

ABERDEEN ASIA-PACIFIC INCOME FUND INC
Form N-CSR
January 07, 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 nd Floor Philadelphia, PA 19103
Name and address of agent for service:	Ms. Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street 32 nd Floor Philadelphia, PA 19103
Registrant's telephone number, including area code:	800-522-5465
Date of fiscal year end:	October 31
Date of reporting period:	October 31, 2015

Item 1 Reports to Stockholders The Report to Shareholders is attached herewith.

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. It is the Board's intention that a monthly distribution of \$0.035 per share be maintained for 12 months beginning with the June 30, 2015 distribution payment. 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.

The distributions for the fiscal year ended October 31, 2015 consisted of 95% net investment income and 5% return of capital.

In January 2016, 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 2015 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.

Letter to Shareholders (unaudited)

Dear Shareholder,

We present this Annual Report which covers the activities of Aberdeen Asia-Pacific Income Fund, Inc. (the Fund) for the fiscal year ended October 31, 2015. 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 -8.2% for the fiscal year ended October 31, 2015 and 8.1% per annum since inception, assuming the reinvestment of dividends and distributions. The Fund's total return for the fiscal year ended October 31, 2015 and per annum since inception is based on the reported NAV on each financial reporting period end.

Share Price and NAV

For the fiscal year ended October 31, 2015, based on market price, the Fund's total return was -12.4%, assuming reinvestment of dividends and distributions. The Fund's share price decreased by 19.2% over the fiscal year, from \$5.88 on October 31, 2014 to \$4.75 on October 31, 2015. The Fund's share price on October 31, 2015 represented a discount of 14.7% to the NAV per share of \$5.57 on that date, compared with a discount of 10.6% to the NAV per share of \$6.58 on October 31, 2014.

Portfolio Allocation

As of October 31, 2015, the Fund held 34.6% of its total investments in Australian debt securities, 57.7% in Asian debt securities, 3.8% in European debt securities, 3.8% in U.S. debt securities and 0.1% in Canadian debt securities.

Of the Fund's total investments, 42.2% were held in U.S. Dollar-denominated bonds issued by foreign issuers. The rest of the Fund's currency exposure was 37.4% in the Australian Dollar and 20.4% in various Asian currencies.

Credit Quality

As of October 31, 2015, 58.5% 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.

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 months ended October 31, 2015 totaled \$0.42 per share. Based on the share price of \$4.75 on October 31, 2015, the distribution rate over the twelve-month period ended October 31, 2015 was 8.8%. Since all distributions are paid after 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 November 10, 2015 and December 9, 2015 the Fund announced that it will pay on November 30, 2015 and January 12, 2016 a distribution of US \$0.035 per share to all shareholders of record as of November 23, 2015 and December 31, 2015, respectively.

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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. It is the Board's intention that a monthly distribution of \$0.035 per share be maintained for twelve months, beginning with the June 30, 2015 distribution payment. 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. The next annual review is scheduled to take place in June 2016.

- ¹ 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-.
- ² 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
3-year Term Loan B	\$ 100	June 12, 2016*
10-year Series A Mandatory Redeemable Preferred Shares	\$ 50	June 27, 2023

* Subsequent to the end of the reporting period, the maturity of Term Loan B was extended to December 14, 2019. On August 13, 2015, the Fund paid down \$25 million of the Revolving Credit Facility.

The Series A Mandatory Redeemable Preferred Shares, with a liquidation value of \$50 million, are rated AA by Fitch Ratings³ 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 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 fiscal year ended October 31, 2015 and fiscal year ended October 31, 2014, the Fund repurchased 4,991,465 and 6,107,325 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 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

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A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available by August 30 of the relevant year: (i) upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465; 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 adviser 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 adviser or the Fund's transfer agent.

Investor Relations Information

As part of Aberdeen's commitment to shareholders, I invite you to visit the Fund on the web at www.aberdeenfax.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.aberdeen-assets.us/aam.nsf/usclosed/email.

³ Fitch Ratings 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)

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.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv.

Included within this report is a reply card with postage paid envelope. Please complete and mail the card if you would like to be added to our enhanced email service and receive future communications from Aberdeen.

Contact Us

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

Watch us: www.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv

Email us: 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) (continued)

Market/economic review

Asian bond markets declined in U.S. dollar terms over the 12-month period ended October 31, 2015. Key laggards during the period included Singapore and Hong Kong government bonds, where expectations of a U.S. Federal Reserve (Fed) interest-rate hike weighed on short-term bonds. Asia regional currencies weakened as the U.S. dollar strengthened in anticipation of monetary policy normalization.

In the Asian credit markets, high-yield corporates led gains, outperforming their investment-grade peers over the reporting period. There was solid buying interest in China amid signs of a property market revival. This occurred despite concerns about borrowers' foreign debt following the yuan devaluation, as well as news of liquidity problems at several state-owned enterprises (SOEs). In almost all cases, the Chinese government stepped in to help the SOEs avoid default. Conversely, Indonesia and Malaysian credits underperformed.

In the government bond markets, Australia's yield curve shifted sharply lower over the reporting period. The central bank cut rates twice early in the period and subsequently acknowledged the need for monetary policy to remain accommodative. Second-quarter 2015 gross domestic product (GDP) growth was weaker than expected, although unemployment was largely stable, while business and consumer confidence improved towards the end of the reporting period. Malcolm Turnbull ousted Tony Abbott as leader of Australia's Liberal Party and was sworn in as prime minister—the fifth leadership change in as many years. In New Zealand, the central bank loosened monetary policy as weak agricultural prices hurt economic growth.

Elsewhere, government bonds in India and China outperformed versus their peers as their central banks were among the most aggressive in cutting interest rates, while net oil-importer India also benefited from crude oil price weakness. The Indian rupee and Chinese yuan were among the strongest-performing regional currencies. Meanwhile, the Chinese government took a step towards internationalizing the yuan by allowing market forces to determine its value. In Thailand and Korea, monetary policy easing amid benign inflation also buoyed markets. Economic growth outlooks for the two countries were clouded by bombings in Bangkok and the Middle East Respiratory Syndrome (MERS) virus outbreak, respectively.

The Indonesian and Malaysian markets performed relatively well during the reporting period despite massive foreign investments in

government securities that made these markets susceptible to selling pressure in the face of U.S. dollar strength. Problematic domestic issues persisted as well: Indonesia faced external account¹ vulnerabilities, while Malaysia reeled from the impact of lower oil prices on government revenues and the scandal at state investment firm, 1Malaysia Development Berhad (1MDB). Philippine bonds also performed well over the period.

Fund performance review

The Fund posted a negative return (on both a net asset value and market price basis) but outperformed its blended benchmark² over the 12-month reporting period ended October 31, 2015. Fund performance was bolstered by the underweight position in Australia and New Zealand bonds, as well as an overweight allocation to U.S. dollar-denominated Asian credit; however, negative security selection in both these sectors tempered gains. Meanwhile, security selection in Asian local-currency bonds was positive.

Within the Australia and New Zealand segment of the Fund, interest-rate strategies detracted from performance, while the currency strategy had a marginally positive impact. Regarding Asian local-currency bonds, the overweight to India and significant underweight to the Malaysian ringgit were the most significant contributors to the Fund's relative performance. Conversely, overweight positions in the Indian rupee and Sri Lankan rupee were the biggest detractors, while the underweight to Hong Kong also weighed on performance.

In U.S. dollar-denominated Asian credit, security selection in high-yield industrials and investment-grade financials added to relative return, as did the lack of exposure to investment-grade quasi-sovereigns. The significant exposure to high-yield financials also had a positive impact. However, the exposure to the oil and gas sector, which is not represented in the Fund's blended benchmark, detracted from performance.

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Regarding derivatives, the Fund's use of U.S. Treasury futures to hedge the U.S. interest-rate risk and the use of swaps to hedge the leverage had a modestly negative impact on performance, primarily those positions gaining exposure to the Asian currencies. The use of currency forwards to hedge the Asian currency exposure enhanced Fund performance.

Outlook

In our view, the sooner the U.S. normalizes interest rates, the better, as global markets may find relief from a major source of uncertainty*. While

¹ The portion of a country's debt that was borrowed from foreign lenders, including commercial banks, governments or international financial institutions.

² The Fund's blended benchmark comprises 45% of the UBS Composite Index (or the Bloomberg AusBond Composite Bond Index), 35.75% of the J.P. Morgan Asia Credit Index, and 19.25% of the IBOXX Asia ex-Japan Government Bond Index.

* The Fed subsequently raised the federal funds rate by 0.25% on December 16, noting that it sees the risks to the outlook for both economic activity and the labor market as balanced.

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (unaudited) (continued)

investors have already reduced a great deal of risk, we believe that they may remain cautious and that further risk reduction is possible. But a hike in U.S. interest rates may not necessarily be harmful to bonds, since a Fed tightening cycle likely will be gradual, in our opinion, and regional central banks can remain accommodative. Asian sovereign balance sheets are improving, which we believe puts them in a good position to cope with higher U.S. rates. We feel that it also is worth noting that valuations have improved substantially and in some cases, such as in Indonesia, have led to a recovery in fund flows. As for regional currencies, investors are largely prepared for short-term weakness in the face of U.S.-dollar strength. A number of central banks such as those in Thailand and Korea actually prefer weaker domestic currencies as this may help to revive moribund growth, in our view.

Nevertheless, we think that challenges persist in delivering concrete reforms, particularly in China, India and Indonesia. In the mainland, green shoots may be visible, notably in the property sector. Aided by government intervention, the yuan has also stabilized and a decision was recently made by the International Monetary Fund to include the currency in its reserve basket. However, given the ongoing economic restructuring and weak global backdrop, Chinese economic growth is still expected to be slow. In a small number of countries, political risks may potentially weigh on investor sentiment. As of the end of the reporting period, India's governing Bharatiya Janata Party lost the Bihar state election, which we think may potentially curb investors' risk appetite. In the Philippines, we believe that volatility could spike ahead of the presidential elections in May 2016 amid questions over economic growth momentum, given our opinion that none of the candidates thus far appear to possess current President Benigno Aquino's focus on reform.

In Australia, we anticipate a prolonged period of stable but subpar growth amid excess capacity in the labor market. In our view, the structural slowdown in China is still a major headwind, exposing commodity prices to downward pressure, even as the mining giants ramp up record supply in a bid to shake out weaker players. This, in turn, has a negative impact on the terms of trade and diminishes the contribution to growth from net exports. Additionally, financial markets remain skittish, given uncertainty surrounding monetary policy in China and the U.S. In this environment, we believe that consumer prices and wage inflation may remain at the low end of the central bank's target range, which would support its monetary policy easing bias in the medium term. We also see further rate cuts in New Zealand, given low inflation and the sharp deceleration in GDP growth. Although the outlook for dairy prices has improved, prices remain low in absolute terms and production is being reduced; therefore, agriculture may be a drag on economic growth.

In credit markets, we feel that spreads could tighten further amid firm demand supported by the loose monetary policy environment. We believe that companies may see declining earnings growth as they continue to experience slowing consumption, exacerbated by rising household debt. However, finances are generally more robust in Asia than elsewhere in the emerging markets. In China, we think that potential defaults are cause for concern. But we believe that the Chinese government remains supportive of state-owned enterprises deemed strategically important, despite the obvious moral hazards.

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 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. On August 13, 2015, the Fund paid down \$25

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million of the Revolving Credit Facility. The Fund's outstanding balance as of October 31, 2015 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

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (unaudited) (concluded)

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., 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 October 31, 2015, 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. On August 6, 2015, the Fund exited \$25 million in notional value of a swap maturing on October 31, 2016. As of October 31, 2015, 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

October 31, 2015	Amount (in millions)	Fixed Rate Payable (%)
12 months	\$ 59.0	1.42
24 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 October 31, 2015. 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)	-8.2%	-4.0%	1.2%	5.8%
Market Value	-12.4%	-9.5%	-1.0%	5.1%

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 fiscal year ended October 31, 2015, 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 or by calling 800-522-5465.

The net operating expense ratio based on the fiscal year ended October 31, 2015 was 2.15%. The net operating expense ratio, excluding interest expense, and distributions to Series A Mandatory Redeemable Preferred Shares, based on the fiscal year ended October 31, 2015 was 1.14%. These ratios include a one-time expense associated with the August 2012 shelf offering costs attributed to the registered but unsold shares that expired in August 2015. See Note 5 in the Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio Composition (unaudited)

Quality of Investments⁽¹⁾

As of October 31, 2015, 58.5% 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 October 31, 2015 compared with the previous six and twelve months:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %	NR** %
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
October 31, 2014	36.4	14.2	13.1	18.6	11.4	3.5	2.8

* Below investment grade

** Not Rated

*** Unaudited

- (1) For financial reporting purposes, credit quality ratings shown above reflect the lowest rating assigned by either Standard & Poor's (S&P) or Moody's Investor Service if ratings differ. These rating agencies were selected because they 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 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 October 31, 2015, compared with the previous six and twelve months:

Date	Australia %	Asia (including NZ) %	Europe %	United States %	Canada %
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
October 31, 2014	40.0	54.8	3.1	1.7	0.4

* Unaudited

Currency Composition

The table below shows the currency composition of the Fund's total investments as of October 31, 2015, compared with the previous six and twelve months:

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Date	Australian Dollar %	Asian Currencies (including NZ Dollar) %	US Dollar* %
October 31, 2015	37.4	20.4	42.2
April 30, 2015**	38.7	20.7	40.6
October 31, 2014	42.2	13.8	44.0

* Includes U.S. Dollar-denominated bonds issued by foreign issuers: 42.2% of the Fund's total investments on October 31, 2015, 40.6% of the Fund's total investments on April 30, 2015, 39.8% of the Fund's total investments on October 31, 2014.

** Unaudited

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio Composition (unaudited) (concluded)

Maturity Composition

As of October 31, 2015, the average maturity of the Fund's total investments was 7.9 years, compared with 7.9 years at April 30, 2015, and 6.6 years at October 31, 2014. The following table shows the maturity composition of the Fund's investments as of October 31, 2015, compared with the previous six and twelve months:

Date	Under 3 Years %	3 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2015	22.9	15.6	42.5	19.0
April 30, 2015*	26.3	16.4	38.2	19.1
October 31, 2014	25.1	25.4	36.6	12.9

* 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 October 31, 2015 and the previous six and twelve month periods.

	October 31, 2015	April 30, 2015	October 31, 2014
Australia			
90 day Bank Bills	2.11%		