>

(a) Illiquid Security.

ADR American Depositary Receipts.

PNA Preferred Shares, Class A.

PNB Preferred Shares, Class B.

See Notes to Financial Statements.





## Statement of Assets and Liabilities (unaudited)

As of June 30, 2013

### Assets

Investments, at value (Cost \$65,593,331)	\$ 121,580,364
Cash (including \$2,359,187 of foreign currencies with a cost of \$2,531,849)	2,359,301
Dividends receivable and other assets	32,496
Prepaid expenses in connection with at-the-market stock offering	309,376
<b>Total assets</b>	<b>124,281,537</b>

### Liabilities

Dividends and distributions (Note 2)	3,566,869
Investment advisory fees payable (Note 3)	298,677
Administration fees payable (Note 3)	54,529
Directors' fees payable	52,193
Investor relations fees payable (Note 3)	18,503
Chilean repatriation taxes (Note 2)	182,884
Accrued expenses and other liabilities	297,407
<b>Total liabilities</b>	<b>4,471,062</b>

### Net Assets

**\$119,810,475**

#### Net Assets consist of

Capital stock, \$0.001 par value (Note 5)	\$ 9,387
Paid-in capital	67,861,000
Distributions in excess of net investment income	(6,222,332)
Accumulated net realized gain on investments and foreign currency related transactions	2,511,787
Net unrealized appreciation on investments and foreign currency translation	55,650,633
<b>Net Assets applicable to shares outstanding</b>	<b>\$119,810,475</b>
Net asset value per share, based on 9,386,497 shares issued and outstanding	\$ 12.76

See Notes to Financial Statements.



## Statement of Operations (unaudited)

For the Six-Month Period Ended June 30, 2013

### Investment Income

#### Income:

Dividends and other income	\$ 2,338,081
Less: Foreign taxes withheld	(27,494)
Total investment income	2,310,587

#### Expenses:

Investment advisory fees (Note 3)	803,930
Directors' fees and expenses	78,497
Administration fees (Note 3)	78,209
Custodian's fees and expenses	72,833
Reports to shareholders and proxy solicitation	41,893
Legal fees and expenses	37,611
Investor relations fees and expenses (Note 3)	35,946
Independent auditor's fees and expenses	29,496
Insurance expense	16,860
Transfer agent's fees and expenses	13,910
Miscellaneous	9,349
Chilean repatriation taxes (Note 2)	234,397
Total expenses	1,452,931
Less: Fee waivers and Reimbursements (Note 3)	(147,614)
Net expenses	1,305,317

Net investment income

1,005,270

### Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency Related Transactions

#### Net realized gain/(loss) on:

Investment transactions	4,449,462
Foreign currency transactions	66,152
Net change in unrealized depreciation of investments and foreign currency translation (includes \$164,145 of Chilean taxes on unrealized gains) (Note 2)	(19,787,589)
Net realized and unrealized loss on investments and foreign currency transactions	(15,271,975)
Net Decrease in Net Assets Resulting from Operations	\$(14,266,705)

See Notes to Financial Statements.



8 Aberdeen Chile Fund, Inc.

## Statements of Changes in Net Assets

	For the Six-Month Period Ended June 30, 2013 (unaudited)	For the Year Ended December 31, 2012
<b>Increase/(Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 1,005,270	\$ 1,197,651
Net realized gain on investments and foreign currency related transactions	4,515,614	11,593,267
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations	(19,787,589)	7,075,112
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>(14,266,705)</b>	<b>19,866,030</b>
<b>Dividends and distributions to shareholders from:</b>		
Net investment income	(7,227,602)	(1,226,888)
Net realized gain on investments		(13,762,263)
Total dividends and distributions to shareholders	(7,227,602)	(14,989,151)
<b>Capital share transactions:</b>		
Issuance of 0 and 105,397 shares, respectively, due to at-the-market offering (Note 5)		1,773,902
Expenses in connection with the at-the-market stock offering		184,696
Total capital share transactions		1,958,598
Total increase/(decrease) in net assets	(21,494,307)	6,835,477
<b>Net Assets</b>		
Beginning of period	141,304,782	134,469,305
End of period*	<b>\$119,810,475</b>	<b>\$141,304,782</b>

\* Includes distributions in excess of net investment income of \$(6,222,332) and \$0, respectively.

See Notes to Financial Statements.



## Financial Highlights

	<b>For the Six-Month Period Ended June 30, 2013 (unaudited)</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>PER SHARE OPERATING PERFORMANCE(a)</b>						
Net asset value, beginning of period	\$15.05	\$14.49	\$22.05	\$18.77	\$11.05	\$18.78
Net investment income	0.11	0.13	0.16	0.04	0.11	0.20
Net realized and unrealized gain/(loss) on investments and foreign currency related transactions	(1.63)	2.02	(4.89)	6.64	8.68	(7.01)
Net increase/(decrease) in net assets resulting from operations	(1.52)	2.15	(4.73)	6.68	8.79	(6.81)
Dividends and distributions to shareholders:						
Net investment income	(0.77)	(0.13)	(0.13)	(0.01)	(0.33)	(0.16)
Net realized gain		(1.47)	(2.75)	(3.45)	(0.74)	(0.76)
Total dividends and distributions to shareholders	(0.77)	(1.60)	(2.88)	(3.46)	(1.07)	(0.92)
Anti-dilutive impact due to capital shares tendered				0.06		
Impact of shelf offering		0.01	0.05			
Net asset value, end of period	\$12.76	\$15.05	\$14.49	\$22.05	\$18.77	\$11.05
Market value, end of period	\$13.30	\$15.09	\$15.04	\$22.67	\$17.90	\$9.82
<b>Total Investment Return Based on:(b)</b>						
Market value	(6.89%)	10.74%	(22.72%)	49.48%	93.78%	(51.78%)
Net asset value	(10.44%)	14.64%(c)	(23.45%)	38.65%	80.58%	(36.43%)
<b>Ratio/Supplementary Data</b>						
Net assets, end of period (000 omitted)	\$119,810	\$141,305	\$134,469	\$168,153	\$190,851	\$112,362
Average net assets (000 omitted)	\$140,713	\$145,864	\$153,354	\$176,275	\$156,471	\$175,102
Ratio of expenses to average net assets, net of fee waivers(d)	1.87%(e)	1.75%	1.86%	2.07%	1.94%	1.89%
Ratio of expenses to average net assets, excluding fee waivers(d)	2.08%(e)	1.97%	2.00%	2.20%	2.02%	1.89%
Ratio of expenses to average net assets, excluding taxes net of fee waivers	1.53%(e)	1.50%	1.60%	1.84%	1.58%	1.50%
Ratio of net investment income to average net assets	1.44%(e)	0.82%	0.88%	0.21%	0.71%	1.13%
Portfolio turnover rate	0.15%(f)	7.68%	7.30%	41.45%	12.77%	27.33%

(a) Based on average shares outstanding.

(b) Total investment return is calculated assuming a purchase of common stock on the first day and a sale on the last day of each reporting period. Dividends and distributions, if any, are assumed, for purposes of this calculation to be reinvested at prices

Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions.

- (c) The total return shown above includes the impact of financial statement rounding of the NAV per share.
- (d) Ratios include the effect of Chilean taxes.
- (e) Annualized.
- (f) Not annualized.

See Notes to Financial Statements.

## Notes to Financial Statements (unaudited)

June 30, 2013

## 1. Organization

Aberdeen Chile Fund, Inc. (the Fund) was incorporated in Maryland on January 30, 1989 and commenced investment operations on September 27, 1989. The Fund is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a closed-end, non-diversified management investment company. The Fund trades on the NYSE MKT under the ticker symbol CH.

The Fund seeks total return, consisting of capital appreciation and income, by investing primarily in Chilean securities.

## 2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The financial statements of the Fund are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The U.S. Dollar is used as both the functional and reporting currency.

### (a) Security Valuation:

The Fund is required to value its securities at fair value, which is defined as 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.

Equity securities that are traded on an exchange are valued at the last quoted sale price on the principal exchange on which the security is traded at the Valuation Time, subject to application, when appropriate, of the valuation factors described in the paragraph below. The Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Time). In the absence of a sale price, the security is valued at the mean of the bid/ask price quoted at the close on the principal exchange on which the security is traded. Securities traded on NASDAQ are valued at the NASDAQ official closing price. Closed-end funds and exchange-traded funds (ETFs) are valued at the market price of the security at the Valuation Time. A security using any of these pricing methodologies is determined as a Level 1 investment.

Foreign equity securities that are traded on foreign exchanges that close prior to the Valuation Time are valued by applying valuation factors to the last sale price or the mean price as noted above. Valuation factors are provided by an independent pricing service provider. These valuation factors are used when pricing the Fund's

portfolio holdings to estimate market movements between the time markets close and the time the Fund values such foreign securities. When the prices with the application of valuation factors are utilized, the value assigned to the foreign securities may not be the same as quoted or published prices of the securities on their primary markets. These valuation factors are based on inputs, such as depositary receipts, S&P 500 Index/S&P 500 Futures, Nikkei 225 Futures, sector indices/ETFs, exchange rates, and historical opening and closing prices of each security. If the pricing service is unable to provide a valuation factor, or if the valuation factor falls below a predetermined threshold, the security is valued at the last sale price. A security that applies a valuation factor is determined as a Level 2 investment. When no valuation factor is applied, the security is determined as a Level 1 investment.

In the event that a security's market quotation is not readily available, or is deemed unreliable, the fair value of a security is determined by the Fund's Pricing Committee (which is appointed by the Board of Directors), taking into account the relevant factors and surrounding circumstances. A security that has been fair valued may be classified as Level 2 or Level 3 depending on the

nature of the inputs.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Fund discloses the fair value of its investments in a hierarchy that classifies the inputs to valuation techniques used to measure the fair value. The hierarchy assigns Level 1 measurements to valuations based upon unadjusted quoted prices in active markets for identical assets, Level 2 measurements to valuations based upon adjusted quoted prices in active markets for identical assets and Level 3 measurements to valuations based upon unobservable inputs that are significant to the valuation. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability, which are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized below:

Level 1 quoted prices in active markets for identical investments;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc); or

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement.





## Notes to Financial Statements (unaudited) (continued)

June 30, 2013

The following is a summary of the inputs used as of June 30, 2013 in valuing the Fund's investments carried at fair value. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Refer to the Portfolio of Investments for a detailed breakout of the security types:

<b>Investments, at value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Balance as of 06/30/2013</b>
Long Term Investments	\$121,429,364	\$	\$	\$121,429,364
Short-Term Investments		151,000		151,000
<b>Total</b>	<b>\$121,429,364</b>	<b>\$151,000</b>	<b>\$</b>	<b>\$121,580,364</b>

Amounts listed as are \$0 or round to \$0.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing transfers at the end of each period. For the six-month period ended June 30, 2013, there have been no transfers between levels and no significant changes to the fair valuation methodologies.

**(b) Short-Term Investment:**

The Fund sweeps available cash into a short-term time deposit available through Brown Brothers Harriman & Co. ( BBH & Co. ), the Fund's custodian. The short-term time deposit is a variable rate account classified as a short-term investment.

**(c) Foreign Currency Transactions:**

Foreign currency amounts are translated into U.S. Dollars on the following basis:

- (I) market value of investment securities, other assets and liabilities at the rate of exchange at the Valuation Time; and
- (II) purchases and sales of investment securities, income and expenses at the relevant rates of exchange prevailing on the respective dates of such transactions.

The Fund does not isolate that portion of gains and losses on investments in equity securities which is due to changes in the foreign exchange rates from that which is due to changes in market prices of equity securities. Accordingly, realized and unrealized foreign currency gains and losses with respect to such securities are included in the reported net realized and unrealized gains and losses on investment transactions balances.

The Fund reports certain foreign currency related transactions and foreign taxes withheld on security transactions as components of realized gains for financial reporting purposes, whereas such foreign currency related transactions are treated as ordinary income for U.S. federal income tax purposes.

Net unrealized currency gains or losses from valuing foreign currency denominated assets and liabilities at period-end exchange rates are reflected as a component of net unrealized appreciation/depreciation

in value of investments, and translation of other assets and liabilities denominated in foreign currencies.

Net realized foreign currency transactions represent foreign exchange gains and losses from transactions in foreign currencies and forward foreign currency contracts, exchange gains or losses realized between the trade date and settlement date on security transactions, and the difference between the amounts of interest and dividends recorded on the Fund's books and the U.S. Dollar equivalent of the amounts actually received.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. Dollar. Generally, when the U.S. Dollar rises in value against a foreign currency, the Fund's investments denominated in that currency will lose value because its currency is worth fewer U.S. Dollars; the opposite effect occurs if the U.S. Dollar falls in relative value.

(d) Security Transactions and Investment Income:

Securities transactions are recorded on the trade date. Realized and unrealized gains/(losses) from security and currency transactions are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date except for certain dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date. Interest income is recorded on an accrual basis. Expenses are recorded on an accrual basis.

(e) Distributions:

On an annual basis, the Fund intends to distribute its net realized capital gains, if any, by way of a final distribution to be declared during the calendar quarter ending December 31. Dividends and distributions

12 Aberdeen Chile Fund, Inc.

## Notes to Financial Statements (unaudited) (continued)

June 30, 2013

to shareholders are recorded on the ex-dividend date. Dividends and distributions to shareholders are determined in accordance with federal income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments for foreign currencies.

**(f) Federal Income Taxes and Foreign Taxes:**

The Fund intends to qualify or continue to qualify as a regulated investment company by complying with the provisions available to certain investment companies, as defined in Subchapter M of the Internal Revenue Code of 1986, as amended ( IRC ), and to make distributions of net investment income and net realized capital gains sufficient to relieve the Fund from all, or substantially all, federal income taxes. Therefore, no federal income tax provision is required.

Income received by the Fund from sources within Chile and other foreign countries may be subject to withholding and other taxes imposed by Chile and such other countries. The Fund incurs foreign Chilean taxes on income and realized gains generated from Chilean securities with no Chilean market presence. For the six-month period ended June 30, 2013, the Fund incurred \$234,397 of such expense. The Fund also incurs foreign Chilean taxes on securities with little to no Chilean market presence in an amount equal to what the Fund would owe if the securities were sold and the proceeds repatriated on the valuation date as a liability and reduction of unrealized gains. For the six-month period ended June 30, 2013, the Fund accrued \$164,145 of such expense.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by tax authorities. Management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Since tax authorities can examine previously filed tax returns, the Fund's U.S. federal tax returns for each of the prior four years up to the year ended December 31, 2012 are subject to such review.

**3. Agreements and Transactions With Affiliates**

**(a) Investment Adviser:**

Aberdeen Asset Managers Limited ( AAML ) serves as the Fund's investment adviser with respect to all investments. AAML is a direct wholly-owned subsidiary of Aberdeen Asset Management PLC. AAML receives, as compensation for its advisory services from the Fund, an annual fee, calculated weekly and paid quarterly, equal to 1.20% of the first \$50 million of the Fund's average weekly market value or net assets (whichever is lower), 1.15% of amounts from \$50-100 million, 1.10% of amounts from \$100-150 million, 1.05% of amounts from \$150-200 million and 1.00% of amounts over \$200 million.

Effective March 6, 2013, AAML agreed to contractually waive a portion of its advisory fee. Prior to March 6, 2013, AAML voluntarily waived an equal portion of its advisory fee. For the six-month period ended June 30, 2013, AAML earned \$803,930 for advisory services, of which AAML waived \$147,614.

**(b) Fund Administration:**

BBH & Co. is the U.S. Administrator for the Fund and certain other funds advised by AAML and its affiliates (collectively the Funds ). The Funds pay BBH & Co. a monthly administration and fund accounting service fee at an annual rate of 0.02% of the Funds aggregate assets up to \$250 million, 0.015% for the next \$250 million and 0.01% in excess of \$500 million.

## Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

Each Fund pays its pro rata portion of the fee based on its level of assets, with a monthly minimum of \$2,500. For the six-month period ended June 30, 2013, BBH & Co. earned \$14,874 from the Fund for administrative and fund accounting services.

Celfin Capital S.A. Administradora de Fondos de Capital Extranjero ( AFCE ) serves as the Fund's Chilean administrator. For its services, AFCE is paid a fee out of the advisory fee payable to AAML, calculated weekly and paid quarterly at an annual rate of 0.05% of the Fund's average weekly market value or net assets (whichever is lower). In addition, AFCE receives a supplemental administration fee, annual reimbursement of out of pocket expenses and an accounting fee from the Fund. For the six-month period ended June 30, 2013, the administration fees, supplemental administration fees and accounting fees earned by AFCE from the Fund amounted to \$34,908, \$58,398 and \$4,937, respectively.

### (c) Investor Relations:

Under the terms of an Investor Relations Services Agreement, Aberdeen Asset Management Inc. ( AAMI ), an affiliate of AAML, provides investor relations services to the Fund and certain other funds advised by AAML or its affiliates.

Pursuant to the terms of the Investor Relations Services Agreement, AAMI, among other things, provides objective and timely information to shareholders based on publicly-available information; provides information efficiently through the use of technology while offering shareholders immediate access to knowledgeable investor relations representatives; develops and maintains effective communications with investment professionals from a wide variety of firms; creates and maintains investor relations communication materials such as fund manager interviews, films and webcasts, published white papers, magazine and articles and other relevant materials discussing the Fund's investment results, portfolio positioning and outlook; develops





## Notes to Financial Statements (unaudited) (continued)

June 30, 2013

and maintains effective communications with large institutional shareholders; responds to specific shareholder questions; and reports activities and results to the Board and management detailing insight into general shareholder sentiment.

For the six-month period ended June 30, 2013, the Fund paid fees of approximately \$35,486 for investor relations services. Investor relations fees and expenses in the Statement of Operations include certain out-of-pocket expenses.

#### (d) Director Purchase Plan:

Fifty percent (50%) of the annual retainer of the Independent Directors is invested in Fund shares and, at the option of each Independent Director, 100% of the annual retainer can be invested in shares of the Fund. During the six-month period ended June 30, 2013, there was no retainer paid to the Directors and therefore were no shares purchased pursuant to the Directors compensation plan. As of June 30, 2013, the Directors as a group owned less than 1% of the Fund's outstanding shares.

#### 4. Investment Transactions

For the six-month period ended June 30, 2013, Fund purchases and sales of securities, other than short-term investments, were \$209,633 and \$6,905,880, respectively.

#### 5. Capital

The authorized capital stock of the Fund is 100,000,000 shares of common stock, \$0.001 par value. As of June 30, 2013, the Fund had 9,386,497 shares issued and outstanding.

The Fund has filed a shelf registration statement with the SEC, which would permit the Fund to issue up to \$75 million in shares of common stock through one or more public offerings over a three year period (beginning in 2011). Under the shelf registration statement, the Fund may sell the Fund's common shares in one or more at-the-market offerings when market conditions are considered favorable. Such shares would only be issued when the premium to net asset value is greater than the costs associated with the transaction. Any proceeds raised would be used for investment purposes. During the six-month period ended June 30, 2013, there were no shares sold under this registration statement. In 2011, the Fund incurred offering costs associated with the at-the-market offerings which were charged against the proceeds of the stock offering. For the year ended December 31, 2012, the offering costs related to unsold shares, which were charged to the proceeds of the stock offering in 2011, were capitalized as a prepaid asset and will be charged to paid-in capital upon the issuance of these presently unsold shares. For the six-month period ended June 30, 2013, there were no expenses charged to the shares sold. These costs are noted on the Statements of Changes in Net Assets.

#### 6. Open Market Repurchase Program

The Board authorized, but does not require, management to make open market purchases from time to time in an amount up to 10% of the Fund's outstanding shares, in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, and other applicable federal securities laws. Such purchases may be made when, in the reasonable judgment of management, such repurchases may enhance shareholder value and when the Fund's shares are trading at a discount to net asset value of 12% or more, subject to intraday fluctuations that may result in repurchases at discounts below 12%. The Board has instructed management to report repurchase activity to it regularly, and to post the number of shares repurchased on the Fund's website on a monthly basis. For the six-months ended June 30, 2013 the Fund did not repurchase any shares through this program.

## 7. Portfolio Investment Risks

### (a) Risks Associated with Foreign Securities and Currencies:

Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of U.S. issuers. Such risks include, among others, currency risk, information risk and political risk. Currency risk results from securities denominated in currencies other than U.S. Dollars that are subject to changes in value due to fluctuations in exchange rates. Information risk arises with respect to foreign securities when key information about foreign issuers may be inaccurate or unavailable. Political risk includes future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments, which could adversely affect investments in those countries. Other risks of investing in foreign securities include liquidity and valuation risks.

Certain countries also may impose substantial restrictions on investments in their capital markets by foreign entities, including restrictions on investments in issuers of industries deemed sensitive to relevant national interests. These factors may limit the investment opportunities available and result in a lack of liquidity and high price volatility with respect to securities of issuers from developing countries.

Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is deterioration in a country's balance of payments or for other reasons, a country may impose temporary restrictions on foreign capital remittances abroad. Amounts repatriated prior to the end of specified periods may be subject to taxes as imposed by a foreign country.

14 Aberdeen Chile Fund, Inc.

## Notes to Financial Statements (unaudited) (concluded)

June 30, 2013

**(b) Risks Associated with Chilean Markets:**

Investments in Chile may involve certain considerations and risks not typically associated with investments in the United States, including the possibility of future political and economic developments and the level of Chilean governmental supervision and regulation of its securities markets.

The Chilean securities markets are substantially smaller, less liquid and more volatile than the major securities markets in the United States. Consequently, acquisition and disposition of securities by the Fund may be inhibited. A significant proportion of the aggregate market value of equity securities listed on the Santiago Exchange are held by a small number of investors and are not publicly traded. This may limit the number of shares available for acquisition or disposition by the Fund.

**(c) Risks Associated with European Markets:**

A number of countries in Europe have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within and without Europe whether or not the Fund invests in securities of issuers located in Europe or with significant exposure to European issuers or countries. These events could negatively affect the value and liquidity of the Fund's investments.

**8. Contingencies**

In the normal course of business, the Fund may provide general indemnifications pursuant to certain contracts and organizational documents. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

**9. Tax Information**

At June 30, 2013, the identified cost for federal income tax purposes, as well as the gross unrealized appreciation from investments for those securities having an excess of value over cost, gross unrealized depreciation from investments for those securities having an excess of cost over value and the net unrealized appreciation from investments were \$65,593,331, \$58,426,985, \$(2,439,952) and \$55,987,033,

respectively. Income and capital gain distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

**10. Subsequent Events**

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financials statements were issued. Based on this evaluation, no adjustments were required to the financial statements as of June 30, 2013.





## Proxy Voting Information (unaudited)

The Annual Meeting of Shareholders of the Fund was held on March 14, 2013 at 712 Fifth Avenue, New York, New York. The description of the proposals and number of shares voted at the meeting are as follows:

(1) To elect two Class II directors to the Board of Directors of the Fund:

	<b>Votes For</b>	<b>Votes Withheld</b>
Lawrence J. Fox	6,644,288	342,876
Martin M. Torino	6,590,762	396,402

Directors whose term of office continued beyond this meeting are as follows: Enrique R. Arzac, James J. Cattano, and Steven N. Rappaport



16 Aberdeen Chile Fund, Inc.

## An Invitation to Aberdeen's Investor Relations

### Your Fund on the Web

As part of our ongoing commitment to provide information to shareholders, Aberdeen invites you to visit your Fund on the web at [www.aberdeench.com](http://www.aberdeench.com).

From this page, you can view monthly fact sheets, read news from our portfolio managers, learn more about the Fund's distributions and results, view daily fact sheets courtesy of Morningstar®, conduct portfolio charting and see other information designed to keep you up-to-date on your investment.

### Aberdeen Closed-End Fund Talk Channel

Please take a look at Aberdeen's award-winning Closed-End Fund Talk Channel, where you can watch portfolio manager web casts and our latest short films. For replays of recent broadcasts or to register for upcoming events, please visit our Closed-End Fund Talk Channel at [www.aberdeen-asset.us/aam.nsf/usClosed/aberdeentv](http://www.aberdeen-asset.us/aam.nsf/usClosed/aberdeentv).

### E-mail Services

Make sure you are enrolled in our e-mail services, which feature timely news from Aberdeen's portfolio managers located around the world.

Enroll today at [www.aberdeen-asset.us/aam.nsf/usclosed/email](http://www.aberdeen-asset.us/aam.nsf/usclosed/email) and be among the first to receive the latest news about your Fund.

Please contact Aberdeen Asset Management's Investor Relations division by:

- Calling us toll free at 1-866-839-5205 in the U.S.
- E-mailing us at [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com)
- Visiting us on the web at [www.aberdeen-asset.us/cef](http://www.aberdeen-asset.us/cef)





[THIS PAGE INTENTIONALLY LEFT BLANK]







[THIS PAGE INTENTIONALLY LEFT BLANK]





[THIS PAGE INTENTIONALLY LEFT BLANK]



## Corporate Information



Directors

Enrique R. Arzac, *Chairman*

James J. Cattano

Lawrence J. Fox

Steven N. Rappaport

Martin M. Torino

Officers

Christian Pittard, *President*

Jeffrey Cotton, *Vice President and Chief Compliance Officer*

Andrea Melia, *Treasurer and Chief Financial Officer*

Megan Kennedy, *Vice President and Secretary*

Alan Goodson, *Vice President*

Joanne Irvine, *Vice President*

Devan Kaloo, *Vice President*

Jennifer Nichols, *Vice President*

Nick Robinson, *Vice President*

Lucia Sitar, *Vice President*

Hugh Young, *Vice President*

Sharon Ferrari, *Assistant Treasurer*

Heather Hasson, *Assistant Secretary*

Investment Adviser

Aberdeen Asset Managers Limited  
Bow Bells House  
1 Bread Street  
London, United Kingdom  
EC4M 9HH

U.S. Administrator & Custodian

Brown Brothers Harriman & Co.  
40 Water Street  
Boston, MA 02109

Chilean Administrator

Celfin Capital S.A. Administradora de Fondos de  
Capital Extranjero  
Av. Apoquindo 3721, Piso 19  
Las Condes  
Santiago, Chile

Shareholder Servicing Agent

Computershare Trust Company, N.A.  
250 Royall Street  
Canton, MA 02021

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
300 Madison Avenue  
New York, NY 10017

Legal Counsel

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019

Investor Relations

Aberdeen Asset Management Inc.  
1735 Market Street, 32nd Floor  
Philadelphia, PA 19103  
1-866-839-5205  
[InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com)

**Aberdeen Asset Managers Limited**

The accompanying Financial Statements as of June 30, 2013, were not audited and accordingly no opinion is expressed thereon.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase, from time to time, shares of its common stock in the open market.

Shares of Aberdeen Chile Fund, Inc. are traded on the NYSE MKT Exchange under the symbol CH . Information about the Fund's net asset value and market price is available at [www.aberdeench.com](http://www.aberdeench.com).

This report, including the financial information herein, is transmitted to the shareholders of Aberdeen Chile Fund, Inc. for their general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. Past performance is no guarantee of future returns.





## Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

\*Diversification does not necessarily ensure return or protect against a loss.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the fund's portfolio. There is no assurance that the Fund will achieve its investment objective. Past performance does not guarantee future results. Foreign securities are more volatile, harder to price and less liquid than U.S. securities. They are subject to different accounting and regulatory standards, and political and economic risks. These risks may be enhanced in emerging market countries.

Aberdeen Asset Management (AAM) is the marketing name in the U.S. for the following affiliated, registered investment advisers: Aberdeen Asset Management Inc., Aberdeen Asset Managers Ltd, Aberdeen Asset Management Ltd and Aberdeen Asset Management Asia Ltd, each of which is wholly owned by Aberdeen Asset Management PLC. Aberdeen is a U.S. registered service trademark of Aberdeen Asset Management PLC.

Item 2 Code of Ethics.

This item is inapplicable to semi-annual report on Form N-CSR.

Item 3 Audit Committee Financial Expert.

This item is inapplicable to semi-annual report on Form N-CSR.

Item 4 Principal Accountant Fees and Services.

This item is inapplicable to semi-annual report on Form N-CSR.

Item 5 Audit Committee of Listed Registrants.

This item is inapplicable to semi-annual report on Form N-CSR.

Item 6 Investments.

---

Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

(a) Included as part of the Report to Shareholders filed under Item 1 of this Form N-CSR.

(b) Not applicable.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

This item is inapplicable to semi-annual report on Form N-CSR.

Item 8 - Portfolio Managers of Closed-End Management Investment Companies.

(a) This item is inapplicable to semi-annual report on Form N-CSR.

(b) During the period ended June 30, 2013, there were no changes in the Portfolio Managers identified in response to paragraph( a)(1) of this Item in the Registrant's most recent Annual Report on Form N-CSR filed on March 8, 2013.

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

REGISTRANT PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs 1	(d) Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs 1
January 1 through January 31, 2013	0	0	0	928,110
February 1 through February 28, 2013	0	0	0	928,110
March 1 through	0	0	0	928,110



Edgar Filing: ABERDEEN CHILE FUND, INC. - Form N-CSRS

March 31, 2013				
April 1 through April 30, 2013	0	0	0	928,110
May 1 through May 31, 2013	0	0	0	928,110
June 1 through June 30, 2013	0	0	0	928,110
Total	0	0	0	928,110

1 The plan was authorized on December 6, 2011. The program authorizes management to make open market purchases from time to time in an amount up to 10% of the Fund's outstanding shares. Such purchases may be made when the Fund's shares are trading at a discount to net asset value of 12% or more. The plan does not have an expiration date.

Item 10 Submission of Matters to a Vote of Security Holders.

During the period ended June 30, 2013, there were no material changes to the policies by which stockholders may recommend nominees to the Fund's Board.

Item 11 Controls and Procedures.

(a) It is the conclusion of the Registrant's principal executive officer and principal financial officer that the effectiveness of the Registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the Registrant has been recorded, processed, summarized and reported within the time period specified by the Commission's rules and forms and that the information required to be disclosed by the Registrant has been accumulated and communicated to the Registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There were no changes in the Registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 12 Exhibits.

- (a)(1) Not applicable.
  - (a)(2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended.
  - (a)(3) Not applicable.
  - (b) Certifications pursuant to Rule 30a-2(b) under the Investment Company Act of 1940, as amended.
  - (c) Distribution Notices to Shareholders
-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Aberdeen Chile Fund, Inc.

By: */s/ Christian Pittard*  
Christian Pittard,  
Principal Executive Officer of  
Aberdeen Chile Fund, Inc.

Date: September 6, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: */s/ Christian Pittard*  
Christian Pittard,  
Principal Executive Officer of  
Aberdeen Chile Fund, Inc.

Date: September 6, 2013

By: */s/ Andrea Melia*  
Andrea Melia,  
Principal Financial Officer of  
Aberdeen Chile Fund, Inc.

Date: September 6, 2013

---

EXHIBIT LIST

12 (a)(2) Rule 30a-2(a) Certifications

12 (b) Rule 30a-2(b) Certifications

12 (c)(1) Distribution Notice to Shareholders

12 (c)(2) Distribution Notice to Shareholders

12 (c)(3) Distribution Notice to Shareholders

12 (c)(4) Distribution Notice to Shareholders

---