

ABERDEEN ASIA-PACIFIC INCOME FUND INC  
Form N-CSRS  
July 08, 2016

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:                 | 811-04611   |
| Exact name of registrant as specified in charter:   | Aberdeen Asia-Pacific Income Fund, Inc.   |
| Address of principal executive offices:             | 1735 Market Street, 32 <sup>nd</sup> Floor<br>Philadelphia, PA 19103  |
| Name and address of agent for service:              | Andrea Melia<br>Aberdeen Asset Management Inc.<br>1735 Market Street 32 <sup>nd</sup> Floor<br>Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | 1-800-522-5465  |
| Date of fiscal year end:                            | October 31  |
| Date of reporting period:                           | April 30, 2016  |

**Item 1. Reports to Stockholders.**



## Managed Distribution Policy (unaudited)

The Board of Directors of the Fund has authorized a managed distribution policy ( MDP ) of paying monthly distributions at an annual rate set once a year. The Fund's current monthly distribution is set at a rate of \$0.035 per share. 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 estimated composition of the distribution and other information required by the Fund's MDP exemptive order. The Fund's Board of Directors 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)

The Fund's policy is to provide investors with a stable monthly distribution 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 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 and on the aggregate gains and losses realized by the Fund during the entire year.

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, October 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 month to month 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 the Fund's assets are denominated.

Based on generally accepted accounting principles, the Fund estimates that distributions for the fiscal year commenced November 1, 2015, through the distributions declared on May 10, 2016 and June 9, 2016, consisted of 50% net investment income and 50% return of capital.

In January 2017, 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 2016 calendar year.

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

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 stockholders and first time investors to buy and sell shares and automatically reinvest dividends and capital gains through the transfer agent. This is a cost-effective way to invest in the Fund.

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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 Asia-Pacific Income Fund, Inc. (the Fund) for the six-month period ended April 30, 2016. The Fund's principal investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

### Total Return Performance

The Fund's total return, based on net asset value (NAV), net of fees, was 6.9% for the six-month period ended April 30, 2016 and 8.2% per annum since inception, assuming the reinvestment of dividends and distributions. The Fund's total return for the six-month period ended April 30, 2016 and per annum since inception is based on the reported NAV on each financial reporting period end.

### Share Price and NAV

For the six-month period ended April 30, 2016, based on market price, the Fund's total return was 11.0%, assuming reinvestment of dividends and distributions. The Fund's share price increased by 6.1% over the six-month period, from \$4.75 on October 31, 2015 to \$5.04 on April 30, 2016. The Fund's share price on April 30, 2016 represented a discount of 11.4% to the NAV per share of \$5.69 on that date, compared with a discount of 14.7% to the NAV per share of \$5.57 on October 31, 2015.

### Portfolio Allocation

As of April 30, 2016, the Fund held 37.7% of its total investments in Australian debt securities, 56.1% in Asian debt securities, 4.5% in European debt securities and 1.7% in U.S. debt securities.

Of the Fund's total investments, 39.1% were held in U.S. Dollar-denominated bonds issued by foreign issuers. The rest of the Fund's currency exposure was 40.4% in the Australian Dollar and 20.5% in various Asian currencies.

Since April 30, 2016, the Fund has introduced investments in higher yielding Asian local currency markets, such as India and Indonesia, and slightly reduced its Australian exposure. In addition, the Fund's blended benchmark will change effective July 31, 2016. Please see Subsequent Events, Note 14 to the Notes to Financial Statements for more information about the new benchmark.

### Credit Quality

As of April 30, 2016, 58.7% of the Fund's total investments were invested in securities where either the issue or the issuer was rated A or better by Standard & Poor's or Moody's Investors Services, Inc (Moody's).

### Portfolio Management

The Fund is managed by Aberdeen's Asia-Pacific fixed income team. The Asia-Pacific fixed income team works in a truly collaborative fashion; all team members have both portfolio management and research responsibilities. The team is jointly and primarily responsible for the day-to-day management of the Fund.

### Managed Distribution Policy

Distributions to common shareholders for the twelve-month period ended April 30, 2016 totaled \$0.42 per share. Based on the share price of \$5.04 on April 30, 2016, the distribution rate over the twelve-month period ended April 30, 2016 was 8.3%. Since all distributions are paid after

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deducting applicable withholding taxes, the effective distribution rate may be higher for those U.S. investors who are able to claim a tax credit.

On May 10, 2016 and June 9, 2016, the Fund announced that it will pay on May 27, 2016 and June 27, 2016 a distribution of US \$0.035 per share to all shareholders of record as of May 19, 2016 and June 20, 2016, respectively.

The Fund's policy is to provide investors with a stable monthly distribution out of current income, supplemented by realized capital gains and, to the extent necessary, paid-in capital, which is a non-taxable return of capital. This policy is subject to an annual review as well as regular review at the Board's quarterly meetings, unless market conditions require an earlier evaluation.

- <sup>1</sup> Standard & Poor's credit ratings are expressed as letter grades that range from AAA to D to communicate the agency's opinion of relative level of credit risk. Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The investment grade category is a rating from AAA to BBB-.
- <sup>2</sup> Moody's is an independent, unaffiliated research company that rates fixed income securities. Moody's assigns ratings on the basis of risk and the borrower's ability to make interest payments. Typically, securities are assigned a rating from Aaa to C, with Aaa being the highest quality and C the lowest quality.

Aberdeen Asia-Pacific Income Fund, Inc.

## Letter to Shareholders (unaudited) (continued)

### Fund's Leverage

The table below summarizes certain key terms of the Fund's current leverage:

|  | Amount           |                   |
|--|------------------|-------------------|
|  | (\$ in millions) | Maturity          |
| Revolving Credit Facility                              | \$ 125           | April 9, 2017     |
| 7-year Series A Senior Secured Notes                   | \$ 100           | June 12, 2020     |
| 10-year Series B Senior Secured Notes                  | \$ 100           | June 12, 2023     |
| 5-year Term Loan A                                     | \$ 100           | June 12, 2018     |
| 4-year Term Loan B                                     | \$ 100           | December 14, 2019 |
| 10-year Series A Mandatory Redeemable Preferred Shares | \$ 50            | June 27, 2023     |

The Series A Mandatory Redeemable Preferred Shares, with a liquidation value of \$50 million, are rated AA by Fitch Ratings<sup>3</sup> and the combined \$200 million 7- and 10-year Series A and B Senior Secured Notes are rated AAA by Fitch Ratings.

We believe the Fund has been able to lock in an attractive rate cost of borrowing and extend the maturity of the leverage facility while diversifying its borrowing structure during what we believe to be a favorable current interest rate environment. A more detailed description of the Fund's leverage can be found in the Report of Investment Manager and the Notes to Financial Statements.

### 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 and management believes such repurchases may enhance shareholder value. During the six-month period ended April 30, 2016 and fiscal year ended October 31, 2015, the Fund repurchased 1,676,887 and 4,991,465 shares, respectively.

### Portfolio Holdings Disclosure

The Fund's complete schedule of portfolio holdings for the second and fourth quarters of each fiscal year is included in the Fund's semi-annual and annual reports to shareholders. The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q filings 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 Fund makes the information on Form N-Q available to shareholders

on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465.

### 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 31 of the relevant year: (i) upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465; and (ii) on the SEC's website at <http://www.sec.gov>.



### Unclaimed Share Accounts

Please be advised that abandoned or unclaimed property laws for certain states require financial organizations to transfer (escheat) unclaimed property (including Fund shares) to the state. Each state has its own definition of unclaimed property, and Fund shares could be considered unclaimed property due to account inactivity (e.g., no owner-generated activity for a certain period), returned mail (e.g., when mail sent to a shareholder is returned to the Fund's transfer agent as undeliverable), or a combination of both. If your Fund shares are categorized as unclaimed, your financial advisor or the Fund's transfer agent will follow the applicable state's statutory requirements to contact you, but if unsuccessful, laws may require that the shares be escheated to the appropriate state. If this happens, you will have to contact the state to recover your property, which may involve time and expense. For more information on unclaimed property and how to maintain an active account, please contact your financial advisor or the Fund's transfer agent.

### Investor Relations Information

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

Enroll in our email services and be among the first to receive the latest closed-end fund news, announcements of upcoming fund manager web casts, films and other information. In addition, you can receive electronic versions of important Fund documents including annual reports, semi-annual reports, prospectuses, and proxy statements. Sign-up today at [www.aberdeeen-assets.us/aam.nsf/usclosed/email](http://www.aberdeeen-assets.us/aam.nsf/usclosed/email).

Please take a look at Aberdeen's award-winning Closed-End Fund Talk Channel, where a series of fund manager web casts and short films are posted. Visit Aberdeen's Closed-End Fund Talk Channel at [www.aberdeeen-asset.us/aam.nsf/usclosed/aberdeentv](http://www.aberdeeen-asset.us/aam.nsf/usclosed/aberdeentv).

<sup>3</sup> Fitch Ratings ( Fitch ) is an international credit rating agency. Fitch ratings range from AAA (reliable and stable) to D (high risk).

Aberdeen Asia-Pacific Income Fund, Inc.

## Letter to Shareholders (unaudited) (concluded)

### Contact Us

Visit us: <http://www.aberdeen-asset.us/cef> or [www.aberdeenfax.com](http://www.aberdeenfax.com)

Watch us: [www.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv](http://www.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv)

Email us: [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com)

Call us: 1-800-522-5465 (toll free in the U.S.)

Yours sincerely,

/s/ Christian Pittard

**Christian Pittard**

President

**All amounts are U.S. Dollars unless otherwise stated.**

Aberdeen Asia-Pacific Income Fund, Inc.

## Report of the Investment Manager (unaudited)

### Market review

Most Asia-Pacific and emerging-market (EM) bond markets strengthened in local-currency terms over the six-month period ended April 30, 2016. The first half of the reporting period was marked by heightened global volatility. A confluence of events, such as the U.S. Federal Reserve's (Fed's) first interest-rate hike in nearly a decade, sharp gyrations in Chinese equities and the tumble in commodity prices, quelled investor risk appetite for Asia-Pacific bonds. Market sentiment gradually recovered in the latter months of the period. Although investors questioned the effectiveness of negative interest rates imposed by central banks in Europe and Japan, they appeared to be encouraged that monetary policy generally remained loose, as Asian central banks continued to lower rates and the Fed adopted a more dovish policy stance. Additionally, Chinese economic growth fears abated as Beijing's policy communication improved and commodity prices rebounded beginning in mid-February 2016.

In Australia, performance in government bonds varied over the reporting period, with longer-dated yields falling and shorter-dated yields rising. The central bank remained accommodative as deflationary pressures persisted. (Following the end of the reporting period, the benchmark rate was trimmed by 25 basis points to a record low of 1.75%.) The performance of the New Zealand market was significantly stronger over the period. As the country struggled with weak inflation, the central bank cut its benchmark interest rate twice and yields subsequently declined in response. Both the Australian and New Zealand dollars strengthened against the U.S. dollar, with the former rallying 6.5% during the reporting period following improvement in investor sentiment towards China, a key export market for the country.

Indonesian and Indian government bonds outperformed their Asian peers during the reporting period due to their respective central bank interest-rate cuts. The Indonesian market was also bolstered by stimulus measures in an effort to reboot the economy, while India gained further on the central bank's liquidity-boosting measures and the announcement of a fiscally prudent budget, which eased initial investor concerns over a higher public wage bill. Bond markets in Taiwan, Thailand and Korea performed well over the period, particularly at the long end of the yield curve. Taiwan's central bank eased monetary policy, while hopes of additional rate cuts buttressed the markets in Thailand and Korea. Singapore bond yields also moved lower over the reporting period, but the rally lost momentum after the central bank unexpectedly removed the appreciation bias from its currency policy, reflecting its concerns over slowing economic growth. Malaysian yields retreated on keen

buying interest as valuations became more attractive, but profit-taking later ensued.

The weaker U.S. dollar benefited most Asian currencies over the reporting period: the Malaysian ringgit and Indonesian rupiah saw notable gains, rebounding from underperformance in the previous six months; the Korean won and Philippine peso also rallied but ended the period largely unchanged; the Indian rupee and Chinese yuan declined partly on the back of equity outflows in their respective markets.

In Asian credit markets, investment-grade spreads narrowed, but high-yield spreads generally widened, particularly among sovereign bonds. The markets' performance was influenced significantly by commodity prices, which tumbled initially, but later rebounded as fears over China's economy subsided. Towards the end of the reporting period, however, rising defaults in the Chinese onshore market dampened investor sentiment again.

### Fund performance review

Fund performance over the reporting period was hindered mainly by security selection in the Asian local-currency government bond and Asian U.S. dollar-denominated credit segments. On a positive note, security selection in Australian and New Zealand bonds contributed to performance.

The Fund's underweight positions in the Malaysian ringgit and Thai bonds also weighed on performance. Conversely, the overweight allocation to Indian government bonds had a positive impact on Fund performance.

In Asian U.S. dollar-denominated credits, the overweight to the volatile high-yield oil-and-gas sector detracted from the Fund's relative performance. But the overweight to more stable investment-grade credits in the same sector contributed to performance.

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Within the Australia and New Zealand portion of the Fund, both the currency and interest rate strategies were positive, with the former contributing the bulk of relative outperformance.

The overall impact from the Fund's use of derivatives was negative. The impact of currency management in the Asian local-currency bond segment via forwards was relatively flat. In the overlay, derivatives used for interest-rate management and currency management detracted from performance, subtracting about 107 basis points from its return, particularly because of the long U.S. dollar-short Australian dollar position, given the Australian dollar's strong rally over the first four months of 2016.

Aberdeen Asia-Pacific Income Fund, Inc.

## Report of the Investment Manager (unaudited) (continued)

### Outlook

We think that it may be an exaggeration to say that March was a turning point for commodity-related and emerging markets. We believe that the environment remains in a state of flux. Risks persist, but markets are no longer on a downward trajectory with no end in sight, in our opinion. The Fed has adopted a more dovish stance and global monetary policy generally remains accommodative. While the Chinese economy faces hurdles, we feel that investor sentiment towards the mainland has become more rational as the economic and political backdrop continues to stabilize. Furthermore, commodity markets have arguably tested their lows, even though we believe that the weak global economy is unlikely to be able to support a sustained rally in prices. These factors have encouraged investors to reduce their significant underweight exposure to emerging markets.

In the near term, however, we think that further market consolidation is likely, even if valuations look attractive in bonds, equities and currencies. Additionally, China-related concerns may resurface, given worries about speculation in commodities in the mainland and the rising number of corporate defaults. Nevertheless, we believe that any spike in volatility and swings in valuations may present us with buying opportunities.

In Australia, the economy appears to be on firmer footing and we believe that gross domestic product (GDP) growth will reach around 2.5% for the 2016 calendar year.<sup>1</sup> Despite our positive outlook, however, we think that wages and price pressures could remain subdued amid ongoing slack in the labor market. We forecast core consumer-price inflation to remain below the Reserve Bank of Australia's target range of 2-3% for some time.<sup>2</sup> In our opinion, the central bank's decision to cut the cash rate in May 2016 demonstrates its heightened concerns that inflation may fall short of its target. To boost price pressures, we believe that the level of exchange rate will likely matter to the central bank as well. Nonetheless, we believe that monetary policy easing this time will be gradual as there is no crisis of confidence that was present in the last easing cycle. Although the stabilization in commodity prices has been a key support for the Australian dollar, we think that domestic factors, particularly when coupled with a generally cautious tone, continue to suggest some downside risks in the Australian dollar. In New Zealand, we believe that the weak inflation outlook, coupled with headwinds associated with the dairy sector, may lead to further cuts in the policy rate to 1.75% before the end of 2016,<sup>3</sup> and could also weigh on the New Zealand dollar.

### Loan Facilities and the Use of Leverage

The amounts borrowed under the Revolving Credit Facility, the Term Loan Facility, the Notes and the Series A MRPS (each as defined below) may be invested to seek to return higher rates than the rates pursuant to which interests or dividends are paid under such forms of leverage. However, the cost of leverage could exceed the income earned by the Fund on the proceeds of such leverage. To the extent that the Fund is unable to invest the proceeds from the use of leverage in assets which pay interest at a rate which exceeds the rate paid on the leverage, the yield on the Fund's common stock will decrease. In addition, in the event of a general market decline in the value of assets in which the Fund invests, the effect of that decline will be magnified in the Fund because of the additional assets purchased with the proceeds of the leverage.

The Fund employed leverage obtained via bank borrowing and other forms of leverage during the reporting period. On April 9, 2014, the Fund renewed its \$150 million revolving credit facility for a 3-year period with a syndicate of banks (the Revolving Credit Facility). On June 12, 2013, the Fund entered into a note purchase agreement (the Note Purchase Agreement) with institutional investors relating to the private placement of \$200 million of senior secured notes rated 'AAA' by Fitch Ratings, \$100 million due June 12, 2020 and \$100 million due June 12, 2023 (the Notes). On the same day, the Fund also entered into a term loan agreement providing for \$200 million in secured term loans from Bank of America, N.A., \$100 million due June 12, 2016, on December 14, 2015, the maturity of this loan was extended to December 14, 2019, and \$100 million due June 12, 2018 (the Term Loan Facility). On June 27, 2013, the Fund issued a private offering of 2 million shares of Series A Mandatory Redeemable Preferred Shares due June 25, 2023 (the Series A MRPS). The Series A MRPS have a liquidation value of \$50 million and are rated 'AA' by Fitch Ratings. The Fund's outstanding balance as of April 30, 2016 was \$125 million on the Revolving Credit Facility.

The Fund's leveraged capital structure creates special risks not associated with unleveraged funds having similar investment objectives and policies. The funds borrowed pursuant to the Revolving Credit Facility, the Term Loan Facility and the Notes may constitute a substantial lien and burden by reason of their prior claim against the income of the Fund and against the net assets of the Fund in liquidation. The Fund is

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limited in its ability to declare dividends or other distributions under the terms of the various forms of leverage. In the event of an event of default under either the Revolving Credit Facility or Term Loan Facility, the lenders have the

<sup>1.2.3</sup> Forecasts and estimates are offered as opinion and are not reflective of potential performance, are not guaranteed and actual events or results may differ materially.

Aberdeen Asia-Pacific Income Fund, Inc.

## Report of the Investment Manager (unaudited) (concluded)

right to cause a liquidation of the collateral (i.e., sell portfolio securities and other assets of the Fund) and, if any such default is not cured, the lenders may be able to control the liquidation as well. In the event of an event of default under the Note Purchase Agreement, the holders of the Notes have the right to cause a liquidation of the collateral (i.e., cause the sale of portfolio securities and other assets of the Fund).

Each of the Revolving Credit Facility Agreement, the Term Loan Agreement, the Note Purchase Agreement, and the Securities Purchase Agreement relating to the Series A MRPS, includes usual and customary covenants for the applicable type of transaction. These covenants impose on the Fund asset coverage requirements, Fund composition requirements and limits on certain investments, such as illiquid investments, which are more stringent than those imposed on the Fund by the 1940 Act. The covenants or guidelines could impede the Fund's investment manager, investment adviser, or sub-adviser from fully managing the Fund's portfolio in accordance with the Fund's investment objective and policies. Furthermore, non-compliance with such covenants or the occurrence of other events could lead to the cancellation of any and/or all of the forms of leverage. As of April 30, 2016, the Fund was in compliance with all covenants under the agreements relating to the various forms of leverage.

### Interest Rate Swaps

The Fund may enter into interest rate swaps to efficiently gain interest rate exposure and hedge interest rate risk. As of April 30, 2016, the Fund held interest rate swap agreements with an aggregate notional amount of \$125 million, which represented 100% of the Fund's Revolving Credit Facility. Under the terms of the agreements currently in effect, the Fund receives a floating rate of interest (three month USD-LIBOR BBA rate) and pays fixed rates of interest for the terms and based upon the notional amounts set forth below:

### Remaining

#### Terms as of

|                       | Amount<br>(in millions) | Fixed Rate<br>Payable (%) |
|-----------------------|-------------------------|---------------------------|
| <b>April 30, 2016</b> |                         |                           |
| 6 months              | \$ 59.0                 | 1.42                      |
| 18 months             | \$ 66.0                 | 0.84                      |

A significant risk associated with interest rate swaps is the risk that the counterparty may default or file for bankruptcy, in which case the Fund would bear the risk of loss of the amount expected to be received under the swap agreements. There can be no assurance that the Fund will have an interest rate swap in place at any given time nor can there be any assurance that, if an interest rate swap is in place, it will be successful in hedging the Fund's interest rate risk with respect to the loan facility. The implementation of this strategy is at the discretion of the Leverage Committee of the Board.

### Aberdeen Asset Management Asia Limited

Aberdeen Asia-Pacific Income Fund, Inc.

## Total Investment Return (unaudited)

The following table summarizes the average annual Fund performance for the 1-year, 3-year, 5-year and 10-year periods as of April 30, 2016. The Fund's principal investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

|                       | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|--------|---------|---------|----------|
| Net Asset Value (NAV) | 1.3%   | -2.6%   | 0.6%    | 5.9%     |
| Market Value          | -0.8%  | -6.0%   | -0.7%   | 5.4%     |

Aberdeen Asset Management Inc. (AAMI) has entered into an agreement with the Fund to limit investor relation services fees, without which performance would be lower. For the six-month period ended April 30, 2016, AAMI did not waive any investor relation service fees because the Fund did not reach the capped amount. See Note 3 in the Notes to Financial Statements. Returns represent past performance. Total investment return at net asset value (NAV) is based on changes in the NAV of Fund shares 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. All return data at NAV includes fees charged to the Fund, which are listed in the Fund's Statement of Operations under Expenses. The Fund's total return is based on the reported NAV on each financial reporting period end. Total investment return at market value is based on changes in the market price at which the Fund's 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. 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 at [www.aberdeenfx.com](http://www.aberdeenfx.com) or by calling 800-522-5465.

The annualized net operating expense ratio based on the six-month period ended April 30, 2016 was 2.24%. The annualized net operating expense ratio, excluding interest expense and distributions to Series A Mandatory Redeemable Preferred Shares, based on the six-month period ended April 30, 2016 was 1.16%.

Aberdeen Asia-Pacific Income Fund, Inc.



## Portfolio Composition (unaudited)

### Quality of Investments<sup>(1)</sup>

As of April 30, 2016, 58.7% of the Fund's total investments were invested in securities where either the issue or the issuer was rated A or better by Standard & Poor's or Moody's Investors Service, Inc. The table below shows the asset quality of the Fund's portfolio as of April 30, 2016 compared with the previous six and twelve months:

| Date             | AAA/Aaa<br>% | AA/Aa<br>% | A<br>% | BBB/Baa<br>% | BB/Ba**<br>% | B**<br>% | NR***<br>% |
|------------------|--------------|------------|--------|--------------|--------------|----------|------------|
| April 30, 2016*  | 37.2         | 11.2       | 10.3   | 22.4         | 6.4          | 4.1      | 8.4        |
| October 31, 2015 | 36.9         | 12.4       | 9.2    | 22.9         | 7.5          | 5.4      | 5.7        |
| April 30, 2015*  | 36.3         | 11.2       | 10.7   | 25.6         | 8.9          | 4.6      | 2.7        |

\* Unaudited

\*\* Below investment grade

\*\*\* Not Rated

(1) For financial reporting purposes, credit quality ratings shown above reflect the lowest rating assigned by either Standard & Poor's or Moody's Investor Service, Inc. if ratings differ. These rating agencies are independent, nationally recognized statistical rating organization and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated NR are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change. The Investment Manager has evaluated the credit quality of unrated investments based upon, but not limited to, credit ratings for similar investments.

### Geographic Composition

The table below shows the geographical composition (with U.S. Dollar-denominated bonds issued by foreign issuers allocated into country of issuance) of the Fund's total investments as of April 30, 2016, compared with the previous six and twelve months:

| Date             | Australia<br>% | Asia<br>(including NZ)<br>% | Europe<br>% | United States<br>% | Canada<br>% |
|------------------|----------------|-----------------------------|-------------|--------------------|-------------|
| April 30, 2016*  | 37.7           | 56.1                        | 4.5         | 1.7                | 0.0         |
| October 31, 2015 | 34.6           | 57.7                        | 3.8         | 3.8                | 0.1         |
| April 30, 2015*  | 31.9           | 61.5                        | 3.8         | 2.7                | 0.1         |

\* Unaudited

### Currency Composition

The table below shows the currency composition of the Fund's total investments as of April 30, 2016, compared with the previous six and twelve months:

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| <b>Date</b>      | <b>Australian</b>   | <b>Asian Currencies</b>            | <b>US Dollar**</b> |
|------------------|---------------------|------------------------------------|--------------------|
|                  | <b>Dollar<br/>%</b> | <b>(including NZ Dollar)<br/>%</b> | <b>%</b>           |
| April 30, 2016*  | 40.4                | 20.5                               | 39.1               |
| October 31, 2015 | 37.4                | 20.4                               | 42.2               |
| April 30, 2015*  | 38.7                | 20.7                               | 40.6               |

\* Unaudited

\*\* Includes U.S. Dollar-denominated bonds issued by foreign issuers: 39.1% of the Fund's total investments on April 30, 2016, 42.2% of the Fund's total investments on October 31, 2015, 40.6% of the Fund's total investments on April 30, 2015.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio Composition (unaudited) (concluded)

### Maturity Composition

As of April 30, 2016, the average maturity of the Fund's total investments was 7.8 years, compared with 7.9 years at October 31, 2015, and 7.9 years at April 30, 2015. The following table shows the maturity composition of the Fund's investments as of April 30, 2016, compared with the previous six and twelve months:

| Date             | Under 3 Years | 3 to 5 Years | 5 to 10 Years | 10 Years & Over |
|------------------|---------------|--------------|---------------|-----------------|
|                  | %             | %            | %             | %               |
| April 30, 2016*  | 20.3          | 17.6         | 42.3          | 19.8            |
| October 31, 2015 | 22.9          | 15.6         | 42.5          | 19.0            |
| April 30, 2015*  | 26.3          | 16.4         | 38.2          | 19.1            |

\* Unaudited

Aberdeen Asia-Pacific Income Fund, Inc.

## Summary of Key Rates (unaudited)

The following table summarizes the movements of key interest rates and currencies from April 30, 2016 and the previous six and twelve month periods.

|                         | April 30, 2016 | October 31, 2015 | April 30, 2015 |
|-------------------------|----------------|------------------|----------------|
| <b>Australia</b>        |                |                  |                |
| 90 day Bank Bills       | 2.16%          | 2.11%            | 2.25%          |
| 10 yr bond              | 2.30%          | 2.40%            | 2.49%          |
| Australian Dollar       | \$0.76         | \$0.71           | \$0.79         |
| <b>New Zealand</b>      |                |                  |                |
| 90 day Bank Bills       | 2.42%          | 2.98%            | 3.64%          |
| 10 yr bond              | 2.85%          | 3.30%            | 3.45%          |
| New Zealand Dollar      | \$0.70         | \$0.68           | \$0.76         |
| <b>South Korea</b>      |                |                  |                |
| 90 day commercial paper | 1.61%          | 1.57%            | 1.80%          |
| 10 yr bond              | 1.80%          | 2.11%            | 2.41%          |
| South Korean Won*       | ₩1139.40       | ₩1140.05         | ₩1072.00       |
| <b>Thailand</b>         |                |                  |                |
| 3 months deposit rate   | 1.00%          | 1.00%            | 1.00%          |
| 10 yr bond              | 1.80%          | 2.65%            | 2.48%          |
| Thai Baht*              | ฿34.93         | ฿35.57           | ฿32.97         |
| <b>Philippines</b>      |                |                  |                |
| 90 day T-Bills          | 1.91%          | 2.30%            | 2.35%          |
| 10 yr bond              | 4.58%          | 3.72%            | 4.31%          |
| Philippine Peso*        | ₱46.89         | ₱46.82           | ₱44.53         |
| <b>Malaysia</b>         |                |                  |                |
| 3-month T-Bills         | 2.48%          | 2.96%            | 2.93%          |
| 10 yr bond              | 3.88%          | 4.37%            | 3.85%          |
| Malaysian Ringgit*      | ₹3.91          | ₹4.30            | ₹3.56          |
| <b>Singapore</b>        |                |                  |                |
| 3-month T-Bills         | 0.70%          | 1.16%            | 0.95%          |
| 10 yr bond              | 2.00%          | 2.46%            | 2.25%          |
| Singapore Dollar*       | ₹\$1.34        | ₹\$1.40          | ₹\$1.32        |
| <b>U.S.\$ Bonds**</b>   |                |                  |                |
| Indonesia               | 3.96%          | 4.44%            | 3.89%          |
| Philippines             | 1.34%          | 1.57%            | 1.78%          |

\* These currencies are quoted Asian currency per U.S. Dollar. The Australian and New Zealand Dollars are quoted U.S. Dollars per currency.

\*\* Sovereign issues.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (unaudited)

As of April 30, 2016

| Principal Amount (000)       | Description  | Value (US\$)       |
|------------------------------|--|--------------------|
| <b>CORPORATE BONDS 62.2%</b> |  |                    |
| <b>AUSTRALIA 8.6%</b>        |  |                    |
| AUD 3,000                    | AAI Ltd., 6.75%, 10/06/2016 (a)(b)                                     | \$ 2,306,369       |
| AUD 2,500                    | APT Pipelines Ltd., 7.75%, 07/22/2020                                  | 2,170,609          |
| AUD 10,900                   | BHP Billiton Finance Ltd., 3.75%, 10/18/2017                           | 8,346,541          |
| AUD 9,500                    | Brisbane Square Finance Pty Ltd., 6.79%, 11/25/2025 (c)(d)(e)          | 6,284,653          |
| AUD 8,200                    | Coca-Cola Amatil Ltd., 4.25%, 11/13/2019                               | 6,443,176          |
| USD 11,000                   | Commonwealth Bank of Australia, 4.50%, 12/09/2025 (f)                  | 11,300,256         |
| AUD 5,300                    | DnB NOR Boligkredditt, 6.25%, 06/08/2016                               | 4,045,490          |
| AUD 7,500                    | KfW, 3.75%, 07/18/2018 (g)   | 5,872,990          |
| AUD 5,000                    | KfW, 6.00%, 08/20/2020 (g)   | 4,323,878          |
| AUD 10,600                   | KfW, 6.25%, 02/23/2018 (g)   | 8,621,954          |
| AUD 10,500                   | KfW, 6.25%, 12/04/2019 (g)   | 9,014,526          |
| AUD 15,000                   | KfW, 6.25%, 05/19/2021 (g)   | 13,298,405         |
| AUD 9,788                    | Kommunalbanken AS, 6.50%, 04/12/2021                                   | 8,701,022          |
| AUD 10,000                   | Landwirtschaftliche Rentenbank, 4.75%, 04/08/2024 (g)                  | 8,518,344          |
| AUD 2,900                    | National Capital Trust III, 3.24%, 09/30/2016 (a)(b)(h)                | 2,170,594          |
| AUD 2,500                    | National Wealth Management Holdings Ltd., 6.75%, 06/16/2016 (a)(b)     | 1,906,938          |
| AUD 4,800                    | New Zealand Milk Australia Pty Ltd., 6.25%, 07/11/2016                 | 3,674,388          |
| AUD 4,300                    | Novion Property Group, 7.25%, 05/02/2016                               | 3,270,681          |
| AUD 7,300                    | Qantas Airways Ltd., 7.50%, 06/11/2021                                 | 6,233,356          |
| AUD 3,800                    | RWH Finance Pty Ltd., 6.20%, 03/26/2017 (a)(b)(d)                      | 2,859,801          |
| AUD 2,000                    | Telstra Corp. Ltd., 8.75%, 01/15/2020                                  | 1,812,446          |
| AUD 4,000                    | Westpac Banking Corp., 7.25%, 11/18/2016                               | 3,119,959          |
|                              |  | <b>124,296,376</b> |
| <b>CHINA 15.0%</b>           |  |                    |
| USD 3,950                    | Agile Property Holdings Ltd., 9.00%, 05/21/2018 (b)(f)                 | 4,196,816          |
| USD 6,000                    | China Aoyuan Property Group Ltd., 11.25%, 01/17/2017                   | 6,487,884          |
| CNH 11,250                   | China Development Bank Corp., 3.60%, 11/13/2018                        | 1,721,857          |
| USD 7,000                    | China Overseas Finance Cayman III Ltd., 5.38%, 10/29/2023 (f)          | 7,730,422          |
| USD 4,955                    | China Resources Gas Group Ltd., 4.50%, 04/05/2022 (f)                  | 5,328,102          |
| USD 7,500                    | CNOOC Curtis Funding No 1 Pty Ltd., 4.50%, 10/03/2023 (f)              | 7,956,750          |
| USD 12,160                   | CNOOC Nexen Finance 2014 ULC, 4.25%, 04/30/2024                        | 12,627,965         |
| USD 5,400                    | CNPC General Capital Ltd., 2.75%, 05/14/2019 (f)                       | 5,484,802          |
| USD 8,350                    | CNPC General Capital Ltd., 3.40%, 04/16/2023 (f)                       | 8,409,352          |
| USD 6,670                    | Country Garden Holdings Co. Ltd., 7.25%, 10/04/2017 (b)(f)             | 6,861,876          |
| USD 4,348                    | CRCC Yuxiang Ltd., 3.50%, 05/16/2023 (f)                               | 4,413,433          |
| USD 15,143                   | ENN Energy Holdings Ltd., 6.00%, 05/13/2021 (f)                        | 17,095,448         |
| USD 1,720                    | FPC Treasury Ltd., 4.50%, 04/16/2023 (f)                               | 1,728,301          |
| USD 10,700                   | Franshion Investment Ltd., 4.70%, 10/26/2017 (f)                       | 11,006,459         |
| USD 5,876                    | Future Land Development Holdings Ltd., 10.25%, 07/21/2017 (b)(f)       | 6,348,430          |
| USD 8,800                    | Green Dragon Gas Ltd., 10.00%, 05/30/2016 (b)(d)(f)                    | 5,280,000          |
| USD 4,000                    | Greenland Global Investment Ltd., 5.88%, 07/03/2024 (f)                | 3,893,932          |
| USD 8,629                    | Greenland Hong Kong Holdings Ltd., 4.75%, 10/18/2016 (f)               | 8,629,000          |
| USD 3,674                    | Kunlun Energy Co. Ltd., 3.75%, 05/13/2025 (f)                          | 3,675,176          |
| USD 3,800                    | Logan Property Holdings Co. Ltd., 11.25%, 06/04/2017 (b)(f)            | 4,169,710          |
| USD 15,000                   | Proven Honour Capital Ltd., 4.13%, 05/19/2025 (f)                      | 15,165,600         |
| USD 14,434                   | Semiconductor Manufacturing International Corp., 4.13%, 10/07/2019 (f) | 14,853,986         |

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|     |       |  |           |
|-----|-------|--|-----------|
| USD | 1,385 | Shanghai Electric Group Investment Ltd., 3.00%, 08/14/2019 (f) | 1,406,844 |
| USD | 1,250 | Shimao Property Holdings Ltd., 6.63%, 01/14/2017 (b)(f)        | 1,304,737 |
| USD | 8,000 | Shimao Property Holdings Ltd., 8.38%, 02/10/2019 (b)(f)        | 8,819,304 |
| USD | 5,200 | Sinopec Capital 2013 Ltd., 144A, 3.13%, 04/24/2023 (f)         | 5,126,280 |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (unaudited) (continued)

As of April 30, 2016

| Principal Amount (000)             |         | Description   | Value (US\$)       |
|------------------------------------|---------|---|--------------------|
| <b>CORPORATE BONDS (continued)</b> |         |   |                    |
| <b>CHINA (continued)</b>           |         |   |                    |
| USD                                | 4,109   | Sinopec Capital 2013 Ltd., REG S, 3.13%, 04/24/2023 (f)                 | \$ 4,050,747       |
| USD                                | 1,600   | Sinopec Group Overseas Development 2012 Ltd., 3.90%, 05/17/2022 (f)     | 1,674,230          |
| USD                                | 4,400   | Sinopec Group Overseas Development 2013 Ltd., 4.38%, 10/17/2023 (f)     | 4,687,307          |
| USD                                | 5,900   | Sinopec Group Overseas Development 2014 Ltd., 4.38%, 04/10/2024 (f)     | 6,268,661          |
| USD                                | 4,000   | Star Energy Geothermal Wayang Windu Ltd., 6.13%, 03/28/2017 (f)         | 4,040,000          |
| USD                                | 11,469  | Wanda Properties International Co. Ltd., 7.25%, 01/29/2024 (f)          | 11,821,683         |
| USD                                | 2,812   | Yingde Gases Investment Ltd., 144A, 8.13%, 05/31/2016 (b)(f)            | 2,186,330          |
| USD                                | 3,079   | Yingde Gases Investment Ltd., REG S, 8.13%, 05/31/2016 (b)(f)           | 2,393,922          |
|                                    |         |   | <b>216,845,346</b> |
| <b>HONG KONG 4.7%</b>              |         |   |                    |
| USD                                | 4,103   | Champion Ltd., 3.75%, 01/17/2023 (f)                                    | 4,115,764          |
| USD                                | 17,000  | HLP Finance Ltd., 4.75%, 06/25/2022 (f)                                 | 18,258,850         |
| USD                                | 1,600   | Hong Kong Land Finance Cayman Islands Co. Ltd. (The), 4.50%, 06/01/2022 | 1,771,490          |
| USD                                | 9,500   | Hutchison Whampoa Finance CI Ltd., 7.50%, 08/01/2027 (f)                | 12,864,149         |
| USD                                | 4,417   | Hutchison Whampoa International Ltd., 1.63%, 10/31/2017 (f)             | 4,416,148          |
| USD                                | 2,880   | Hutchison Whampoa International Ltd., 7.45%, 11/24/2033 (f)             | 4,061,359          |
| USD                                | 3,973   | Hutchison Whampoa International Ltd., 7.63%, 04/09/2019 (f)             | 4,606,078          |
| USD                                | 8,149   | Standard Chartered PLC, 3.95%, 01/11/2023 (f)                           | 7,966,356          |
| USD                                | 5,000   | Standard Chartered PLC, 4.05%, 04/12/2026 (f)                           | 4,992,535          |
| USD                                | 2,871   | Standard Chartered PLC, 144A, 3.95%, 01/11/2023 (f)                     | 2,806,652          |
| USD                                | 1,800   | Swire Pacific Financing Ltd., 6.25%, 04/18/2018                         | 1,950,352          |
|                                    |         |   | <b>67,809,733</b>  |
| <b>INDIA 9.2%</b>                  |         |   |                    |
| INR                                | 300,000 | Axis Bank Ltd., 8.85%, 12/05/2024                                       | 4,740,407          |
| USD                                | 2,900   | Bank of Baroda, 4.88%, 07/23/2019 (f)                                   | 3,094,265          |
| USD                                | 3,050   | Bank of Baroda, 5.00%, 08/24/2016 (f)                                   | 3,078,978          |
| USD                                | 6,727   | Bharti Airtel International Netherlands BV, 5.13%, 03/11/2023 (f)       | 7,241,104          |
| USD                                | 3,652   | Bharti Airtel International Netherlands BV, 5.35%, 05/20/2024 (f)       | 3,957,077          |
| USD                                | 4,573   | Bharti Airtel Ltd., 4.38%, 06/10/2025 (f)                               | 4,678,330          |
| INR                                | 100,000 | Export-Import Bank of India, 8.87%, 10/30/2029                          | 1,580,715          |
| USD                                | 6,487   | GCX Ltd., 7.00%, 08/01/2016 (b)(f)                                      | 6,130,144          |
| USD                                | 17,000  | HDFC Bank Ltd., 3.00%, 03/06/2018 (f)                                   | 17,205,700         |
| USD                                | 11,400  | ICICI Bank Ltd., 4.00%, 03/18/2026 (f)                                  | 11,401,710         |
| INR                                | 250,000 | ICICI Bank Ltd., 9.15%, 08/06/2024                                      | 3,952,963          |
| INR                                | 250,000 | Indian Railway Finance Corp. Ltd., 8.83%, 03/25/2023                    | 3,907,851          |
| USD                                | 4,400   | NTPC Ltd., 4.75%, 10/03/2022 (f)  | 4,749,078          |
| INR                                | 200,000 | NTPC Ltd., 8.49%, 03/25/2025  | 2,964,466          |
| INR                                | 100,000 | NTPC Ltd., 8.73%, 03/07/2023  | 1,541,123          |
| INR                                | 100,000 | NTPC Ltd., 9.17%, 09/22/2024  | 1,592,017          |
| USD                                | 11,954  | ONGC Videsh Ltd., 4.63%, 07/15/2024 (f)                                 | 12,460,109         |
| INR                                | 250,000 | Power Finance Corp. Ltd., 8.39%, 04/19/2025                             | 3,800,275          |
| INR                                | 400,000 | Power Finance Corp. Ltd., 8.65%, 12/28/2024                             | 6,165,174          |
| INR                                | 200,000 | Power Grid Corp. of India Ltd., 8.20%, 01/23/2025                       | 3,030,930          |
| INR                                | 200,000 | Power Grid Corp. of India Ltd., 8.93%, 10/20/2022                       | 3,158,287          |
| INR                                | 300,000 | Power Grid Corp. of India Ltd., 9.30%, 09/04/2024                       | 4,802,261          |
| INR                                | 200,000 | Rural Electrification Corp. Ltd., 8.44%, 12/04/2021                     | 3,055,761          |

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|     |         |   |           |
|-----|---------|---|-----------|
| INR | 150,000 | Rural Electrification Corp. Ltd., 9.34%, 08/25/2024 | 2,406,585 |
| INR | 270,000 | Rural Electrification Corp. Ltd., 9.35%, 06/15/2022 | 4,259,894 |
| USD | 4,800   | State Bank of India, 3.62%, 04/17/2019 (f)          | 4,968,000 |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



**Portfolio of Investments** (unaudited) (continued)

As of April 30, 2016

| Principal Amount (000)              |            | Description  | Value (US\$)       |
|-------------------------------------|------------|--|--------------------|
| <b>CORPORATE BONDS (continued)</b>  |            |  |                    |
| <b>INDIA (continued)</b>            |            |  |                    |
| INR                                 | 150,000    | Steel Authority of India Ltd., 9.00%, 10/14/2024                             | \$ 2,343,141       |
| INR                                 | 100,000    | Tata Motors Ltd., 9.73%, 10/01/2020  | 1,563,459          |
|                                     |            |  | <b>133,829,804</b> |
| <b>INDONESIA 3.9%</b>               |            |  |                    |
| IDR                                 | 24,000,000 | Bank OCBC Nisp Tbk PT, 9.40%, 02/10/2017                                     | 1,829,543          |
| USD                                 | 1,200      | Jababeka International BV, 7.50%, 09/24/2017 (b)(f)                          | 1,216,490          |
| IDR                                 | 30,000,000 | Lembaga Pembiayaan Ekspor Indonesia, 9.50%, 03/13/2020                       | 2,322,338          |
| USD                                 | 3,150      | Majapahit Holding BV, 7.88%, 06/29/2037 (f)                                  | 3,819,375          |
| USD                                 | 8,900      | Majapahit Holding BV, 8.00%, 08/07/2019 (f)                                  | 10,141,550         |
| USD                                 | 4,888      | Pertamina Persero PT, 5.63%, 05/20/2043 (f)                                  | 4,511,165          |
| USD                                 | 11,900     | Pertamina Persero PT, 6.00%, 05/03/2042 (f)                                  | 11,421,311         |
| USD                                 | 7,600      | Pertamina Persero PT, 6.45%, 05/30/2044 (f)                                  | 7,731,229          |
| USD                                 | 6,009      | Perusahaan Listrik Negara PT, 5.25%, 10/24/2042 (f)                          | 5,543,303          |
| USD                                 | 4,600      | Perusahaan Listrik Negara PT, 5.25%, 10/24/2042 (f)                          | 4,243,500          |
| USD                                 | 4,000      | Pratama Agung Pte Ltd., 6.25%, 02/24/2018 (b)(f)                             | 4,046,520          |
|                                     |            |  | <b>56,826,324</b>  |
| <b>MALAYSIA 1.0%</b>                |            |  |                    |
| USD                                 | 900        | Petroliam Nasional Bhd, 7.63%, 10/15/2026 (f)                                | 1,222,385          |
| USD                                 | 8,180      | Petronas Capital Ltd., 3.13%, 03/18/2022 (f)                                 | 8,399,682          |
| USD                                 | 50         | Petronas Capital Ltd., 5.25%, 08/12/2019 (f)                                 | 55,089             |
| USD                                 | 2,400      | Petronas Global Sukuk Ltd., 2.71%, 03/18/2020 (f)                            | 2,416,049          |
| USD                                 | 2,650      | Public Bank Bhd, 6.84%, 08/22/2016 (a)(b)(c)                                 | 2,636,901          |
|                                     |            |  | <b>14,730,106</b>  |
| <b>PHILIPPINES 2.0%</b>             |            |  |                    |
| USD                                 | 3,700      | Energy Development Corp., 6.50%, 01/20/2021 (f)                              | 4,162,500          |
| USD                                 | 3,072      | Philippine Long Distance Telephone Co., 8.35%, 03/06/2017                    | 3,233,280          |
| USD                                 | 16,534     | Power Sector Assets & Liabilities Management Corp., 7.39%, 12/02/2024 (f)(g) | 22,288,229         |
|                                     |            |  | <b>29,684,009</b>  |
| <b>REPUBLIC OF SOUTH KOREA 5.2%</b> |            |  |                    |
| USD                                 | 7,218      | Doosan Heavy Industries & Construction Co. Ltd., 2.13%, 04/27/2020 (f)       | 7,194,715          |
| USD                                 | 10,552     | Hyundai Capital Services, Inc., 2.63%, 09/29/2020 (f)                        | 10,602,491         |
| USD                                 | 4,211      | KEB Hana Bank, 2.50%, 06/12/2019 (f)   | 4,270,181          |
| USD                                 | 2,050      | Korea Expressway Corp., 1.88%, 10/22/2017 (f)                                | 2,059,672          |
| USD                                 | 1,400      | Korea Gas Corp., 2.88%, 07/29/2018 (f)                                       | 1,433,167          |
| USD                                 | 4,000      | Korea Hydro & Nuclear Power Co. Ltd., 2.88%, 10/02/2018 (f)                  | 4,085,200          |
| USD                                 | 10,858     | Korea Hydro & Nuclear Power Co. Ltd., 3.00%, 09/19/2022 (f)                  | 11,316,664         |
| USD                                 | 6,305      | Korea Hydro & Nuclear Power Co. Ltd., 3.25%, 06/15/2025 (f)                  | 6,605,440          |
| USD                                 | 13,652     | Korea National Oil Corp., 2.63%, 04/14/2026 (f)                              | 13,587,740         |
| USD                                 | 3,000      | Korea South-East Power Co. Ltd., 3.63%, 01/29/2017 (f)                       | 3,045,072          |
| USD                                 | 6,390      | Minera y Metalergica del Boleo SA de CV, 2.88%, 05/07/2019 (f)               | 6,520,816          |
| USD                                 | 4,200      | Shinhan Bank, 1.88%, 07/30/2018 (f)  | 4,209,853          |
|                                     |            |  | <b>74,931,011</b>  |
| <b>SINGAPORE 3.0%</b>               |            |  |                    |
| SGD                                 | 2,750      | CapitaMalls Asia Treasury Ltd., 3.95%, 08/24/2017 (f)                        | 2,093,272          |
| USD                                 | 12,000     | Global Logistic Properties Ltd., 3.88%, 06/04/2025 (f)                       | 11,987,856         |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (unaudited) (continued)

As of April 30, 2016

| Principal Amount (000)             |         | Description  | Value (US\$)       |
|------------------------------------|---------|--|--------------------|
| <b>CORPORATE BONDS (continued)</b> |         |  |                    |
| <b>SINGAPORE (continued)</b>       |         |  |                    |
| USD                                | 5,608   | HPHT Finance 15 Ltd., 2.88%, 03/17/2020 (f)                            | \$ 5,661,837       |
| USD                                | 1,000   | MPM Global Pte Ltd., 6.75%, 09/19/2017 (b)(f)                          | 982,930            |
| USD                                | 8,900   | Oversea-Chinese Banking Corp. Ltd., 3.15%, 03/11/2018 (a)(b)(c)(f)     | 9,029,958          |
| USD                                | 4,164   | TBG Global Pte Ltd., 5.25%, 02/10/2019 (b)(f)                          | 4,089,618          |
| USD                                | 9,000   | United Overseas Bank Ltd., 3.50%, 09/16/2026 (c)                       | 9,030,951          |
|                                    |         |  | <b>42,876,422</b>  |
| <b>SRI LANKA 0.1%</b>              |         |  |                    |
| USD                                | 1,600   | Bank of Ceylon, 5.33%, 04/16/2018 (f)                                  | <b>1,576,000</b>   |
| <b>SUPRANATIONAL 5.2%</b>          |         |  |                    |
| AUD                                | 14,000  | Asian Development Bank, 5.00%, 03/09/2022                              | 11,913,025         |
| AUD                                | 16,800  | Asian Development Bank, 6.25%, 03/05/2020                              | 14,504,994         |
| AUD                                | 10,000  | Inter-American Development Bank, 6.00%, 05/25/2016                     | 7,623,800          |
| AUD                                | 11,200  | Inter-American Development Bank, 6.50%, 08/20/2019                     | 9,606,655          |
| AUD                                | 10,000  | International Bank for Reconstruction & Development, 4.25%, 06/24/2025 | 8,397,456          |
| AUD                                | 7,500   | International Bank for Reconstruction & Development, 4.50%, 03/07/2017 | 5,811,459          |
| AUD                                | 8,900   | International Bank for Reconstruction & Development, 5.75%, 10/21/2019 | 7,512,579          |
| AUD                                | 10,300  | International Bank for Reconstruction & Development, 6.00%, 11/09/2016 | 7,986,356          |
| AUD                                | 2,600   | International Finance Corp., 5.75%, 07/28/2020                         | 2,229,480          |
|                                    |         |  | <b>75,585,804</b>  |
| <b>THAILAND 3.2%</b>               |         |  |                    |
| USD                                | 2,400   | Bangkok Bank PCL, 4.80%, 10/18/2020 (f)                                | 2,638,579          |
| USD                                | 4,800   | Bangkok Bank PCL, 9.03%, 03/15/2029 (f)                                | 6,804,446          |
| USD                                | 17,170  | Krung Thai Bank PCL, 5.20%, 12/26/2019 (a)(b)(c)(f)                    | 17,691,350         |
| USD                                | 9,440   | PTT Global Chemical PCL, 4.25%, 09/19/2022 (f)                         | 10,016,350         |
| USD                                | 4,500   | Siam Commercial Bank Ltd., 3.38%, 09/19/2017 (f)                       | 4,597,736          |
| USD                                | 4,002   | Siam Commercial Bank PCL, 3.50%, 04/07/2019 (f)                        | 4,129,864          |
|                                    |         |  | <b>45,878,325</b>  |
| <b>UNITED KINGDOM 1.1%</b>         |         |  |                    |
| USD                                | 15,962  | HSBC Holdings PLC, 6.38%, 03/30/2025 (a)(b)(c)(h)                      | <b>15,417,696</b>  |
|                                    |         | <b>Total Corporate Bonds 62.2% (cost \$936,251,688)</b>                | <b>900,286,956</b> |
| <b>GOVERNMENT BONDS 69.4%</b>      |         |  |                    |
| <b>AUSTRALIA 39.0%</b>             |         |  |                    |
| AUD                                | 34,700  | Australia Government Bond, 3.25%, 04/21/2025 (f)                       | 28,025,103         |
| AUD                                | 30,300  | Australia Government Bond, 3.25%, 04/21/2029 (f)                       | 24,330,837         |
| AUD                                | 158,900 | Australia Government Bond, 3.75%, 04/21/2037 (f)                       | 132,047,241        |
| AUD                                | 29,800  | Australia Government Bond, 4.50%, 04/21/2033 (f)                       | 27,425,759         |
| AUD                                | 55,000  | Australia Government Bond, 4.75%, 06/15/2016 (f)                       | 41,964,858         |
| AUD                                | 7,000   | Australia Government Bond, 5.50%, 04/21/2023 (f)                       | 6,414,562          |
| AUD                                | 35,300  | Australia Government Bond, 5.75%, 07/15/2022 (f)                       | 32,316,319         |
| AUD                                | 7,500   | New South Wales Treasury Corp., 4.00%, 05/20/2026 (f)                  | 6,341,803          |
| AUD                                | 46,000  | New South Wales Treasury Corp., 6.00%, 02/01/2018                      | 37,391,404         |
| AUD                                | 15,000  | New South Wales Treasury Corp., 6.00%, 03/01/2022                      | 13,675,566         |
| AUD                                | 22,850  | Queensland Treasury Corp., 6.00%, 02/21/2018 (f)                       | 18,584,719         |
| AUD                                | 31,190  | Queensland Treasury Corp., 6.00%, 06/14/2021 (f)(g)                    | 27,994,978         |
| AUD                                | 47,100  | Queensland Treasury Corp., 6.25%, 06/14/2019 (g)                       | 40,375,706         |
| AUD                                | 24,330  | Queensland Treasury Corp., 6.25%, 02/21/2020 (f)                       | 21,193,552         |

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|     |        |   |            |
|-----|--------|---|------------|
| AUD | 61,500 | Treasury Corp. of Victoria, 5.75%, 11/15/2016 | 47,679,446 |
|-----|--------|---|------------|

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (unaudited) (continued)

As of April 30, 2016

| Principal Amount (000)              |             | Description  | Value (US\$)       |
|-------------------------------------|-------------|--|--------------------|
| <b>GOVERNMENT BONDS (continued)</b> |             |  |                    |
| <b>AUSTRALIA (continued)</b>        |             |  |                    |
| AUD                                 | 14,250      | Treasury Corp. of Victoria, 6.00%, 06/15/2020                  | \$ 12,490,897      |
| AUD                                 | 35,350      | Treasury Corp. of Victoria, 6.00%, 10/17/2022                  | 32,649,154         |
| AUD                                 | 15,000      | Western Australian Treasury Corp., 7.00%, 07/15/2021           | 13,917,368         |
|                                     |             |  | <b>564,819,272</b> |
| <b>BANGLADESH 0.1%</b>              |             |  |                    |
| BDT                                 | 100,000     | Bangladesh Treasury Bond, 11.78%, 08/14/2018 (d)               | <b>1,448,584</b>   |
|                                     |             |  | <b>1,448,584</b>   |
| <b>CHINA 4.9%</b>                   |             |  |                    |
| CNH                                 | 13,000      | China Development Bank, 3.35%, 03/20/2017                      | 1,994,913          |
| CNY                                 | 15,000      | China Government Bond, 2.85%, 01/28/2026                       | 2,296,923          |
| CNY                                 | 20,000      | China Government Bond, 3.14%, 09/08/2020                       | 3,136,419          |
| CNY                                 | 50,000      | China Government Bond, 3.28%, 08/05/2020 (i)                   | 7,876,937          |
| CNY                                 | 10,000      | China Government Bond, 3.36%, 05/24/2022 (i)                   | 1,582,102          |
| CNY                                 | 40,000      | China Government Bond, 3.41%, 06/24/2020 (i)                   | 6,332,849          |
| CNY                                 | 20,000      | China Government Bond, 3.46%, 07/11/2020 (i)                   | 3,172,155          |
| CNY                                 | 2,000       | China Government Bond, 3.57%, 11/17/2021 (i)                   | 319,869            |
| CNY                                 | 88,000      | China Government Bond, 3.64%, 04/09/2025 (i)                   | 14,307,922         |
| CNY                                 | 60,000      | China Government Bond, 4.08%, 08/22/2023 (i)                   | 9,925,089          |
| CNY                                 | 30,000      | China Government Bond, 4.10%, 09/27/2032 (i)                   | 5,131,571          |
| CNY                                 | 20,000      | China Government Bond, 4.13%, 09/18/2024 (i)                   | 3,352,246          |
| CNY                                 | 20,000      | China Government Bond, 4.15%, 04/28/2031 (i)                   | 3,435,081          |
| CNH                                 | 13,000      | Export-Import Bank of China (The), 3.25%, 01/17/2021           | 1,998,750          |
| USD                                 | 5,531       | Export-Import Bank of China (The), 3.63%, 07/31/2024 (f)       | 5,812,876          |
|                                     |             |  | <b>70,675,702</b>  |
| <b>INDIA 3.0%</b>                   |             |  |                    |
| INR                                 | 1,885,000   | India Government Bond, 8.12%, 12/10/2020                       | 29,137,502         |
| INR                                 | 125,000     | India Government Bond, 8.30%, 07/02/2040                       | 1,968,251          |
| INR                                 | 16,000      | India Government Bond, 8.33%, 06/07/2036                       | 252,797            |
| INR                                 | 110,440     | India Government Bond, 8.40%, 07/28/2024                       | 1,733,607          |
| INR                                 | 502,500     | India Government Bond, 8.60%, 06/02/2028                       | 8,041,667          |
| INR                                 | 150,000     | India Government Bond, 8.83%, 12/12/2041                       | 2,494,380          |
| INR                                 | 9,230       | India Government Bond, 9.20%, 09/30/2030                       | 154,738            |
|                                     |             |  | <b>43,782,942</b>  |
| <b>INDONESIA 4.5%</b>               |             |  |                    |
| USD                                 | 7,989       | Indonesia Government International Bond, 3.38%, 04/15/2023 (f) | 7,909,813          |
| USD                                 | 3,500       | Indonesia Government International Bond, 5.25%, 01/17/2042 (f) | 3,584,823          |
| USD                                 | 6,900       | Indonesia Government International Bond, 6.63%, 02/17/2037 (f) | 8,167,958          |
| IDR                                 | 47,000,000  | Indonesia Treasury Bond, 8.25%, 06/15/2032                     | 3,680,063          |
| IDR                                 | 40,000,000  | Indonesia Treasury Bond, 8.25%, 05/15/2036                     | 3,139,642          |
| IDR                                 | 114,000,000 | Indonesia Treasury Bond, 8.38%, 03/15/2024                     | 9,019,035          |
| IDR                                 | 120,400,000 | Indonesia Treasury Bond, 8.38%, 03/15/2034                     | 9,556,864          |
| IDR                                 | 20,000,000  | Indonesia Treasury Bond, 8.75%, 05/15/2031                     | 1,628,465          |
| IDR                                 | 30,000,000  | Indonesia Treasury Bond, 9.00%, 03/15/2029                     | 2,473,385          |
| IDR                                 | 21,000,000  | Indonesia Treasury Bond, 9.50%, 07/15/2031                     | 1,817,293          |
| USD                                 | 2,050       | Perusahaan Penerbit SBSN, 4.00%, 11/21/2018 (f)                | 2,132,000          |
| USD                                 | 3,981       | Perusahaan Penerbit SBSN Indonesia III, 4.35%, 09/10/2024 (f)  | 4,065,397          |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (unaudited) (continued)

As of April 30, 2016

| Principal Amount (000)                                     |            | Description  | Value (US\$)         |
|--|------------|--|----------------------|
| <b>GOVERNMENT BONDS (continued)</b>                        |            |  |                      |
| <b>INDONESIA (continued)</b>                               |            |  |                      |
| USD  | 7,809      | Perusahaan Penerbit SBSN Indonesia III, 4.55%, 03/29/2026 (f)  | \$ 7,999,540         |
|  |            |  | <b>65,174,278</b>    |
| <b>MONGOLIA 0.7%</b>                                       |            |  |                      |
| USD  | 10,010     | Mongolia Government International Bond, 10.88%, 04/06/2021 (f) | <b>10,184,875</b>    |
| <b>PHILIPPINES 3.3%</b>                                    |            |  |                      |
| PHP  | 347,040    | Philippine Government Bond, 5.75%, 11/24/2021                  | 8,250,881            |
| PHP  | 544        | Philippine Government Bond, 6.38%, 01/19/2022                  | 13,253               |
| PHP  | 331,030    | Philippine Government Bond, 9.13%, 09/04/2016                  | 7,231,008            |
| PHP  | 251,000    | Philippine Government International Bond, 3.63%, 03/21/2033    | 4,913,326            |
| USD  | 7,050      | Philippine Government International Bond, 7.75%, 01/14/2031    | 10,872,997           |
| USD  | 7,100      | Philippine Government International Bond, 9.50%, 02/02/2030    | 12,123,406           |
| USD  | 2,970      | Philippine Government International Bond, 9.88%, 01/15/2019    | 3,641,915            |
|  |            |  | <b>47,046,786</b>    |
| <b>REPUBLIC OF SOUTH KOREA 9.9%</b>                        |            |  |                      |
| USD  | 12,500     | Export-Import Bank of Korea, 2.63%, 12/30/2020                 | 12,774,738           |
| USD  | 5,600      | Korea Land & Housing Corp., 1.88%, 08/02/2017 (f)              | 5,612,930            |
| KRW  | 37,000,000 | Korea Treasury Bond, 2.25%, 12/10/2025                         | 33,775,635           |
| KRW  | 1,000,000  | Korea Treasury Bond, 2.75%, 09/10/2017                         | 892,711              |
| KRW  | 46,000,000 | Korea Treasury Bond, 3.00%, 09/10/2024                         | 44,246,356           |
| KRW  | 5,500,000  | Korea Treasury Bond, 3.25%, 09/10/2018                         | 5,024,646            |
| KRW  | 10,300,000 | Korea Treasury Bond, 3.38%, 09/10/2023                         | 10,083,487           |
| KRW  | 7,000,000  | Korea Treasury Bond, 3.50%, 03/10/2024                         | 6,938,527            |
| KRW  | 3,300,000  | Korea Treasury Bond, 3.75%, 06/10/2022                         | 3,249,872            |
| KRW  | 1,500,000  | Korea Treasury Bond, 3.75%, 12/10/2033                         | 1,682,105            |
| KRW  | 19,000,000 | Korea Treasury Bond, 4.25%, 06/10/2021                         | 18,840,533           |
|  |            |  | <b>143,121,540</b>   |
| <b>SINGAPORE 2.9%</b>                                      |            |  |                      |
| SGD  | 3,000      | Housing & Development Board, 1.01%, 09/19/2016                 | 2,230,185            |
| SGD  | 3,000      | Housing & Development Board, 1.83%, 11/21/2018 (f)             | 2,246,646            |
| SGD  | 2,000      | Housing & Development Board, 3.14%, 03/18/2021                 | 1,571,050            |
| SGD  | 10,000     | Singapore Government Bond, 0.50%, 04/01/2018                   | 7,364,836            |
| SGD  | 20,000     | Singapore Government Bond, 3.00%, 09/01/2024                   | 16,001,785           |
| SGD  | 15,490     | Singapore Government Bond, 3.50%, 03/01/2027                   | 12,986,560           |
|  |            |  | <b>42,401,062</b>    |
| <b>SRI LANKA 1.1%</b>                                      |            |  |                      |
| USD  | 5,254      | Sri Lanka Government Bonds, 6.13%, 06/03/2025 (f)              | 4,952,772            |
| LKR  | 90,000     | Sri Lanka Government Bonds, 8.00%, 09/01/2016                  | 611,811              |
| LKR  | 151,000    | Sri Lanka Government Bonds, 8.00%, 11/15/2018                  | 955,070              |
| LKR  | 230,000    | Sri Lanka Government Bonds, 8.50%, 04/01/2018                  | 1,496,640            |
| LKR  | 388,000    | Sri Lanka Government Bonds, 8.50%, 07/15/2018                  | 2,509,584            |
| LKR  | 293,000    | Sri Lanka Government Bonds, 8.75%, 05/15/2017                  | 1,970,154            |
| LKR  | 80,000     | Sri Lanka Government Bonds, 11.20%, 07/01/2022                 | 525,305              |
| LKR  | 420,000    | Sri Lanka Government Bonds, 11.40%, 01/01/2024                 | 2,747,001            |
|  |            |  | <b>15,768,337</b>    |
| <b>Total Government Bonds 69.4% (cost \$1,052,915,237)</b> |            |  | <b>1,004,423,378</b> |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



## Portfolio of Investments (unaudited) (continued)

As of April 30, 2016

| Principal Amount (000)                                      | Description   | Value (US\$)            |
|---|---|-------------------------|
| <b>SHORT-TERM INVESTMENT 2.5%</b>                           |   |                         |
| <b>UNITED STATES 2.5%</b>                                   |   |                         |
| USD 36,261  | Repurchase Agreement, Fixed Income Clearing Corp., 0.03% dated 04/29/2016, due 05/02/2016 in the amount of \$36,261,091 (collateralized by \$36,185,000 U.S. Treasury Obligation, maturing 02/15/2025; value of \$36,999,163) | \$ 36,261,000           |
| <b>Total Short-Term Investment 2.5% (cost \$36,261,000)</b> |   | <b>36,261,000</b>       |
| <b>Total Investments 134.1% (cost \$2,025,427,925)</b>      |   | <b>1,940,971,334</b>    |
|   | Long Term Debt Securities   | (525,000,000)           |
|   | Mandatory Redeemable Preferred Stock at Liquidation Value   | (50,000,000)            |
|   | Other Assets in Excess of Liabilities 5.6%  | 81,271,235              |
| <b>Net Assets 100.0%</b>                                    |   | <b>\$ 1,447,242,569</b> |

|                                    |                       |                      |
|------------------------------------|-----------------------|----------------------|
| AUD Australian Dollar              | INR Indian Rupee      | SGD Singapore Dollar |
| BDT Bangladesh Taka                | KRW South Korean Won  | THB Thai Baht        |
| CNH Chinese Yuan Renminbi Offshore | LKR Sri Lanka Rupee   | USD U.S. Dollar      |
| CNY Chinese Yuan Renminbi          | MYR Malaysian Ringgit |                      |
| IDR Indonesian Rupiah              | PHP Philippine Peso   |                      |

- (a) Indicates a variable rate security. The maturity date presented for these instruments is the later of the next date on which the security can be redeemed at par or the next date on which the rate of interest is adjusted. The interest rate shown reflects the rate in effect at April 30, 2016.
- (b) The maturity date presented for these instruments represents the next call/put date.
- (c) Variable or Floating Rate Security. Rate disclosed is as of April 30, 2016.
- (d) Illiquid security.
- (e) For this security the annuity payments increase by 3.25% every year, until the asset amortizes to zero.
- (f) Denotes a restricted security, see Note 2(c).
- (g) This security is government guaranteed.
- (h) Perpetual bond. This is a bond that has no maturity date, is redeemable and pays a steady stream of interest indefinitely.
- (i) China A securities. These securities are issued in local currency, traded in the local markets and are held through a qualified foreign institutional investor license.

At April 30, 2016, the Fund held the following futures contracts:

| Futures Contracts                      | Counterparty | Number of Contracts Long (Short) | Expiration Date | Unrealized Appreciation/ (Depreciation) |
|--|--------------|----------------------------------|-----------------|---|
| United States Treasury Note 6% 5 year  | UBS          | 289                              | 06/30/2016      | \$ 108,168                              |
| United States Treasury Note 6% 10 year | UBS          | (1,152)                          | 06/21/2016      | (601,355)                               |
| United States Treasury Note 6% 2 year  | UBS          | 346                              | 06/30/2016      | (49,461)                                |
| United States Treasury Note 6% 30 year | UBS          | 164                              | 06/21/2016      | (327,622)                               |
|  |              |                                  |                 | <b>\$ (870,270)</b>                     |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (unaudited) (continued)

As of April 30, 2016

At April 30, 2016, the Fund's open forward foreign currency exchange contracts were as follows:

|  |                         | Amount             |                    |                       | Unrealized          |
|--|-------------------------|--------------------|--------------------|-----------------------|---------------------|
| Purchase Contracts   |                         |                    |                    |                       | Appreciation/       |
| Settlement Date  | Counterparty            | Purchased          | Amount Sold        | Fair Value            | (Depreciation)      |
| <b>Australian Dollar/United States Dollar</b>              |                         |                    |                    |                       |                     |
| 06/17/2016   | Citigroup               | AUD216,805,729     | USD165,758,820     | \$ 164,540,818        | \$ (1,218,002)      |
| <b>Indian Rupee/United States Dollar</b>                   |                         |                    |                    |                       |                     |
| 06/01/2016   | Credit Suisse           | INR2,773,167,630   | USD40,100,000      | 41,581,791            | 1,481,791           |
| <b>Indonesian Rupiah/United States Dollar</b>              |                         |                    |                    |                       |                     |
| 06/03/2016   | BNP Paribas             | IDR272,339,000,000 | USD20,300,000      | 20,560,094            | 260,094             |
| <b>Malaysian Ringgit/United States Dollar</b>              |                         |                    |                    |                       |                     |
| 09/30/2016   | Deutsche Bank           | MYR111,677,250     | USD28,500,000      | 28,309,335            | (190,665)           |
| <b>Philippine Peso/United States Dollar</b>                |                         |                    |                    |                       |                     |
| 07/14/2016   | Goldman Sachs           | PHP682,258,000     | USD14,600,000      | 14,497,125            | (102,875)           |
| <b>Singapore Dollar/United States Dollar</b>               |                         |                    |                    |                       |                     |
| 06/30/2016   | Royal Bank of Canada    | SGD28,070,240      | USD20,500,000      | 20,850,011            | 350,011             |
| <b>South Korean Won/United States Dollar</b>               |                         |                    |                    |                       |                     |
| 05/13/2016   | State Street            | KRW2,683,120,000   | USD2,200,000       | 2,354,970             | 154,970             |
| <b>Thai Baht/United States Dollar</b>                      |                         |                    |                    |                       |                     |
| 05/16/2016   | Goldman Sachs           | THB1,185,476,500   | USD33,100,000      | 33,931,797            | 831,797             |
|  |                         |                    |                    | <b>\$ 326,625,941</b> | <b>\$ 1,567,121</b> |
|  |                         | Amount             |                    |                       | Unrealized          |
| Sale Contracts   |                         |                    |                    |                       | Appreciation/       |
| Settlement Date  | Counterparty            | Purchased          | Amount Sold        | Fair Value            | (Depreciation)      |
| <b>United States Dollar/Australian Dollar</b>              |                         |                    |                    |                       |                     |
| 06/17/2016   | State Street            | USD165,000,000     | AUD216,805,729     | \$ 164,540,818        | \$ 459,182          |
| <b>United States Dollar/Chinese Renminbi</b>               |                         |                    |                    |                       |                     |
| 08/05/2016   | Citigroup               | USD30,800,000      | CNY201,875,520     | 31,028,975            | (228,975)           |
| <b>United States Dollar/Chinese Yuan Renminbi Offshore</b> |                         |                    |                    |                       |                     |
| 08/05/2016   | Goldman Sachs           | USD1,700,000       | CNH11,109,500      | 1,705,795             | (5,795)             |
| <b>United States Dollar/Indian Rupee</b>                   |                         |                    |                    |                       |                     |
| 05/18/2016   | Citigroup               | USD2,100,000       | INR140,648,550     | 2,114,618             | (14,618)            |
| 05/18/2016   | Credit Suisse           | USD39,900,000      | INR2,768,262,000   | 41,620,177            | (1,720,177)         |
| 05/18/2016   | Deutsche Bank           | USD1,300,000       | INR87,698,000      | 1,318,519             | (18,519)            |
| <b>United States Dollar/Indonesian Rupiah</b>              |                         |                    |                    |                       |                     |
| 06/03/2016   | Goldman Sachs           | USD13,100,000      | IDR174,230,000,000 | 13,153,405            | (53,405)            |
| 06/03/2016   | Standard Chartered Bank | USD12,699,999      | IDR171,386,500,000 | 12,938,736            | (238,737)           |
| <b>United States Dollar/Philippine Peso</b>                |                         |                    |                    |                       |                     |
| 07/14/2016   | Goldman Sachs           | USD19,200,000      | PHP897,216,000     | 19,064,712            | 135,288             |
| <b>United States Dollar/Singapore Dollar</b>               |                         |                    |                    |                       |                     |
| 06/30/2016   | Royal Bank of Canada    | USD8,200,000       | SGD11,228,096      | 8,340,004             | (140,004)           |
| 06/30/2016   | State Street            | USD14,200,000      | SGD19,252,360      | 14,300,266            | (100,266)           |
| <b>United States Dollar/South Korean Won</b>               |                         |                    |                    |                       |                     |
| 05/13/2016   | State Street            | USD43,200,000      | KRW52,918,300,000  | 46,446,299            | (3,246,299)         |
| <b>United States Dollar/Thai Baht</b>                      |                         |                    |                    |                       |                     |
| 05/16/2016   | Goldman Sachs           | USD31,900,000      | THB1,142,498,500   | 32,701,641            | (801,641)           |

\$ 389,273,965    \$ (5,973,966)

\* Certain contracts with different trade dates and like characteristics have been shown net.

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (concluded)

As of April 30, 2016

At April 30, 2016, the Fund's over-the-counter interest rate swaps were as follows:

| Currency | Notional Amount | Expiration Date | Counterparty  | Receive (Pay) Floating Rate | Floating Rate Index | Fixed Rate | Unrealized (Depreciation) |
|----------|-----------------|-----------------|---------------|-----------------------------|---------------------|------------|---------------------------|
| USD      | 59,000,000      | 10/31/2016      | Barclays Bank | Receive                     | 3-month LIBOR Index | 1.42%      | \$ (217,327)              |
| USD      | 66,000,000      | 11/01/2017      | Barclays Bank | Receive                     | 3-month LIBOR Index | 0.84%      | (165,489)                 |
|          |                 |                 |               |                             |                     |            | <b>\$ (382,816)</b>       |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Statement of Assets and Liabilities (unaudited)

As of April 30, 2016

| <b>Assets</b>  |                         |
|--|-------------------------|
| Investments, at value (cost \$1,989,166,925)   | \$ 1,904,710,334        |
| Repurchase agreement, at value (cost \$36,261,000)   | 36,261,000              |
| Foreign currency, at value (cost \$61,495,951)   | 62,311,277              |
| Cash at broker for interest rate swaps   | 1,050,000               |
| Cash at broker for futures contracts   | 761,981                 |
| Cash at broker for China A shares  | 70,867                  |
| Interest receivable  | 23,063,245              |
| Receivable for investments sold  | 10,106,338              |
| Unrealized appreciation on forward foreign currency exchange contracts   | 3,673,133               |
| Prepaid expenses in connection with revolving credit facility, senior secured notes, term loans and Series A Mandatory Redeemable Preferred Shares | 2,548,437               |
| Variation margin receivable for futures contracts  | 108,168                 |
| Prepaid expenses   | 14,042                  |
| <b>Total assets</b>  | <b>2,044,678,822</b>    |
| <b>Liabilities</b>   |                         |
| Senior secured notes payable (Note 8)  | 200,000,000             |
| Revolving credit facility payable (Note 9)   | 125,000,000             |
| 4-year term loan payable   | 100,000,000             |
| 5-year term loan payable   | 100,000,000             |
| Series A Mandatory Redeemable Preferred Shares (\$25.00 liquidation value per share; 2,000,000 shares outstanding) (Note 7)                        | 50,000,000              |
| Unrealized depreciation on forward foreign currency exchange contracts   | 8,079,978               |
| Payable for investments purchased  | 4,574,802               |
| Interest payable on revolving credit facility, senior secured notes and term loans   | 3,114,403               |
| Due to custodian   | 2,625,443               |
| Investment management fees payable (Note 3)  | 1,090,605               |
| Variation margin payable for futures contracts   | 978,438                 |
| Deferred foreign capital gains tax   | 741,583                 |
| Unrealized depreciation on over-the-counter interest rate swaps  | 382,816                 |
| Administration fee payable (Note 3)  | 229,365                 |
| Dividend payable on Series A Mandatory Redeemable Preferred Shares   | 171,875                 |
| Investor relations fees payable (Note 3)   | 124,806                 |
| Accrued expenses   | 322,139                 |
| <b>Total liabilities</b>   | <b>597,436,253</b>      |
| <b>Net Assets Applicable to Common Shareholders</b>  | <b>\$ 1,447,242,569</b> |
| <b>Composition of Net Assets:</b>  |                         |
| Common stock (par value \$0.01 per share) (Note 5)   | \$ 2,546,323            |
| Paid-in capital in excess of par   | 1,528,016,452           |
| Distributions in excess of net investment income   | (21,865,596)            |
| Accumulated net realized loss from investments, interest rate swaps and futures contracts  | (88,426,269)            |
| Net unrealized appreciation on investments, futures contracts and interest rate swaps  | 65,028,214              |
| Accumulated net realized foreign exchange gains  | 116,631,986             |
| Net unrealized foreign exchange and forward foreign currency contract losses   | (154,688,541)           |
| <b>Net Assets Applicable to Common Shareholders</b>  | <b>\$ 1,447,242,569</b> |
| Net asset value per share based on 254,632,251 shares issued and outstanding   | \$ 5.68(a)              |

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(a) The NAV shown above differs from the traded NAV on April 30, 2016 due to financial statement rounding and/or financial statement adjustments.

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Statement of Operations (unaudited)

For the Six-Month Period Ended April 30, 2016

### Net Investment Income

#### Income

|   |               |
|---|---------------|
| Interest and amortization of discount and premium (net of foreign withholding taxes of \$458,792) | \$ 47,906,029 |
|   | 47,906,029    |

#### Expenses

|  |            |
|--|------------|
| Investment management fee (Note 3)   | 5,278,940  |
| Administration fee (Note 3)  | 1,111,582  |
| Revolving credit facility, senior secured notes, term loans and Series A Mandatory Redeemable Preferred Shares fees and expenses | 413,614    |
| Custodian's fees and expenses  | 265,506    |
| Investor relations fees and expenses (Note 3)  | 264,395    |
| Insurance expense  | 185,889    |
| Reports to shareholders and proxy solicitation   | 165,642    |
| Directors' fees and expenses   | 124,851    |
| Legal fees and expenses  | 71,702     |
| Transfer agent's fees and expenses   | 69,546     |
| Independent auditors' fees and expenses  | 43,611     |
| Miscellaneous  | 151,418    |
| Total operating expenses, excluding interest expense   | 8,146,696  |
| Interest expense (Notes 8 & 9)   | 6,588,072  |
| Distributions to Series A Mandatory Redeemable Preferred Shares (Note 7)   | 962,497    |
| Net operating expenses   | 15,697,265 |

**Net investment income applicable to common shareholders** **32,208,764**

### Net Realized and Unrealized Gains/(Losses) on Investments and Foreign Currency Related Transactions

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

|   |              |
|---|--------------|
| Investment transactions (including \$288,158 capital gains tax) | 8,640,451    |
| Interest rate swaps   | (450,184)    |
| Futures contracts   | 522,414      |
| Forward and spot foreign currency exchange contracts            | (11,825,436) |
| Foreign currency transactions                                   | (47,074,668) |
|   | (50,187,423) |

#### Net change in unrealized appreciation/(depreciation) on:

|  |             |
|--|-------------|
| Investments (including \$(57,891) change in deferred capital gains tax)                  | 11,143,248  |
| Interest rate swaps  | 339,687     |
| Futures contracts  | (648,049)   |
| Forward foreign currency exchange rate contracts   | (5,002,108) |
| Foreign currency translation   | 93,025,492  |
|  | 98,858,270  |
| Net gain from investments, interest rate swaps, futures contracts and foreign currencies | 48,670,847  |

**Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations** **\$ 80,879,611**

See Notes to Financial Statements.





## Statements of Changes in Net Assets

|   | For the<br>Six-Month<br>Period Ended<br>April 30, 2016<br>(unaudited) | For the<br>Year Ended<br>October 31, 2015 |
|---|---|---|
| <b>Increase/(Decrease) in Net Assets Applicable to Common Shareholders</b>  |   |   |
| <b>Operations:</b>  |   |   |
| Net investment income   | \$ 32,208,764   | \$ 72,157,952                             |
| Net realized gain/(loss) from investments, interest rate swaps and futures contracts  | 8,712,681   | (2,917,607)                               |
| Net realized loss from foreign currency transactions  | (58,900,104)  | (68,765,179)                              |
| Net change in unrealized appreciation/(depreciation) on investments, interest rate swaps and futures contracts                    | 10,834,886  | (16,449,951)                              |
| Net change in unrealized appreciation/(depreciation) on foreign currency translation  | 88,023,384  | (140,478,054)                             |
| <b>Net increase/(decrease) in net assets applicable to common shareholders resulting from operations</b>                          | <b>80,879,611</b>   | <b>(156,452,839)</b>                      |
| <b>Distributions to Common Shareholders from:</b>   |   |   |
| Net investment income   | (53,599,661)  | (102,766,980)                             |
| Tax return of capital   |   | (5,766,249)                               |
| Net decrease in net assets applicable to common shareholders from distributions   | (53,599,661)  | (108,533,229)                             |
| <b>Common Stock Transactions:</b>   |   |   |
| Repurchase of common stock resulting in the reduction of 1,676,887 and 4,991,465 shares of common stock, respectively (Note 6)    | (7,685,949)   | (26,309,672)                              |
| Change in net assets from common stock transactions   | (7,685,949)   | (26,309,672)                              |
| Change in net assets applicable to common shareholders resulting from operations  | 19,594,001  | (291,295,740)                             |
| <b>Net Assets Applicable to Common Shareholders:</b>  |   |   |
| Beginning of period   | 1,427,648,568   | 1,718,944,308                             |
| <b>End of period (including distributions in excess of net investment income of (\$21,865,596) and (\$474,699), respectively)</b> | <b>\$ 1,447,242,569</b>   | <b>\$ 1,427,648,568</b>                   |

See Notes to Financial Statements.

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

Aberdeen Asia-Pacific Income Fund, Inc.

## Statement of Cash Flows (unaudited)

For the Six-Month Period Ended April 30, 2016

### Increase/(Decrease) in Cash (Including Foreign Currency)

|  |               |
|--|---------------|
| Cash flows provided from (used for) operating activities:                      |               |
| Interest received (excluding discount and premium amortization of \$4,793,262) | \$ 54,761,551 |
| Operating expenses paid  | (14,355,050)  |
| Dividends paid to Series A Mandatory Redeemable Preferred Shares               | (1,546,875)   |
| Purchases and sales of short-term portfolio investments, net                   | 40,058,000    |
| Purchases of long-term portfolio investments                                   | (412,574,555) |
| Proceeds from sales of long-term portfolio investments                         | 475,821,101   |
| Realized losses on forward foreign currency exchange contracts closed          | (9,241,371)   |
| Realized losses on interest rate swap transactions                             | (450,184)     |
| Payments received from broker for futures contracts                            | 648,960       |
| Decrease in cash collateral held at broker for China A shares                  | 3,699         |
| Decrease in prepaid expenses and other assets                                  | 185,894       |
| Net cash provided from operating activities                                    | 133,311,170   |
| Cash flows provided from (used for) financing activities                       |               |
| Repurchase of common stock   | (7,685,949)   |
| Dividends paid to common shareholders  | (53,599,661)  |
| Due to custodian   | 2,588,096     |
| Net cash used for financing activities   | (58,697,514)  |
| Effect of exchange rate on cash  | (48,444,319)  |
| Net increase in cash   | 26,169,337    |
| Cash at beginning of period  | 36,141,940    |
| Cash at end of period  | \$ 62,311,277 |

### Reconciliation of Net Increase in Net Assets from Operations to Net Cash (Including Foreign Currency) Provided from (Used for) Operating Activities

|   |                |
|---|----------------|
| Net increase in total net assets resulting from operations  | \$ 80,879,611  |
| Decrease in investments   | 122,337,816    |
| Net realized gain on investment transactions  | (8,640,451)    |
| Net realized foreign exchange losses  | 49,658,733     |
| Net change in unrealized appreciation/depreciation on investments   | (11,128,940)   |
| Net change in unrealized foreign exchange gains/losses  | (88,023,384)   |
| Decrease in interest receivable   | 2,062,260      |
| Increase in receivable for investments sold   | (4,277,544)    |
| Decrease in interest payable on bank loan, senior secured notes and term loans  | (256,765)      |
| Decrease in dividend payable to preferred shares  | (584,378)      |
| Net change in variation margin on future contracts  | 648,049        |
| Net decrease in other assets  | 185,894        |
| Decrease in payable for investments purchased   | (9,976,772)    |
| Payments made to broker for interest rate swaps   | (339,687)      |
| Payments received from broker for futures contracts   | 126,546        |
| Decrease in cash collateral at broker for China A shares  | 3,699          |
| Decrease in prepaid expenses in connection with revolving credit facility, senior secured notes, term loans and Series A Preferred Shares | 597,653        |
| Increase in accrued expenses and other liabilities  | 38,830         |
| Total adjustments   | 52,431,559     |
| Net cash provided from operating activities   | \$ 133,311,170 |

See Notes to Financial Statements.



## Financial Highlights

|   | <b>For the<br/>Six-Month<br/>Period Ended</b> | <b>For the Fiscal Years Ended October 31,</b> |             |                        |                      |             |
|---|---|---|-------------|------------------------|----------------------|-------------|
|   | <b>April 30, 2016<br/>(unaudited)</b>         | <b>2015</b>                                   | <b>2014</b> | <b>2013</b>            | <b>2012</b>          | <b>2011</b> |
| <b>Per Share Operating Performance<sup>(a)</sup>:</b>   |   |   |             |                        |                      |             |
| Net asset value per common share, beginning of period   | \$5.57  | \$6.58  | \$6.89      | \$7.78                 | \$7.48               | \$7.27      |
| Net investment income   | 0.13  | 0.28  | 0.28        | 0.30                   | 0.36                 | 0.39        |
| Net realized and unrealized gains/(losses) on investments, interest rate swaps, futures contracts and foreign currency transactions | 0.18  | (0.88)  | (0.18)      | (0.77)                 | 0.36                 | 0.24        |
| Total from investment operations applicable to common shareholders  | 0.31  | (0.60)  | 0.10        | (0.47)                 | 0.72                 | 0.63        |
| Distributions to common shareholders from:  |   |   |             |                        |                      |             |
| Net investment income   | (0.21)  | (0.40)  | (0.42)      | (0.42)                 | (0.42)               | (0.42)      |
| Tax return of capital   |   | (0.02)  |             |                        |                      |             |
| Total distributions to shareholders   | (0.21)  | (0.42)  | (0.42)      | (0.42)                 | (0.42)               | (0.42)      |
| Capital Share Transactions:   |   |   |             |                        |                      |             |
| Offering cost on common stock   |   |   |             |                        |                      |             |
| Impact of shelf offering  |   |   |             |                        |                      |             |
| Impact due to open market repurchase policy (Note 7)  | 0.01  | 0.01  | 0.01        |                        |                      |             |
| Total capital share transactions  | 0.01  | 0.01  | 0.01        |                        |                      |             |
| Net asset value per common share, end of period   | \$5.68  | \$5.57  | \$6.58      | \$6.89                 | \$7.78               | \$7.48      |
| Market value, end of period   | \$5.04  | \$4.75  | \$5.88      | \$6.44                 | \$7.90               | \$6.93      |
| <b>Total Investment Return Based on<sup>(b)</sup>:</b>  |   |   |             |                        |                      |             |
| Market value  | 10.98%  | (12.38%)                                      | (2.17%)     | (13.37%)               | 20.47%               | 6.59%       |
| Net asset value   | 6.66% <sup>(c)</sup>                          | (8.19%)                                       | 2.33%       | (5.89%) <sup>(c)</sup> | 9.92% <sup>(c)</sup> | 9.20%       |
| <b>Ratio to Average Net Assets Applicable to Common Shareholders/Supplementary Data<sup>(d)</sup>:</b>                              |   |   |             |                        |                      |             |
| Net assets applicable to common shareholders, end of period (000 omitted)   | \$1,447,243                                   | \$1,427,649                                   | \$1,718,944 | \$1,842,470            | \$2,042,337          | \$1,951,739 |
| Average net assets applicable to common shareholders (000 omitted)  | \$1,411,865                                   | \$1,549,308                                   | \$1,771,852 | \$1,953,410            | \$1,965,038          | \$1,937,986 |
| Net operating expenses  | 2.24% <sup>(f)</sup>                          | 2.15% <sup>(e)</sup>                          | 1.97%       | 1.50%                  | 1.38%                | 1.49%       |
| Net operating expenses, excluding interest expense and distributions to Series A Mandatory Redeemable Preferred Shares              | 1.16% <sup>(f)</sup>                          | 1.14% <sup>(e)</sup>                          | 1.09%       | 1.03%                  | 1.01%                | 1.05%       |
| Net investment income   | 4.59% <sup>(f)</sup>                          | 4.65%   | 4.14%       | 4.07%                  | 4.85%                | 5.30%       |
| Portfolio turnover  | 20%   | 45%   | 49%         | 42%                    | 38%                  | 72%         |
| Leverage (senior securities) outstanding (000 omitted)  | \$525,000                                     | \$525,000                                     | \$550,000   | \$550,000              | \$600,000            | \$600,000   |
| Leverage (preferred stock) outstanding (000 omitted)  | \$50,000                                      | \$50,000                                      | \$50,000    | \$50,000               | \$                   | \$          |
|   | 385%  | 381%  | 422%        | 444%                   | 440%                 | 425%        |

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|   |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|
| Asset coverage ratio on long-term debt obligations at period end <sup>(g)</sup> |         |         |         |         |         |         |
| Asset coverage per \$1,000 on long-term debt obligations at period end          | \$3,852 | \$3,815 | \$4,216 | \$4,441 | \$4,404 | \$4,253 |
| Asset coverage ratio on total leverage at period end <sup>(h)</sup>             | 352%    | 348%    | 386%    | 407%    |         |         |
| Asset coverage per share on total leverage at period end                        | \$3,517 | \$3,483 | \$3,862 | \$4,071 | \$      | \$      |

Aberdeen Asia-Pacific Income Fund, Inc.

## Financial Highlights (concluded)

- (a) Based on average shares outstanding.
- (b) Total investment return based on market value is calculated assuming that shares of the Fund's common stock were purchased at the closing market price as of the beginning of the period, dividends, capital gains, and other distributions were reinvested as provided for in the Fund's dividend reinvestment plan and then sold at the closing market price per share on the last day of the period. The computation does not reflect any sales commission investors may incur in purchasing or selling shares of the Fund. The total investment return based on the net asset value is similarly computed except that the Fund's net asset value is substituted for the closing market value.
- (c) The total return shown above includes the impact of financial statement rounding of the NAV per share and/or financial statement adjustments.
- (d) Ratios calculated on the basis of income, expenses and preferred share dividends applicable to both the common and preferred shares relative to the average net assets of common shareholders. For the six-month period ended April 30, 2016 and fiscal years ended October 31, 2015, 2014, 2013, 2012 and 2011, the ratios of net investment income before preferred stock dividends to average net assets of common shareholders were 4.45%, 4.79%, 4.26%, 4.10%, 4.85% and 5.30%, respectively.
- (e) The expense ratio includes a one-time expense associated with the August 2011 shelf offering costs attributable to the registered but unsold shares expiring in August 2015.
- (f) Annualized.
- (g) Asset coverage ratio is calculated by dividing net assets plus the amount of any borrowings, including Series A Mandatory Redeemable Preferred Shares, for investment purposes by the amount of any long-term debt obligations, which includes the senior secured notes, revolving credit facility and term loans.
- (h) Asset coverage ratio is calculated by dividing net assets plus the amount of any borrowings, including Series A Mandatory Redeemable Preferred Shares, for investment purposes by the amount of any borrowings.

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

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Notes to Financial Statements (unaudited)

April 30, 2016

### 1. Organization

Aberdeen Asia-Pacific Income Fund, Inc. (the Fund) was incorporated in Maryland on March 14, 1986 as a closed-end, non-diversified management investment company. The Fund's principal investment objective is to seek current income. The Fund may also achieve incidental capital appreciation. To achieve its investment objectives, the Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in Asian debt securities, Australian debt securities and New Zealand debt securities. This 80% investment policy is a non-fundamental policy of the Fund and may be changed by the Fund's Board of Directors (the Board) upon 60 days' prior written notice to shareholders. There can be no assurance that the Fund will achieve its investment objectives. The ability of issuers of debt securities held by the Fund to meet their obligations may be affected by economic developments in a specific industry, country or region.

The Fund may invest up to 80% of its total assets, plus the amount of any borrowings for investment purposes, in Asian debt securities, which include: (1) debt securities of Asian Country (as defined below) issuers, including securities issued by Asian Country governmental entities, as well as by banks, companies and other entities which are located in Asian Countries, whether or not denominated in an Asian Country currency; (2) debt securities of other issuers denominated in, or linked to, the currency of an Asian Country, including securities issued by supranational issuers, such as The World Bank and derivative debt securities that replicate, or substitute for, the currency of an Asian Country; (3) debt securities issued by entities which, although not located in an Asian Country, derive at least 50% of their revenues from Asian Countries or have at least 50% of their assets located in Asian Countries; and (4) debt securities issued by a wholly-owned subsidiary of an entity located in an Asian Country, provided that the debt securities are guaranteed by the parent entity located in the Asian Country. With reference to items (3) and (4) above, Asian debt securities may be denominated in an Asian Country currency or in Australian, New Zealand or U.S. dollars. The maximum country exposure to any one Asian Country (other than Korea) is limited to 20% of the Fund's total assets and the maximum currency exposure to any one Asian Country currency (other than Korea) is limited to 10% of the Fund's total assets. The maximum country exposure for Korea is limited to 40% of the Fund's total assets, and the maximum currency exposure for Korea is limited to 25% of the Fund's total assets.

Asian Countries (each, an Asian Country) include Bangladesh, China, Hong Kong, India, Indonesia, Japan, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam, Sri Lanka, Kazakhstan and Mongolia, and such other countries on the

Asian continent approved for investment by the Board of Directors upon the recommendation of Aberdeen Asset Management Asia Limited, the Fund's investment manager (AAMAL or the Investment Manager).

### 2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies conform to 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 accounting records of the Fund are maintained in U.S. Dollars and the U.S. Dollar is used as both the functional and reporting currency. However, the Australian Dollar is the functional currency for U.S. federal tax purposes.

#### a. Security Valuation:

The Fund values its securities at current market value or fair value, consistent with regulatory requirements. Fair Value is defined in the Fund's valuation and liquidity procedures as the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants without a compulsion to contract at the measurement date.

Long-term debt and other fixed-income securities are valued at the last quoted or evaluated bid price on the valuation date provided by an independent pricing service provider approved by the Board. Pricing services generally price debt securities assuming orderly transactions of an institutional round lot size, but some trades occur in smaller odd lot sizes at lower prices than institutional round lot trades. If there are no current day bids, the security is valued at the previously applied bid. Short-term debt securities (such as commercial paper and U.S. treasury bills) having a remaining maturity of 60 days or less are valued at amortized cost, if it represents the best approximation of fair value. Debt and other



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fixed-income securities are generally determined to be Level 2 investments.

Derivatives are valued at fair value. Exchange traded derivatives are generally Level 1 investments and over-the-counter derivatives are generally Level 2 investments. Forward foreign currency contracts are generally valued based on the bid price of the forward rates and the current spot rate. Forward exchange rate quotations are available for scheduled settlement dates, such as 1-, 3-, 6-, 9- and 12-month

Aberdeen Asia-Pacific Income Fund, Inc.

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

April 30, 2016

periods. An interpolated valuation is derived based on the actual settlement dates of the forward contracts held. Futures contracts are valued at the settlement price or at the last bid price if no settlement price is available. Interest rate swaps agreements are generally valued by an approved pricing agent based on the terms of the swap agreement (including future cash flows).

In the event that a security's market quotations are not readily available or are deemed unreliable, the security is valued at fair value as determined by the Fund's Pricing Committee, taking into account the relevant factors and surrounding circumstances using valuation policies and procedures approved by the Board. A security that has been fair valued by the Fund's Pricing Committee may be classified as Level 2 or 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 using a three-level 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 other

significant observable inputs, including adjusted quoted prices in active markets for similar 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. 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. The three-level 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, and credit risk); or

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

A summary of standard inputs is listed below:

| Security Type                          | Standard Inputs  |
|--|--|
| Debt and other fixed-income securities | Reported trade data, broker-dealer price quotations, benchmark yields, issuer spreads on comparable securities, credit quality, yield, and maturity.                     |
| Forward foreign currency contracts     | Forward exchange rate quotations.  |
| Swap agreements                        | Market information pertaining to the underlying reference assets, i.e., credit spreads, credit event probabilities, fair values, forward rates, and volatility measures. |



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

April 30, 2016

The following is a summary of the inputs used as of April 30, 2016 in valuing the Fund's investments and other financial instruments 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. Please refer to the Portfolio of Investments for a detailed breakout of the security types:

| Investments, at Value                       | Level 1             | Level 2                 | Level 3   | Total                 |
|---|---------------------|-------------------------|-----------|-----------------------|
| <b>Fixed Income Investments</b>             |                     |                         |           |                       |
| Corporate Bonds                             | \$                  | \$ 900,286,956          | \$        | \$ 900,286,956        |
| Government Bonds                            |                     | 1,004,423,378           |           | 1,004,423,378         |
| Total Fixed Income Investments              |                     | 1,904,710,334           |           | 1,904,710,334         |
| Short-Term Investment                       |                     | 36,261,000              |           | 36,261,000            |
| Total Investments                           | \$                  | \$ 1,940,971,334        | \$        | \$ 1,940,971,334      |
| <b>Other Financial Instruments</b>          |                     |                         |           |                       |
| Futures Contracts                           | \$ 108,168          | \$                      | \$        | \$ 108,168            |
| Forward Foreign Currency Exchange Contracts |                     | 3,673,133               |           | 3,673,133             |
| Total Other Financial Instruments           | \$ 108,168          | \$ 3,673,133            | \$        | 3,781,301             |
| <b>Total Assets</b>                         | <b>\$ 108,168</b>   | <b>\$ 1,944,644,467</b> | <b>\$</b> | <b>1,944,752,635</b>  |
| <b>Liabilities</b>                          |                     |                         |           |                       |
| <b>Other Financial Instruments</b>          |                     |                         |           |                       |
| Futures Contracts                           | \$ (978,438)        | \$                      | \$        | \$ (978,438)          |
| Forward Foreign Currency Exchange Contracts |                     | (8,079,978)             |           | (8,079,978)           |
| Interest Rate Swap Agreements               |                     | (382,816)               |           | (382,816)             |
| <b>Total Liabilities</b>                    | <b>\$ (978,438)</b> | <b>\$ (8,462,794)</b>   | <b>\$</b> | <b>\$ (9,441,232)</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. During the six-month period ended April 30, 2016, Green Dragon Gas Ltd. transferred from Level 3 to Level 2 because it was not a single broker priced security at April 30, 2016. For the six-month period ended April 30, 2016, there were no significant changes to the fair valuation methodologies.

### b. Repurchase Agreements:

The Fund may enter into repurchase agreements under the terms of a Master Repurchase Agreement. It is the Fund's policy that its custodian/counterparty segregate the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. The repurchase price generally equals the price paid by the Fund plus interest negotiated on the basis of current short-term rates. To the extent that any repurchase transaction exceeds one business day, the collateral is valued on a daily basis to determine its adequacy. Under the Master Repurchase Agreement, if the counterparty defaults and the value of the collateral declines, or if bankruptcy proceedings are commenced with respect to the counterparty of the repurchase agreement,

realization of the collateral by the Fund may be delayed or limited. The Fund held a repurchase agreement of \$36,261,000 as of April 30, 2016. The value of the related collateral exceeded the value of the repurchase agreement at April 30, 2016. Repurchase agreements are subject to contractual netting arrangements with the counterparty, Fixed Income Clearing Corp. For additional information on the Fund's repurchase agreement, see the Portfolio of Investments.

### c. Restricted Securities:

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Restricted securities are privately-placed securities whose resale is restricted under U.S. securities laws. The Fund may invest in restricted securities, including unregistered securities eligible for resale without registration pursuant to Rule 144A and privately-placed securities of U.S. and non-U.S. issuers offered outside the U.S. without registration pursuant to Regulation S under the Securities Act of 1933, as amended (the 1933 Act ). Rule 144A securities may be freely traded among certain qualified institutional investors, such as the Fund, but resale of such securities in the U.S. is permitted only in limited circumstances.

### **d. Foreign Currency Translation:**

Foreign securities, currencies, and other assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at

Aberdeen Asia-Pacific Income Fund, Inc.

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

April 30, 2016

the exchange rate of said currencies against the U.S. Dollar, as of the Valuation Time, as provided by an independent pricing service approved by the Board. The Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Time).

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 current daily rates 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 isolates that portion of the results of operations arising from changes in the foreign exchange rates due to the fluctuations in the market prices of the securities held at the end of the reporting period. Similarly, the Fund isolates the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of portfolio securities sold during the reporting period.

Net exchange gain/(loss) is realized from sales and maturities of portfolio securities, sales of foreign currencies, settlement of securities transactions, dividends, interest and foreign withholding taxes recorded on the Fund's books. Net unrealized foreign exchange appreciation/(depreciation) includes changes in the value of portfolio securities and other assets and liabilities arising as a result of changes in the exchange rate. The net realized and unrealized foreign exchange gain/(loss) shown in the composition of net assets represents foreign exchange gain/(loss) for book purposes that may not have been recognized for tax purposes.

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 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.

### e. Derivative Financial Instruments:

The Fund is authorized to use derivatives to manage currency, interest rate and credit risk and as a substitute for physical securities. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract. The use of derivative instruments involves, to varying degrees, elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities.

### Forward Foreign Currency Exchange Contracts:

A forward foreign currency exchange contract (forward contract) involves an obligation to purchase and sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. Forward contracts are used to manage the Fund's currency exposure in an efficient manner. They are used to sell unwanted currency exposure that comes with holding securities in a market, or to buy currency exposure where the exposure from holding securities is insufficient to give the desired currency exposure either in absolute terms or relative to the benchmark. The use of forward contracts allows the separation of decision-making between markets and their currencies.

The forward contract is marked-to-market daily and the change in market value is recorded by the Fund as unrealized appreciation or depreciation. Forward contracts' prices are received daily from an independent pricing provider. When the forward contract is closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. These realized and unrealized gains and losses are reported on the Statement of Operations. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts or from unanticipated movements in exchange rates. During the six-month period ended April 30, 2016, the Fund used forward contracts to hedge and efficiently manage Australian and certain Asian currency exposure.

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While the Fund may enter into forward contracts to seek to reduce currency exchange rate risks, transactions in such contracts involve certain risks. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts and from unanticipated movements in exchange rates. Thus, while the Fund may benefit from such transactions, unanticipated changes in currency prices may result in a poorer overall performance for the Fund than if it had not engaged in any such transactions. Moreover, there may be imperfect correlation between the Fund's portfolio holdings or securities quoted or denominated in a particular currency and forward contracts entered into by the Fund. Such imperfect correlation may prevent the Fund from achieving a complete hedge, which will expose the Fund to the risk of foreign exchange loss.

Forward contracts are subject to the risk that a counterparty to such contracts may default on their obligations. Since a forward foreign currency exchange contract is not guaranteed by an exchange or clearing house, a default on the contract would deprive the Fund of unrealized profits, transaction costs or the benefits of a currency hedge or force the Fund to cover its purchase or sale commitments, if any, at the market price at the time of the default.

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

April 30, 2016

### Futures Contracts:

The Fund may invest in financial futures contracts ( futures contracts ) for the purpose of hedging its existing portfolio securities, or securities that the Fund intends to purchase, against fluctuations in value caused by changes in prevailing market interest rates or prices. Futures contracts may also be entered into for non-hedging purposes, however, in those instances, (a) either the aggregate initial margin and premiums required to establish the Fund's position may not exceed 5% of the Fund's NAV after taking into account unrealized profits and unrealized losses on any such contract into which it has entered into, or (b) the aggregate net notional value of the Fund's position may not exceed 100% of the Fund's NAV after taking into account unrealized profits and unrealized losses on any such contract which it has entered into.

Upon entering into a futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This payment is known as initial margin. Subsequent payments, known as variation margin, are calculated each day, depending on the daily fluctuations in the fair value/market value of the underlying assets. An unrealized gain/(loss) equal to the variation margin is recognized on a daily basis. When the contract expires or is closed, the gain/loss is realized and is presented in the Statement of Operations as a net realized gain/(loss) on futures contracts. Futures contracts are valued daily at their last quoted sale price on the exchange on which they are traded.

A sale of a futures contract means a contractual obligation to deliver the securities or foreign currency called for by the contract at a fixed price at a specified time in the future. A purchase of a futures contract means a contractual obligation to acquire the securities or foreign currency at a fixed price at a specified time in the future. During the six-month period ended April 30, 2016, the Fund used U.S. Treasury futures to efficiently manage U.S. interest rate exposure and hedge the U.S. interest rate risk.

There are significant risks associated with the Fund's use of futures contracts, including the following: (1) the success of a hedging strategy may depend on the ability of the Fund's investment adviser and/or sub-adviser to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect or no correlation between the movement in the price of futures contracts, interest rates and the value/market value of the securities held by the Fund; (3) there may not be a liquid secondary market for a futures contract; (4) trading restrictions or limitations may be imposed by an exchange; and (5) government regulations may restrict trading in futures contracts. In addition, should market conditions change unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may realize a loss.

### Swaps:

A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or notional principal amount. The Fund will enter into swaps only on a net basis, which means that the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the difference between the two payments. Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the net interest payment to be received by the Fund, and/or the termination value at the end of the contract. Therefore, the Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying reference asset or index. The Fund records unrealized gains/(losses) on a daily basis representing the value and the current net receivable or payable relating to open swap contracts. Net amounts received or paid on the swap contract are recorded as realized gains/(losses). Fluctuations in the value of swap contracts are recorded for financial statement purposes as unrealized appreciation or depreciation of swap contracts. Realized gains/(losses) from terminated swaps are included in net realized gains/(losses) on swap contracts transactions. During the six-month period ended April 30, 2016, the Fund used interest rate swaps to hedge the interest rate risk on the Fund's Revolving Credit Facility (as defined below).

The Fund is a party to International Swap Dealers Association, Inc. Master Agreements ( ISDA Master Agreements ). These agreements are with select counterparties and they govern transactions, including certain over-the-counter derivative and foreign exchange contracts, entered into by the Fund and the counterparty. The ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral, and events of default or termination.



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The occurrence of a specified event of termination may give a counterparty the right to terminate all of its contracts and affect settlement of all outstanding transactions under the applicable ISDA Master Agreement.

Certain swaps, including some interest rate swaps, when entered into, must be cleared pursuant to U.S. Commodity Futures Trading Commission ( CFTC ) regulations. As a result, these swaps can no longer be traded over-the-counter and are subject to various regulations and rules of the CFTC. The Fund does not hold any swaps that are subject to mandatory clearing. In a centrally cleared

Aberdeen Asia-Pacific Income Fund, Inc.

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

April 30, 2016

derivative transaction, the Fund typically enters into the transaction with a financial institution counterparty, and performance of the transaction is effectively guaranteed by a central clearinghouse, thereby reducing or eliminating the Fund's exposure to the credit risk of its original counterparty. The Fund will be required to post

specified levels of margin with the clearinghouse or at the instruction of the clearinghouse; the margin required by a clearinghouse may be greater than the margin the Fund would be required to post in an uncleared transaction. Only a limited number of transactions are currently eligible for clearing.

### Summary of Derivative Instruments:

The Fund may use derivatives for various purposes as noted above. The following is a summary of the fair value of Derivative Instruments, not accounted for as hedging instruments, as of April 30, 2016:

| Derivatives not accounted for as hedging instruments and risk exposure | Asset Derivatives<br>Period Ended April 30, 2016               |                     | Liability Derivatives<br>Period Ended April 30, 2016           |                     |
|--|--|---------------------|--|---------------------|
|  | Statement of Assets and Liabilities Location                   | Fair Value          | Statement of Assets and Liabilities Location                   | Fair Value          |
| Interest rate swaps (interest rate risk)                               | Unrealized appreciation on interest rate swaps                 | \$                  | Unrealized depreciation on interest rate swaps                 | \$ 382,816          |
| Forward foreign exchange contracts (foreign exchange risk)             | Unrealized appreciation on forward currency exchange contracts | 3,673,133           | Unrealized depreciation on forward currency exchange contracts | 8,079,978           |
| Futures contracts (Interest Rate Risk)*                                | Unrealized appreciation on futures contracts                   | 108,168             | Unrealized depreciation on futures contracts                   | 978,438             |
| <b>Total</b>   |  | <b>\$ 3,781,301</b> |  | <b>\$ 9,441,232</b> |

\* Includes cumulative appreciation/depreciation on futures contracts as reported in the Portfolio of Investments. Amounts listed as are \$0 or round to \$0.

The Fund has transactions that may be subject to enforceable master netting agreements. A reconciliation of the gross amounts on the Statement of Assets and Liabilities as of April 30, 2016 to the net amounts by broker and derivative type, including any collateral received or pledged, is included in the following tables:

| Description | Gross Amounts Not Offset<br>in Statement of<br>Assets & Liabilities | Gross Amounts Not Offset<br>in Statement of<br>Assets & Liabilities |
|-------------|---|---|
|-------------|---|---|

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|                                 | <b>Gross Amounts<br/>of Assets<br/>Presented in<br/>Statement of<br/>Financial<br/>Position</b> | <b>Financial<br/>Instruments<br/>Received (1)</b> | <b>Collateral<br/>Amount (3)</b> | <b>Gross Amounts<br/>of<br/>Liabilities<br/>Presented in<br/>Statement of<br/>Financial<br/>Position</b> | <b>Financial<br/>Instruments</b> | <b>Collateral<br/>Pledged (1)</b> | <b>Net<br/>Amount (3)</b> |
|---------------------------------|---|---|----------------------------------|--|----------------------------------|-----------------------------------|---------------------------|
|                                 | <b>Assets</b>   |   |                                  | <b>Liabilities</b>   |                                  |                                   |                           |
| Forward<br>foreign currency (2) |   |   |                                  |  |                                  |                                   |                           |
| BNP Paribas                     | \$ 260,094  | \$  | \$ 260,094                       | \$   | \$                               | \$                                | \$                        |
| Citigroup                       |   |   |                                  | 1,461,595  |                                  |                                   | 1,461,595                 |
| Credit Suisse                   | 1,481,791   | (1,481,791)                                       |                                  | 1,720,177  | (1,481,791)                      |                                   | 238,386                   |
| Deutsche Bank                   |   |   |                                  | 209,184  |                                  |                                   | 209,184                   |
| Goldman Sachs                   | 967,085   | (963,716)   | 3,369                            | 963,716  | (963,716)                        |                                   |                           |
| Royal Bank of Canada            | 350,011   | (140,004)   | 210,007                          | 140,004  | (140,004)                        |                                   |                           |
| Standard Chartered Bank         |   |   |                                  | 238,737  |                                  |                                   | 238,737                   |
| State Street                    | 614,152   | (614,152)   |                                  | 3,346,565  | (614,152)                        |                                   | 2,732,413                 |
| Interest rate swaps (2)         |   |   |                                  |  |                                  |                                   |                           |
| Barclays Bank                   | \$  | \$  | \$                               | \$ 382,816   | \$                               | \$ (382,816)                      | \$                        |

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

April 30, 2016

1. In some instances, the actual collateral received and/or pledged may be more than the amount shown here due to overcollateralization.
2. Includes financial instruments (swaps and forwards) which are not subject to a master netting arrangement across funds, or other another similar arrangement.
3. Net amounts represent the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from financial derivative instruments can only be netted across transactions governed under the same master netting agreement with the same legal entity.

The Effect of Derivative Instruments on the Statement of Operations for the six-month period ended April 30, 2016:

| Derivatives not accounted for as hedging instruments under Statement 133(a) | Location of Gain or (Loss) on Derivatives   | Realized Gain or (Loss) on Derivatives | Change in Unrealized Appreciation/ (Depreciation) on Derivatives |
|---|---|--|--|
|   | Realized/Unrealized Gain/(Loss) from Investments, Interest Rate Swaps, Futures Contracts and Foreign Currencies |  |  |
| Interest rate swaps (credit risk)   |   | \$ (450,184)                           | \$ 339,687   |
| Forward foreign exchange contracts (foreign exchange risk)                  |   | (9,890,894)                            | (5,002,108)  |
| Futures contracts (Interest Rate Risk)                                      |   | 522,414                                | (648,049)  |
| <b>Total</b>  |   | <b>\$ (9,818,664)</b>                  | <b>\$ (5,310,470)</b>  |

Information about derivatives reflected as of the date of this report is generally indicative of the type of activity for the six-month period ended April 30, 2016. The table below summarizes the weighted average values of derivatives holdings for the Fund during the six-month period ended April 30, 2016.

| Forward foreign exchange contracts (Average Notional Value) | Futures contracts (Average Notional Value) | Swap contracts (Average Notional Value) |
|---|--|---|
| \$627,166,667   | \$ 21,366,667                              | \$ 125,000,000                          |

### f. Security Transactions, Investment Income and Expenses:

Security transactions are recorded on the trade date. Realized and unrealized gains/(losses) from security and currency transactions are calculated on the identified cost basis. Interest income and expenses are recorded on an accrual basis. Discounts and premiums on securities purchased are accreted or amortized on an effective yield basis over the estimated lives of the respective securities. Expenses are accrued on a daily basis.

**g. Distributions:**

The Fund has a managed distribution policy to pay distributions from net investment income supplemented by net realized foreign

exchange gains, net realized short-term capital gains and return of capital distributions, if necessary, on a monthly basis. The managed distribution policy is subject to regular review by the Board. The Fund will also declare and pay distributions at least annually from net realized gains on investment transactions and net realized foreign exchange gains, if any. Dividends and distributions 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, loss deferrals and recognition of market discount and premium.

Distributions to Series A Mandatory Redeemable Preferred Shares (the Series A MRPS) shareholders are accrued daily and paid quarterly based on an annual rate of 4.125%. The Fund may not pay distributions to its preferred shareholders unless (i) the pro forma asset coverage ratios for the Series A MRPS, as calculated in accordance with the Fitch Ratings total and net overcollateralization tests per the AA rating guidelines outlined in Fitch Rating's closed-end fund criteria, is in excess of 100%, and (ii) the Fund's asset coverage ratios for the Series A MRPS, as calculated in accordance with the Investment Company Act of 1940, as amended (1940 Act), is in excess of 225%. The character of distributions to Series A

Aberdeen Asia-Pacific Income Fund, Inc.

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

April 30, 2016

MRPS shareholders made during the fiscal year may differ from their ultimate characterization for federal income tax purposes. For tax purposes, the Fund's distributions to Series A MRPS shareholders for the six-month period ended April 30, 2016 were 100% net investment income.

### h. Federal Income Taxes:

For U.S. federal income purposes, the Fund is comprised of a separately identifiable unit called Qualified Business Unit ( QBU ) (see the Internal Revenue Code of 1986, as amended ( IRC ) section 987). The Fund has operated with a QBU for U.S. federal income purposes since 1990. The home office of the Fund is designated as the United States and of the QBU is Australia with a functional currency of Australian dollar. The securities held within the Fund reside within either the QBU or the home office depending on certain factors including geographic region. As an example, New Zealand and Indonesian securities reside within the Australian QBU. When sold, Australian dollar denominated securities within the Australian QBU generate capital gain/loss (which are translated for U.S. federal income tax purposes into U.S. dollars based on the weighted average exchange rate for the period) but not currency gain/loss. When a New Zealand security is sold within the Australian QBU, the sale generates capital gain/loss as well as currency gain/loss based on the currency exchange between the New Zealand dollar and the Australian dollar.

Currency gain/loss related to currency exchange between the U.S. dollar and the QBU functional currency is generated when money is transferred from a QBU to the home office. The currency gain/loss would result from the difference between the current exchange rate and the fiscal year to date average exchange rate until which profits are utilized and the pooled U.S. dollar basis in the QBU (which is generally computed based on the currency exchange rates from when money was transferred into such QBU and from gain/losses generated within such QBU based on the weighted average exchange rates for the periods such gain/loss was recognized). Based on the QBU structure, there may be sizable differences in the currency gain/loss recognized for U.S. federal income tax purposes and what is reported within the financial statements under GAAP. As of the Fund's fiscal year-end, the calculation of the composition of distributions to shareholders is finalized and reported in the Fund's annual report to shareholders.

The Fund intends to 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 IRC, and to make distributions of net investment income and net realized capital gains sufficient to relieve the Fund from all federal income taxes.

Therefore, no federal income tax provision is required. Since tax authorities can examine previously filed tax returns, the Fund's U.S. federal and state tax returns for each of the four fiscal years up to the most recent fiscal year ended October 31 are subject to such review.

### i. Foreign Withholding Tax:

Dividend and interest income from non-U.S. sources received by the Fund are generally subject to non-U.S. withholding taxes. In addition, the Fund may be subject to capital gains tax in certain countries in which it invests. The above taxes may be reduced or eliminated under the terms of applicable U.S. income tax treaties with some of these countries. The Fund accrues such taxes when the related income is earned.

In addition, when the Fund sells securities within certain countries in which it invests, the capital gains realized may be subject to tax. Based on these market requirements and as required under GAAP, the Fund accrues deferred capital gains tax on securities currently held that have unrealized appreciation within these countries. The amount of deferred capital gains tax accrued is reported on the Statement of Operations as part of the Net Change in Unrealized Appreciation/Depreciation on Investments.

### j. Cash Flow Information:

The Fund invests in securities and distributes dividends from net investment income and net realized gains on investment and currency transactions which are paid in cash or are reinvested at the discretion of shareholders. These activities are reported in the Statements of Changes in Net Assets and additional information on cash receipts and cash payments is presented in the Statement of Cash Flows. Cash includes domestic and foreign currency but does not include cash at brokers in segregated accounts for financial futures contracts because it is designated

as collateral.

### **3. Agreements and Transactions with Affiliates**

#### **a. Investment Manager, Investment Adviser, and Investment Sub-Adviser:**

AAMAL serves as investment manager to the Fund, pursuant to a management agreement. Aberdeen Asset Management Limited (the Investment Adviser ) serves as the investment adviser and Aberdeen Asset Managers Limited ( AAML or the Sub-Adviser ) serves as the sub-adviser, pursuant to an advisory agreement and a sub-advisory agreement, respectively. The Investment Manager, the Investment Adviser and the Sub-Adviser are wholly-owned subsidiaries of Aberdeen Asset Management PLC.

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

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The Investment Manager makes investment decisions on behalf of the Fund on the basis of recommendations and information furnished to it by the Investment Adviser, including the selection of and the placement of orders with brokers and dealers to execute portfolio transactions on behalf of the Fund. The Sub-Adviser manages the portion of the Fund's assets that the Investment Manager allocates to it.

The management agreement provides the Investment Manager with a fee, payable monthly by the Fund, at the following annual rates: 0.65% of the Fund's average weekly Managed Assets up to \$200 million, 0.60% of Managed Assets between \$200 million and \$500 million, 0.55% of Managed Assets between \$500 million and \$900 million, 0.50% of Managed Assets between \$900 million and \$1.75 billion and 0.45% of Managed Assets in excess of \$1.75 billion. Managed Assets is defined in the management agreement to mean total assets of the Fund, including any form of investment leverage, minus all accrued expenses incurred in the normal course of operations, but not excluding any liabilities or obligations attributable to investment leverage obtained through (i) indebtedness of any type (including, without limitation, borrowing through a credit facility or the issuance of debt securities), (ii) the issuance of preferred stock or other similar preference securities, (iii) the reinvestment of collateral received for securities loaned in accordance with the Fund's investment objectives and policies, and/or (iv) any other means.

For the six-month period ended April 30, 2016, AAMAL earned \$5,278,940 from the Fund for investment management fees.

### b. Fund Administration:

Aberdeen Asset Management Inc. (AAMI), an affiliate of the Investment Manager, Investment Adviser and Sub-Adviser, is the Fund's Administrator, pursuant to an agreement under which AAMI receives a fee, payable monthly by the Fund, at an annual fee rate of 0.125% of the Fund's average weekly Managed Assets up to \$1 billion, 0.10% of the Fund's average weekly Managed Assets between \$1 billion and \$2 billion, and 0.075% of the Fund's average weekly Managed Assets in excess of \$2 billion. For the six-month period ended April 30, 2016, AAMI earned \$1,111,582 from the Fund for administration fees.

### c. Investor Relations:

Under the terms of the Investor Relations Services Agreement, AAMI provides and pays third parties to provide investor relations services to the Fund and certain other funds advised by AAMAL or its affiliates as part of an Investor Relations Program. Under the Investor Relations Services Agreement, the Fund owes a portion of the fees

related to the Investor Relations Program (the Fund's Portion). However, investor relations services fees are capped by AAMI so that the Fund will only pay up to an annual rate of 0.05% of the Fund's average weekly net assets. Any difference between the capped rate of 0.05% of the Fund's average weekly net assets and the Fund's Portion is paid for by AAMI.

Pursuant to the terms of the Investor Relations Services Agreement, AAMI provides, among other things, 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 articles and other relevant materials discussing the Fund's investment results, portfolio positioning and outlook; develops 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.

During the six-month period ended April 30, 2016, the Fund incurred investor relations fees of approximately \$259,364. For the six-month period ended April 30, 2016 AAMI did not waive any investor relations fees because the Fund did not reach the capped amount. Investor relations fees and expenses in the Statement of Operations include certain out-of-pocket expenses.

## 4. Investment Transactions



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Purchases and sales of investment securities (excluding short-term securities) for the six-month period ended April 30, 2016, were \$363,300,149 and \$410,168,990, respectively.

### 5. Capital

The authorized capital of the Fund is 400 million shares of \$0.01 par value common stock. During the six-month period ended April 30, 2016, the Fund repurchased 1,676,887 shares pursuant to its Open Market Repurchase Program, see Note 6 for further information. As of April 30, 2016, there were 254,632,251 shares of common stock issued and outstanding.

### 6. Open Market Repurchase Program

On March 1, 2001, the Board approved a stock repurchase program. The Board amended the program on December 12, 2007. The stock repurchase program allows the Fund to repurchase up to 10% of its outstanding common stock in the open market during any 12-month

Aberdeen Asia-Pacific Income Fund, Inc.

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period. The Fund reports repurchase activity on the Fund's website on a monthly basis.

For the six-month period ended April 30, 2016 and fiscal year ended October 31, 2015, the Fund repurchased 1,676,887 and 4,991,465 shares, respectively, through this program.

### 7. Preferred Shares

At April 30, 2016, the Fund had 2,000,000 shares of Series A MRPS outstanding with an aggregate liquidation preference of \$50,000,000 (\$25.00 per share). The following table shows the mandatory redemption date, annual fixed rate, aggregate liquidation preference and estimated fair value of the Series A MRPS at April 30, 2016.

| Mandatory Redemption Date | Annual Fixed Rate | Aggregate Liquidation Preference | Estimated Fair Value |
|---------------------------|-------------------|----------------------------------|----------------------|
| June 27, 2023             | 4.125%            | \$ 50,000,000                    | \$ 50,473,800        |

Holders of the Series A MRPS are entitled to receive quarterly cumulative cash dividend payments on the first business day following each calendar quarter at an annual fixed rate of 4.125% until maturity. The Series A MRPS were issued in private placement offerings to institutional investors and are not listed on any exchange or automated quotation system. Distributions are accrued daily and paid quarterly and are presented in the Statement of Assets and Liabilities as a dividend payable to preferred shareholders. For the six-month period ended April 30, 2016, the Fund paid \$962,497 in distributions to preferred shareholders.

The Series A MRPS rank senior to all of the Fund's outstanding shares of common stock and on a parity with shares of any other series of preferred stock as to the payment of dividends to which the shares are entitled and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund.

The estimated fair value of Series A MRPS was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus the spread between the U.S. insurance and financial debt rate and the U.S. Treasury rate plus a market spread for the issuance of preferred shares.

The Series A MRPS are redeemable in certain circumstances at the option of the Fund. The Series A MRPS are also subject to mandatory redemption, unless otherwise prohibited by the 1940 Act, if the Fund fails to maintain (1) asset coverage, as determined in accordance with Section 18(h) of the 1940 Act, of at least 225%, with respect to all outstanding preferred stock, as of the last day of any month or (2) eligible assets with an aggregate agency discounted value at least

equal to the basic maintenance amount as provided in the Fund's rating agency guidelines. As of April 30, 2016, the Fund was in compliance with the asset coverage and basic maintenance requirements of the Series A MRPS.

Except for matters which do not require the vote of the holders of the Series A MRPS under the 1940 Act and except as otherwise provided in the Fund's Charter or Bylaws, or as otherwise required by applicable law, holders of the Series A MRPS have one vote per share and generally vote together with holders of common stock as a single class on all matters submitted to the Fund's stockholders. The holders of the Series A MRPS, voting separately as a single class, have the right to elect at least two directors of the Fund.

### 8. Senior Secured Notes

At April 30, 2016, the Fund had \$200,000,000 in aggregate principal amount of senior secured notes rated AAA by Fitch Ratings outstanding (\$100,000,000 in 3.05% Series A Senior Secured Notes due June 12, 2020 and \$100,000,000 in 3.69% Series B Senior Secured Notes due

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June 12, 2023) (collectively, the Notes ). The Notes are secured obligations of the Fund and, upon liquidation, dissolution or winding up of the Fund, will rank senior to all unsecured and unsubordinated indebtedness and senior to any common or preferred stock pari passu in priority and security with all other secured indebtedness. Holders of the Notes are entitled to receive cash interest payments semi-annually until maturity. The Series A Notes and the Series B Notes accrue interest at annual fixed rates of 3.05% and 3.69%, respectively.

The Notes were issued in private placement offerings to institutional investors and are not listed on any exchange or automated quotation system.

The Notes may be prepaid in certain limited circumstances at the option of the Fund. The Notes are also subject to optional prepayment to the extent needed to satisfy certain requirements if the Fund fails to meet an asset coverage ratio required by the terms of the Notes and is not able to cure the coverage deficiency by the applicable deadline.

The estimated fair value of each series of fixed-rate Notes was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus either 1) the spread between the interest rate on recently issued debt and the U.S. Treasury rate with a similar maturity date or 2) if there has not been a recent debt issuance, the spread between the AAA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date. The following table shows the maturity date, interest rate, notional/carrying amount and

Aberdeen Asia-Pacific Income Fund, Inc.

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

April 30, 2016

estimated fair value for each series of Notes outstanding at April 30, 2016.

| Series   | Maturity Date | Interest Rate | Notional/<br>Carrying Amount | Estimated Fair Value |
|----------|---------------|---------------|------------------------------|----------------------|
| Series A | June 12, 2020 | 3.05%         | \$ 100,000,000               | \$ 100,392,290       |
| Series B | June 12, 2023 | 3.69%         | \$ 100,000,000               | \$ 101,982,242       |

### 9. Credit Facility

On April 9, 2014, the Fund renewed its credit agreement providing for a \$150,000,000 senior secured revolving credit loan facility (the Revolving Credit Facility ) with a syndicate of banks with Bank of America Merrill Lynch, N.A., acting as administrative agent. On June 12, 2013 the Fund entered into a term loan agreement (the Term Loan Agreement ) providing for \$200,000,000 of senior secured term loans (the Term Loan Facility ) from Bank of America, N.A. At April 30, 2016 the Fund had \$125,000,000 outstanding under the Revolving Credit Facility and \$200,000,000 outstanding under the Term Loan Facility. Under the terms of the Revolving Credit Facility and the Term Loan Agreement and applicable regulations, the Fund is required to maintain certain asset coverage ratios for the amount of its outstanding borrowings.

For the six-month period ended April 30, 2016, the average interest rate on the Revolving Credit Facility was 1.38% and the average balance of the Revolving Credit Facility was \$125,000,000. Pursuant to the Term Loan Agreement, the Term Loan Facility consists of two separate facilities: \$100,000,000 term loan facility which accrues interest at 2.80% per annum (the Term A Facility ) and a \$100,000,000 term loan facility which accrues interest at 2.33% per annum (the Term B Facility ). For the six-month period ended April 30, 2016, the average interest rate on the Term Loan Facility was 2.57% and the average balance of the Term Loan Facility was \$200,000,000. The interest expense is accrued on a daily basis and is payable on a monthly basis or on the last date of the respective LIBOR period, as applicable, for the Revolving Credit Facility, and payable on the last business day of each March, June, September and December and the maturity date for the Term Loan Facility.

The estimated fair value of each Term Loan Facility was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, the spread between the U.S. insurance and financial debt rate and the U.S. Treasury rate. The following table shows the maturity

date, interest rate, notional/carrying amount and estimated fair value for each Term Loan Facility outstanding as of April 30, 2016.

| Series   | Maturity Date     | Interest Rate | Notional/<br>Carrying Amount | Estimated Fair Value |
|----------|-------------------|---------------|------------------------------|----------------------|
| Term A   |                   |               |                              |                      |
| Facility | June 12, 2018     | 2.80%         | \$ 100,000,000               | \$ 100,614,048       |
| Term B   |                   |               |                              |                      |
| Facility | December 14, 2019 | 2.38%         | \$ 100,000,000               | \$ 98,511,676        |

The Revolving Credit Facility has a term of 3-years and is not a perpetual form of leverage; there can be no assurance that the Revolving Credit Facility will be available for renewal on acceptable terms, if at all. The Term A Facility and the Term B Facility have 5- and 3-year terms, respectively. Bank loan fees and expenses included in the Statement of Operations include fees for the renewal of the Revolving Credit Facility as well as commitment fees for any portion of the loan facility not drawn upon at any time during the period.

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The estimated fair value of the Revolving Credit Facility was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, the spread between the U.S. insurance and financial debt rate and the U.S. Treasury rate. The following table shows the maturity date, interest rate, notional/carrying amount and estimated fair value outstanding as of April 30, 2016.

| <b>Maturity Date</b> | <b>Interest Rate</b> | <b>Notional/<br/>Carrying<br/>Amount</b> | <b>Estimated<br/>Fair Value</b> |
|----------------------|----------------------|--|---------------------------------|
| April 9, 2017        | 1.46%                | \$ 125,000,000                           | \$ 124,023,505                  |

### 10. Risks of Leveraged Capital Structure

The amounts borrowed under the Revolving Credit Facility, the Term Loan Facility and the Notes and other funds obtained through various forms of leverage, including the Series A MRPS, may be invested to return higher rates than the rates pursuant to which interests or dividends are paid under such forms of leverage. However, the cost of leverage could exceed the income earned by the Fund on the proceeds of such leverage. To the extent that the Fund is unable to invest the proceeds from the use of leverage in assets which pay interest at a rate which exceeds the rate paid on the leverage, the yield on the Fund's common stock will decrease. In addition, in the event of a general market decline in the value of assets in which the Fund invests, the effect of that decline will be magnified in the Fund because of the additional assets purchased with the proceeds of the leverage.

Aberdeen Asia-Pacific Income Fund, Inc.

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

April 30, 2016

The Fund's leveraged capital structure creates special risks not associated with unleveraged funds having similar investment objectives and policies. The funds borrowed pursuant to the Revolving Credit Facility, the Term Loan Facility and the Notes may constitute a substantial lien and burden by reason of their prior claim against the income of the Fund and against the net assets of the Fund in liquidation. The Fund is limited in its ability to declare dividends or other distributions under the terms of the various forms of leverage. In the event of an event of default under either the Revolving Credit Facility or Term Loan Facility, the lenders have the right to cause a liquidation of the collateral (i.e., sell portfolio securities and other assets of the Fund) and, if any such default is not cured, the lenders may be able to control the liquidation as well. In the event of an event of default under the Note Purchase Agreement, the holders of the Notes have the right to cause a liquidation of the collateral (i.e., sell portfolio securities and other assets of the Fund).

Each of the Revolving Credit Facility Agreement, the Term Loan Agreement, the Note Purchase Agreement or the Securities Purchase Agreement relating to the Series A MRPS includes usual and customary covenants for the applicable type of transaction. These covenants impose on the Fund asset coverage requirements, Fund composition requirements and limits on certain investments, such as illiquid investments, which are more stringent than those imposed on the Fund by the 1940 Act. The covenants or guidelines could impede the Investment Manager, Investment Adviser, or Sub-Adviser from fully managing the Fund's portfolio in accordance with the Fund's investment objective and policies. Furthermore, non-compliance with such covenants or the occurrence of other events could lead to the cancellation of any and/or all of the forms of leverage. As of April 30, 2016, the Fund was in compliance with all covenants under the agreements relating to the various forms of leverage.

During the six-month period ended April 30, 2016, the Fund incurred fees of approximately \$363,995 for the Revolving Credit Facility, Term Loan Facility and Notes.

### 11. Portfolio Investment Risks

#### a. Credit and Market Risk:

A debt instrument's price depends, in part, on the credit quality of the issuer, borrower, counterparty, or underlying collateral and can decline in response to changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral, or changes in specific or general market, economic, industry, political, regulatory, geopolitical, or other conditions. Funds that invest in high yield and emerging market instruments are subject to certain additional credit

and market risks. The yields of high yield and emerging market debt obligations reflect, among other things, perceived credit risk. The Fund's investments in securities rated below investment grade typically involve risks not associated with higher rated securities including, among others, greater risk of not receiving timely and/or ultimate payment of interest and principal, greater market price volatility, and less liquid secondary market trading.

#### b. Interest Rate Risk:

The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments. Generally, the Fund's fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk.

The Fund may be subject to a greater risk of rising interest rates due to current period of historically low rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives.

#### c. 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. These risks include future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws and

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restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, and political or social instability or diplomatic developments, which could adversely affect investments in those countries.

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.

### **d. Focus Risk:**

The Fund may have elements of risk not typically associated with investments in the United States due to focused investments in a limited number of countries or regions subject to foreign securities or currencies risks. Such focused investments may subject the Fund to additional risks resulting from political or economic conditions in

Aberdeen Asia-Pacific Income Fund, Inc.

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

April 30, 2016

such countries or regions and the possible imposition of adverse governmental laws or currency exchange restrictions could cause the securities and their markets to be less liquid and their prices to be more volatile than those of comparable U.S. securities.

### e. Risks Associated with Mortgage-backed Securities:

The value of mortgage-backed securities can fall if the owners of the underlying mortgages default or pay off their mortgages sooner than expected, which could happen when interest rates fall.

### 12. 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.

### 13. Tax Information

The U.S. federal income tax basis of the Fund's investments and the net unrealized appreciation as of April 30, 2016 were as follows:

| Tax Basis of Investments | Appreciation  | Depreciation    | Net                     |
|--------------------------|---------------|-----------------|-------------------------|
|                          |               |                 | Unrealized Depreciation |
| \$1,893,504,588          | \$ 62,912,930 | \$ (15,446,184) | \$ 47,466,746           |

### 14. Subsequent Events

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no disclosures or adjustments were required to the financial statements as of April 30, 2016, other than those listed below.

On May 10, 2016 and June 9, 2016, the Fund announced that it will pay on May 27, 2016 and June 27, 2016, a distribution of US \$0.035 per share to all shareholders of record as of May 19, 2016 and June 20, 2016, respectively.

Effective July 31, 2016, the Fund's blended benchmark will change, as summarized below:

| Index   | Current Weight | New Index   | New Weight |
|---|----------------|---|------------|
| Bloomberg Ausbond Composite <sup>1</sup> Index                | 45.00%         | Bloomberg Ausbond Composite Index <sup>1</sup>        | 35.00%     |
| JP Morgan Asian Credit Index <sup>2</sup>                     | 35.75%         | JP Morgan Asian Credit Index <sup>2</sup>             | 40.00%     |
| Markit iBoxx Asia ex Japan Government Bond Index <sup>3</sup> | 19.25%         | Markit iBoxx Asia Government Index <sup>3</sup>       | 15.00%     |
|   |                | Markit iBoxx Asia Government India Index <sup>4</sup> | 5.00%      |
|   |                |   | 5.00%      |



- <sup>1</sup> The Bloomberg AusBond Composite Bond Index includes investment grade fixed interest bonds of all maturities issued in the Australian debt market under Australian law.
- <sup>2</sup> The JP Morgan Asian Credit Index is a broad-based securities market index which consists of liquid US dollar-denominated debt securities issued out of Asia ex-Japan region.
- <sup>3</sup> The Markit iBoxx Asia Government Index is a subset of the iBoxx Asia ex-Japan Index family investing in local currency sovereign bonds from China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand.
- <sup>4</sup> The Markit iBoxx Asia Government India Index is a subset of the iBoxx Asia ex-Japan Index family investing in local currency sovereign bonds from India.
- <sup>5</sup> The Markit iBoxx Asia Government Indonesia Index is a subset of the iBoxx Asia ex-Japan Index family investing in local currency sovereign bonds from Indonesia.

Aberdeen Asia-Pacific Income Fund, Inc.

## Supplemental Information (unaudited)

### Meeting of Shareholders

The Annual Meeting of Shareholders was held on Thursday, March 24, 2016 at AAMI's office at 1735 Market Street, 32nd Floor, Philadelphia, Pennsylvania. The description of the proposal and number of shares voted at the meeting are as follows:

- To elect two directors to serve as Class I directors for a three-year term or until his successor is duly elected and qualifies:

|                  | Votes For   | Votes Against | Votes Withheld |
|------------------|-------------|---------------|----------------|
| John T. Sheehy   | 198,233,382 | 10,126,767    | 5,060,432      |
| Neville J. Miles | 197,842,677 | 10,527,745    | 5,050,159      |

Directors whose term of office continued beyond this meeting are as follows: Martin J. Gilbert, P. Gerald Malone, William J. Potter and Peter D. Sacks.

Aberdeen Asia-Pacific Income Fund, Inc.

## Corporate Information

### Directors

P. Gerald Malone, *Chairman*

Martin J. Gilbert

Neville J. Miles

William J. Potter

Peter D. Sacks

John T. Sheehy

### Officers

Christian Pittard, *President*

Jeffrey Cotton, *Chief Compliance Officer and Vice President, Compliance*

Megan Kennedy, *Vice President and Secretary*

Andrea Melia, *Treasurer and Principal Accounting Officer*

Kenneth Akintewe, *Vice President*

Nicholas Bishop, *Vice President*

Martin J. Gilbert, *Vice President*

Alan Goodson, *Vice President*

Bev Hendry, *Vice President*

Martin J. Gilbert, *Vice President*

Adam McCabe, *Vice President*

Jennifer Nichols, *Vice President*

Victor Rodriguez, *Vice President*

Lucia Sitar, *Vice President*

Sharon Ferrari, *Assistant Treasurer*

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Matthew Keener, *Assistant Secretary*

### **Investment Manager**

Aberdeen Asset Management Asia Limited

21 Church Street

#01-01 Capital Square Two

Singapore 049480

Investment Adviser

Aberdeen Asset Management Limited

Level 10, 255 George Street

Sydney, NSW 2000, Australia

### **Investment Sub-Adviser**

Aberdeen Asset Managers Limited

Bow Bells House, 1 Bread Street

London United Kingdom

EC4M 9HH

### **Administrator**

Aberdeen Asset Management Inc.

1735 Market Street, 32nd Floor

Philadelphia, PA 19103

### **Custodian**

State Street Bank and Trust Company

1 Iron Street, 5th Floor

Boston, MA 02210

### **Transfer Agent**

Computershare Trust Company, N.A.

PO Box 30170

College Station, TX 77842-3170

### **Independent Registered Public Accounting Firm**

KPMG LLP

1601 Market Street

Philadelphia, PA 19103

**Legal Counsel**

Willkie Farr & Gallagher LLP

787 Seventh Ave

New York, NY 10019

**Investor Relations**

Aberdeen Asset Management Inc.

1735 Market Street, 32nd Floor

Philadelphia, PA 19103

1-800-522-5465

InvestorRelations@aberdeen-asset.com

**Aberdeen Asset Management Asia Limited**

The accompanying Financial Statements as of April 30, 2016 were not audited and accordingly, no opinion is expressed therein.

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

The common shares of Aberdeen Asia-Pacific Income Fund, Inc. are traded on the NYSE MKT Equities Exchange under the symbol **FAX**. Information about the Fund's net asset value and market price is available at [www.aberdeenfx.com](http://www.aberdeenfx.com)

This report, including the financial information herein, is transmitted to the shareholders of Aberdeen Asia-Pacific Income 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.





**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. Schedule of Investments.**

(a) Schedule of Investments in securities of unaffiliated issuers as of close of the reporting period is 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) Not applicable to semi-annual report on Form N-CSR.

(b) During the period ended April 30, 2016, there were no changes in the Portfolio Managers.

**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 <sup>1</sup> | (d) Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs <sup>1</sup> |
|-----------------------------|--------------------------------------|----------------------------------|---|---|
| November 1, 2015<br>through | 491,832                              | \$4.54                           | 491,832   | 25,581,730  |



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|                      |         |        |         |            |
|----------------------|---------|--------|---------|------------|
| November 30,<br>2015 |         |        |         |            |
| December 1,<br>2015  |         |        |         |            |
| through              | 200,000 | \$4.48 | 200,000 | 25,381,730 |
| December 31,<br>2015 |         |        |         |            |
| January 1,<br>2016   |         |        |         |            |
| through              | 400,000 | \$4.43 | 400,000 | 24,981,730 |
| January 31,<br>2016  |         |        |         |            |

|                   |           |        |           |            |
|-------------------|-----------|--------|-----------|------------|
| February 1, 2016  |           |        |           |            |
| through           | 261,989   | \$4.50 | 261,989   | 24,719,741 |
| February 28, 2016 |           |        |           |            |
| March 1, 2016     |           |        |           |            |
| through           | 209,870   | \$4.83 | 209,870   | 24,509,871 |
| March 31, 2016    |           |        |           |            |
| April 1, 2016     |           |        |           |            |
| through           | 113,196   | \$4.94 | 113,196   | 24,396,675 |
| April 30, 2016    |           |        |           |            |
| Total             | 1,676,887 | \$4.62 | 1,676,887 | -          |

<sup>1</sup> The Registrant's stock repurchase program was announced on March 19, 2001 and further amended by the Registrant's Board of Directors on December 12, 2007. Under the terms of the current program, the Registrant is permitted to repurchase up to 10% of its outstanding shares of common stock, par value \$.01 per share, on the open market during any 12 month period if and when the discount to net asset value is at least 8%.

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

During the period ended April 30, 2016, there were no material changes to the procedures by which shareholders may recommend nominees to the Registrant's Board of Directors.

#### **Item 11. Controls and Procedures.**

- (a) The Registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the Act (17 CFR 270.30a3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d15(b)).
- (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the Registrant's last fiscal half-year that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

#### **Item 12. Exhibits.**

- (a)(1) Not applicable.

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- (a)(2) Certifications pursuant to Rule 30a-2(a) under the Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
  
- (a)(3) Not applicable.
  
- (b) Certifications pursuant to Rule 30a-2(b) under the Act and section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.
  
- (c) A copy of the Registrant's notices to stockholders, which accompanied distributions paid, pursuant to the Registrant's Managed Distribution Policy since the Registrant's last filed N-CSR, are filed herewith as Exhibits 12(c)(1), 12(c)(2), 12(c)(3), 12(c)(4), 12(c)(5), 12(c)(6), 12(c)(7) and 12(c)(8), as required by the terms of the Registrant's SEC exemptive order.

**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 Asia-Pacific Income Fund, Inc.

By: */s/ Christian Pittard*  
Christian Pittard,  
Principal Executive Officer of  
Aberdeen Asia-Pacific Income Fund, Inc.  
Date: July 8, 2016

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 Asia-Pacific Income Fund, Inc.  
Date: July 8, 2016

By: */s/ Andrea Melia*  
Andrea Melia,  
Principal Financial Officer of  
Aberdeen Asia-Pacific Income Fund, Inc.  
Date: July 8, 2016

**EXHIBIT LIST**

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

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

12(c)(1), 12(c)(2), 12(c)(3), 12(c)(4), 12(c)(5), 12(c)(6), 12(c)(7) and 12(c)(8) Distribution notice to stockholders