

LATIN AMERICAN DISCOVERY FUND INC
Form N-Q
November 29, 2006

[Annotated Form N-Q]

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-06574
THE LATIN AMERICAN DISCOVERY FUND, INC.
(Exact name of registrant as specified in charter)
1221 AVENUE OF THE AMERICAS 5th FLOOR NEW YORK, NY 10020
(Address of principal executive offices) (Zip code)

RONALD E. ROBISON
1221 AVENUE OF THE AMERICAS 5th FLOOR NEW YORK, NY, 10020
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-221-6726

Date of fiscal year end: 12/31

Date of reporting period: 9/30/06

Item 1. Schedule of Investments.

The Fund's schedule of investment as of the close of the reporting period prepared pursuant to Rule 12-12 Regulation S-X is as follows:

The Latin American Discovery Fund, Inc.
Third Quarter Report
September 30, 2006 (unaudited)

Portfolio of Investments

	Shares	Value (000)
COMMON STOCKS (99.2%)		
(Unless Otherwise Noted)		
Argentina (2.7%)		
Energy Equipment & Services		
Tenaris SA ADR	126,950	\$ 4,491
Metals & Mining		
Ternium SA ADR	(a) 59,800	1,385
		5,876
Brazil (55.5%)		
Airlines		
Tam SA ADR	(a) 203,330	6,486
Automobiles		
Localiza Rent A Car SA	143,800	2,983
Commercial Banks		
Banco Bradesco SA ADR	61,200	2,041
Banco Bradesco SA (Preference)	68,372	2,267
Banco Itau Holding Financeira SA ADR	100,710	3,016
Banco Itau Holding Financeira SA ADR (Preference)	245,805	7,374
Banco Nacional SA (Preference)	(a)(c) 95,420,000	@
Investimentos Itau SA (Preference)	471,429	1,936
Unibanco SA ADR	153,872	1,141
Unibanco SA GDR	139,310	10,309
		28,084
Diversified Financial Services		
Bradespar SA (Preference)	33,280	1,113
Diversified Telecommunication Services		
Tele Norte Leste Participacoes SA	68,000	2,120
Tele Norte Leste Participacoes SA (Preference)	15,000	206
		2,326
Electric Utilities		
CPFL Energia SA	63,400	817
CPFL Energia SA ADR	22,700	872
Energias do Brasil SA	185,900	2,394
		4,083
Health Care Providers & Services		
Diagnosticos da America ADR	(a) 100,100	1,878
Medial Saude SA	(a) 122,000	1,336
		3,214
Household Durables		
Gafisa SA	(a) 129,600	1,672
Independent Power Producers & Energy Traders		
Tractebel Energia SA	301,300	2,439
Metals & Mining		
CVRD ADR	87,900	1,895
CVRD ADR (Preference)	864,332	15,999
CVRD, A (Preference)	33,606	621

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Gerdau SA	143,647	1,617
Gerdau SA (Preference)	162,297	2,195
Gerdau SA ADR	113,122	1,533
		23,860
Multiline Retail		
Lojas Americanas SA (Preference)	74,256,720	3,005
Oil, Gas & Consumable Fuels		
Petroleo Brasileiro SA (Preference)	118,712	2,214
Petroleo Brasileiro SA ADR	65,041	5,452
Petroleo Brasileiro SA ADR (Preference)	322,011	24,099
		31,765
Paper & Forest Products		
Votorantim Celulose e Papel SA ADR	49,900	845

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Personal Products			
Natura Cosméticos SA		222,140	2,728
Road & Rail			
All America Latina Logística SA		284,000	2,220
Specialty Retail			
Lojas Renner SA		32,700	1,895
Transportation Infrastructure			
Cia de Concessionárias Rodoviárias		231,340	2,234
			120,952
Chile (2.3%)			
Airlines			
Lan Airlines SA ADR		28,800	1,098
Electric Utilities			
Enersis SA ADR		288,600	3,809
			4,907
Colombia (1.1%)			
Commercial Banks			
BanColombia SA ADR		84,250	2,410
Mexico (35.2%)			
Beverages			
Fomento Económico Mexicano SA de CV ADR		30,000	2,909
Commercial Banks			
Grupo Financiero Banorte SA de CV, O		1,447,700	4,531
Food & Staples Retailing			
Wal-Mart de México SA de CV ADR		23,447	797
Wal-Mart de México SA de CV, V		4,956,657	16,862
			17,659
Household Durables			
Corp. Geo SA de CV, B	(a)	1,367,800	5,754
Media			
Grupo Televisa SA ADR		768,000	16,328
Metals & Mining			
Grupo México SA de CV, B		1,328,400	4,160
Multiline Retail			
Controladora Comercial Mexicana SA de CV		535,800	1,077
Wireless Telecommunication Services			
América Móvil SA de CV, L ADR		617,757	24,321
			76,739
Panama (0.6%)			
Airlines			
Copa Holdings SA		34,800	1,195
Peru (1.8%)			
Commercial Banks			
Credicorp Ltd.		72,630	3,049
Metals & Mining			
Cia de Minas Buenaventura SA ADR		34,530	932
			3,981
TOTAL COMMON STOCKS			
(Cost \$137,602)			216,060
		Face Amount (000)	
SHORT-TERM INVESTMENT (0.9%)			
United States (0.9%)			
Repurchase Agreement			
J.P. Morgan Securities, Inc., 5.25% dated 9/29/06, due 10/2/06, repurchase price \$1,891 (Cost \$1,890)	(b)	\$ 1,890	1,890

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TOTAL INVESTMENTS + (100.1%)	
(Cost \$139,492)	217,950
LIABILITIES IN EXCESS OF OTHER ASSETS (-0.1%)	(140)
NET ASSETS (100%)	\$ 217,810

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- (a) Non-income producing security.
- (b) Represents the Fund's undivided interest in a joint repurchase agreement which has a total value of \$1,401,259,000. The repurchase agreement was fully collateralized by U.S. government agency securities at the date of this Portfolio of
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Investments as follows: Federal Farm Credit Bank, 0.00% to 7.43%, due 10/2/06 to 10/23/35; Federal Home Loan Bank, 0.00% to 7.38%, due 10/2/06 to 7/15/36; Federal Home Loan Mortgage Corporation, 0.00% to 6.94%, due 10/10/06 to 9/7/21; Federal National Mortgage Association, 0.00% to 10.35%, due 10/05/06 to 3/11/19; Tennessee Valley Authority, 5.38% to 7.13%, due 11/13/08 to 4/1/36 which had a total value of \$1,429,288,878. The investment in the repurchase agreement is through participation in a joint account with affiliated parties pursuant to exemptive relief received by the Fund from the SEC.

(c) Security has been deemed illiquid at September 30, 2006.

@ Face Amount/Value is less than \$500.

ADR American Depositary Receipt

GDR Global Depositary Receipt

+ At September 30, 2006, the U.S. Federal income tax cost basis of investments was approximately \$139,492,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was \$78,458,000 of which \$79,006,000 related to appreciated securities and \$548,000 related to depreciated securities.

Item 2. Controls and Procedures.

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Fund's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

Item 3. Exhibits.

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.

(Registrant) The Latin American Discovery Fund, Inc.
By: /s/ Ronald E. Robison
Name: Ronald E. Robison
Title: Principal Executive Officer
Date: November 21, 2006

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

By: /s/ Ronald E. Robison
Name: Ronald E. Robison
Title: Principal Executive Officer
Date: November 21, 2006

By: /s/ James Garrett
Name: James Garrett
Title: Principal Financial Officer
Date: November 21, 2006
