

ABERDEEN ASIA-PACIFIC INCOME FUND INC  
Form N-CSR  
January 09, 2017

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 Philadelphia, PA 19103
Name and address of agent for service:	Ms. Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street 32 <sup>nd</sup> 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, 2016

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



## Managed Distribution Policy (unaudited)

The Board of Directors of the Aberdeen Asia-Pacific Income Fund, Inc. (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.

The distributions for the fiscal year ended October 31, 2016 consisted of 56% net investment income and 44% 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 shareholders 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 purchase 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 Annual Report which covers the activities of Aberdeen Asia-Pacific Income Fund, Inc. (the Fund) for the fiscal year ended October 31, 2016. The Fund's principal investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

### Fund Updates

As of July 31, 2016, the Fund's blended benchmark changed, as summarized below:

	Previous		New	
Index	Weight	New Index	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%	
		Markit iBoxx Asia Government Indonesia Index <sup>5</sup>	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.

### NAV Total Return Performance

The Fund's total return, based on net asset value (NAV), net of fees, was 11.4% for the fiscal year ended October 31, 2016 and 8.2% per annum since inception, assuming the reinvestment of dividends and distributions. The Fund's total return for the fiscal year ended October 31, 2016 and per annum since inception is based on the reported NAV on each financial reporting period end.

### Share Price Total Return Performance & Discount

For the fiscal year ended October 31, 2016, based on market price, the Fund's total return was 12.9%, assuming reinvestment of dividends and distributions. The Fund's share price increased by 3.6% over the fiscal year, from \$4.75 on October 31, 2015 to \$4.92 on October 31, 2016. The Fund's share price on October 31, 2016 represented a discount of 13.5% 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

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As of October 31, 2016, the Fund held 32.5% of its total investments in Australian debt securities, 62.8% in Asian debt securities, 4.4% in European debt securities and 0.3% in U.S. debt securities.

Of the Fund's total investments, 40.6% were held in U.S. Dollar-denominated bonds issued by foreign issuers. The rest of the Fund's currency exposure was 30.1% in the Australian Dollar and 29.3% in various Asian currencies.

### Credit Quality

As of October 31, 2016, 48.7% 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).

<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)

### 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 responsible for the day-to-day management of the Fund.

Effective January 31, 2016, David Choi replaces John Manning. Mr Choi is responsible for overseeing day-to-day management and overall supervision of Australian Fixed Income team. He joins the team of Victor Rodriguez, Nick Bishop, Adam McCabe and Kenneth Akintewe. David Choi is the Head of Australian Macro on the Australia Fixed Income desk. David joined Aberdeen in 2011 after spending five years at NSW Treasury Corporation, where he was responsible for portfolio management of both asset and debt portfolios, and specialised in interest rate positioning with responsibility for tactical overlay strategies. David graduated with a Bachelor of Law/Commerce (Finance) from the University of NSW.

### Managed Distribution Policy

Distributions to common shareholders for the twelve months ended October 31, 2016 totaled \$0.42 per share. Based on the share price of \$4.92 on October 31, 2016, the distribution rate over the twelve-month period ended October 31, 2016 was 8.5%. 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 9, 2016 and December 9, 2016, the Fund announced that it will pay on November 25, 2016 and January 11, 2017, respectively a distribution of U.S. \$0.035 per share to all shareholders of record as of November 18, 2016 and December 30, 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.

### 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.



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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 fiscal year ended October 31, 2016 and fiscal year ended October 31, 2015, the Fund repurchased 3,042,619 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

<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)

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.aberdeenfx.com](http://www.aberdeenfx.com). Here, you can view monthly fact sheets, quarterly commentary, distribution and performance information, updated daily data courtesy of Morningstar®, portfolio charting and other Fund literature.

Enroll in our email services today and be among the first to receive the latest closed-end fund news, announcements, videos and 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-asset.us/aam.nsf/usclosed/email](http://www.aberdeen-asset.us/aam.nsf/usclosed/email).

For your convenience, included within this report is a reply card with a postage paid envelope. Please take a minute to complete this card if you would like to be added to our enhanced email services from Aberdeen.

Contact Us:

Visit: [www.cef.aberdeen-asset.us](http://www.cef.aberdeen-asset.us)

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

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

Call: 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/economic review

Asian fixed-income assets rallied over the 12-month period ended October 31, 2016, despite a volatile start attributable to an interest-rate hike by the U.S. Federal Reserve (Fed) in December 2015, sharp declines in Chinese equities, and the decline in commodity prices. Just when investor sentiment appeared to stabilize going into the second half of the reporting period, risk aversion spiked again, this time caused by the UK's unexpected Brexit vote in June 2016. After a brief sell-off, Asian bonds rebounded as record-low interest rates in developed markets drove global fund flows in search of higher yields. Towards the end of the reporting period, caution rose ahead of the U.S. presidential election in early November. Republican Donald Trump subsequently won the election on November 8. Regional currencies ended the reporting period mixed against the U.S. dollar; the Indonesian rupiah, Malaysian ringgit and Thai baht led gains, but the Chinese yuan, Philippine peso and Indian rupee weakened.

In Australia, government bond yields fell as the central bank remained on a monetary policy easing path, cutting interest rates in attempts to boost growth amid deflationary pressures. Second-quarter 2016 gross domestic product (GDP) growth slowed as business investments remained a drag, but this was mitigated by good household spending and public investments in infrastructure. Although Standard & Poor's downgraded the country's credit rating outlook to negative, its impact was negligible.

In Asian bond markets, Indonesia and India were the strongest performers over the reporting period as their respective central banks continued to cut interest rates. The Indonesian market was further boosted by fiscal stimulus measures and the tax amnesty bill that investors hoped would encourage overseas asset repatriation. In India, reform momentum accelerated with the ratification of the bankruptcy code and the upper house's approval of the goods and services tax (GST) bill. The market also reacted positively to the appointment of Urjit Patel as the new central bank governor and formation of the monetary policy committee. Chinese bonds were buttressed by ample liquidity and Beijing's assurance that its economic growth targets would be met. In Malaysia, investor sentiment was lifted by the central bank's interest-rate cut and

J.P. Morgan's decision to include Islamic bonds in its emerging-market indices. Thai bond yields fell on hopes of easier monetary policy, which gained credence after King Bhumibol's death in October.

Yields in Singapore also trended lower over the reporting period, even though the central bank removed the appreciation bias from its currency policy. Korean bonds benefited from the central bank's policy rate cut and the government's 20 trillion-won (about US\$17 billion) stimulus package. However, gains were pared in the last few months of the period by protests calling for President Park Geun-hye's resignation for allowing a friend to gain inappropriate access to government documents. Philippine bonds underperformed versus the overall market during the reporting period. Investors initially welcomed President Rodrigo Duterte's election win, but his more strident invectives against the U.S. later reignited market jitters.

Asian credit markets strengthened over the reporting period, with spreads versus comparable-duration<sup>3</sup> U.S. Treasuries narrowing substantially, led by the high-yield sector. As commodity prices rebounded and fears over Chinese economic growth subsided, investors' risk appetite improved. Nevertheless, some headwinds emerged later, particularly rising concerns over overheating Chinese property prices and corporate bond defaults in the hard-hit oil and gas sector. Towards the end of the reporting period, gains were capped by increasingly stretched valuations.

### Fund performance review

Fund performance for the reporting period was hindered by our strategies in Asian local-currency bonds and Asian U.S.-dollar credit. On a positive note, the Fund's allocations to Australian and New Zealand bonds enhanced performance.

Within the Australia and New Zealand portfolio, our yield-curve and duration strategies bolstered Fund performance. In Asian local currency bonds, the Fund's overweight exposure to India was the biggest positive contributor to performance. Conversely, the underweight to Thai, Singapore and Hong Kong bonds weighed on Fund performance for the reporting period. In currency management, the Fund's overweight position in the Indian rupee detracted from performance, but was mitigated by the overweight to the rupiah and the positions in the Korean won and Singapore dollar.

- <sup>1</sup> Brexit is an abbreviation of British exit, which refers to the June 23, 2016 referendum by British voters to exit the European Union.
- <sup>2</sup> Standard & Poor's credit ratings express the agency's opinion about the ability and willingness of an issuer, such as a corporation or state or city government, to meet its financial obligations in full and on time. Typically, ratings are expressed as letter grades that range, for example, 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.
- <sup>3</sup> Duration is an estimate of bond price sensitivity to changes in interest rates. The higher the duration, the greater the change (i.e., higher risk) in relation to interest-rate movements.

Aberdeen Asia-Pacific Income Fund, Inc.

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

In the Asian U.S.-dollar credit segment, security selection in high-yield industrial bonds and investment-grade sovereign issues detracted from Fund performance; however, the overweight to the investment-grade oil and gas sector curbed the losses.

The Fund's use of derivatives was an overall detractor from performance during the reporting period. The impact of currency management in the Asian local currency bond segment via forwards<sup>4</sup> was relatively flat. In the currency overlay,<sup>5</sup> derivatives used for interest-rate management and currency management weighed on performance, particularly because of the long U.S. dollar-short Australian dollar position, given the Australian dollar's strength for much of 2016.

As part of the liberalization of the domestic bond market, in February 2016, the People's Republic of China (PRC) announced a new path for international investors to access onshore bonds through the China Interbank Bond Market (CIBM). Because more than 90% of current PRC bond trading activity is transacted in the CIBM, the Fund's new ability to access PRC bonds (and other products) through CIBM provides greater flexibility and liquidity, while subjecting the Fund to similar risks associated with other methods of investing directly in China.

### Outlook

Market reaction in the immediate aftermath of the U.S. presidential election reflected not only surprise over Donald Trump's win but also elevated uncertainty that we believe could prevail going into 2017. U.S. Treasuries and some Asian bond markets initially rallied, but subsequently sold off, with current yields generally higher than their pre-election levels. The U.S. dollar weakened against its G10<sup>6</sup> peers but later reversed course, and recently was stronger against most G10 and emerging-market currencies. Credit spreads narrowed after initially widening immediately after the election. We believe that investors will need to wait for President-elect Trump to set policy direction when he takes office in January. Early assumptions are that the U.S. may embark on fiscal stimulus, which could prove inflationary and cause U.S. Treasury yields to rise further. The Fed is also expected to continue on its path of monetary policy normalization in December 2016, provided that market sentiment and financial conditions are stable. For Asia, we think that a key risk stems from a potential increase in U.S. protectionism and its impact on global trade. The Italian referendum on constitutional reform in

early December 2016, along with the Supreme Court ruling in the UK on the need for parliamentary approval to invoke Article 50,<sup>7</sup> also present further headwinds, in our view. On a positive note, we think that central banks still have some room to cut interest rates if they choose. In Australia, however, we do not believe that low inflation alone will spur the central bank to ease monetary policy further, given the risks posed by the burgeoning residential housing supply.

### 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 October 31, 2016 was \$125 million on the Revolving Credit Facility.

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- <sup>4</sup> A currency forward is a binding contract in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date.
- <sup>5</sup> A currency overlay segregates the currency component from other investments within a portfolio, allowing currency management to be separate from the management of other assets.
- <sup>6</sup> The G10 nations include Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the UK and the U.S.
- <sup>7</sup> Article 50 stipulates that Any Member State may decide to withdraw from the [European] Union in accordance with its own constitutional requirements.

Aberdeen Asia-Pacific Income Fund, Inc.

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

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., 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, 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. On October 24, 2016, the Fund terminated a swap agreement with a notional value of \$59 million maturing on October 24, 2016 and entered into a swap agreement with a notional value of \$59 million maturing on October 28, 2026. As of October 31, 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 (in millions)	Fixed Rate Payable (%)
<b>October 31, 2016</b>		
12 months	\$ 66.0	0.84
120 months	59.0	1.57

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





## 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, 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)	11.4%	1.5%	1.6%	6.0%
Market Value	12.9%	-1.1%	0.2%	5.1%

*Aberdeen Asset Management Inc. (AAMI), the Fund's administrator, has entered into an agreement with the Fund to limit investor relations services fees, without which total return performance would be lower. For the fiscal year ended October 31, 2016, AAMI did not waive any investor relations services 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 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. 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. The Fund's total investment return is based on the reported NAV on the financial reporting period end. 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 net operating expense ratio based on the fiscal year ended October 31, 2016 was 2.23%. 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, 2016 was 1.14%.*

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio Composition (unaudited)

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

As of October 31, 2016, 48.7% 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 October 31, 2016 compared with the previous six and twelve months:

	AAA/Aaa	AA/Aa	A	BBB/Baa	BB/Ba*	B*	NR**
Date	%	%	%	%	%	%	%
October 31, 2016	31.6	7.9	9.2	25.0	3.6	3.6	19.1
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

\* 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 if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations 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. Aberdeen Asset Management Asia Limited (AAMAL) or 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, 2016, compared with the previous six and twelve months:

	Australia	Asia (including NZ)	Europe	United States	Canada
Date	%	%	%	%	%
October 31, 2016	32.5	62.8	4.4	0.3	0.0
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

### Currency Composition

The table below shows the currency composition of the Fund's total investments as of October 31, 2016, compared with the previous six and twelve months:

Date	Australian	Asian Currencies (including NZ Dollar)	US Dollar*
			%

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	Dollar	%	
	%		
October 31, 2016	30.1	29.3	40.6
April 30, 2016	40.4	20.5	39.1
October 31, 2015	37.4	20.4	42.2

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

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio Composition (unaudited) (concluded)

### Maturity Composition

As of October 31, 2016, the average maturity of the Fund's total investments was 7.8 years, compared with 7.8 years at April 30, 2016, and 7.9 years at October 31, 2015. The following table shows the maturity composition of the Fund's investments as of October 31, 2016, 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, 2016	18.7	17.6	45.2	18.5
April 30, 2016	20.3	17.6	42.3	19.8
October 31, 2015	22.9	15.6	42.5	19.0

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, 2016 and the previous six and twelve month periods.

	October 31, 2016	April 30, 2016	October 31, 2015
<b>Australia</b>			
90 day Bank Bills	1.75%	2.16%	2.11%
10 yr bond	2.06%	2.30%	2.40%
Australian Dollar	\$0.76	\$0.76	\$0.71
<b>New Zealand</b>			
90 day Bank Bills	2.14%	2.42%	2.98%
10 yr bond	2.71%	2.85%	3.30%
New Zealand Dollar	\$0.72	\$0.70	\$0.68
<b>South Korea</b>			
90 day commercial paper	1.39%	1.61%	1.57%
10 yr bond	1.68%	1.80%	2.11%
South Korean Won*	₩1144.25	₩1139.40	₩1140.05
<b>Thailand</b>			
3 months deposit rate	1.00%	1.00%	1.00%
10 yr bond	2.13%	1.80%	2.65%
Thai Baht*	฿35.00	฿34.93	฿35.57
<b>Philippines</b>			
90 day T-Bills	1.56%	1.91%	2.30%
10 yr bond	3.93%	4.58%	3.72%
Philippine Peso*	₱48.42	₱46.89	₱46.82
<b>Malaysia</b>			
3-month T-Bills	2.62%	2.48%	2.96%
10 yr bond	3.60%	3.88%	4.37%
Malaysian Ringgit*	₹4.20	₹3.91	₹4.30
<b>Singapore</b>			
3-month T-Bills	0.79%	0.70%	1.16%
10 yr bond	1.89%	2.00%	2.46%
Singapore Dollar*	₹1.39	₹1.34	₹1.40
<b>U.S.\$ Bonds**</b>			
Indonesia	3.59%	3.96%	4.44%
Philippines	1.43%	1.34%	1.57%

\* 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

As of October 31, 2016

Principal Amount (000)	Description	Value (US\$)
<b>CORPORATE BONDS 59.4%</b>		
<b>AUSTRALIA 2.9%</b>		
AUD 2,500	APT Pipelines Ltd., 7.75%, 07/22/2020	\$ 2,182,372
AUD 7,225	Brisbane Square Finance Pty Ltd., Zero Coupon, 11/25/2025 (a)(b)(c)(d)	6,050,223
USD 8,000	Commonwealth Bank of Australia, 4.50%, 12/09/2025 (e)	8,405,512
AUD 7,300	Qantas Airways Ltd., 7.50%, 06/11/2021	6,326,695
AUD 3,800	RWH Finance Pty Ltd., 6.20%, 03/26/2017 (a)(b)(f)(g)	2,881,004
AUD 2,000	Telstra Corp. Ltd., 8.75%, 01/15/2020	1,796,998
USD 5,965	Transurban Finance Co. Pty Ltd., 3.38%, 12/22/2026 (e)(g)	5,918,211
USD 4,499	Virgin Australia Holdings Ltd., 7.88%, 10/15/2021 (e)	4,598,878
AUD 4,000	Westpac Banking Corp., 7.25%, 11/18/2016	3,050,680
		<b>41,210,573</b>
<b>CHINA 12.4%</b>		
USD 3,950	Agile Group Holdings Ltd., 9.00%, 05/21/2018 (e)(g)	4,339,972
USD 3,500	Agile Group Holdings Ltd., 8.38%, 02/18/2017 (e)(g)	3,679,389
USD 6,000	China Aoyuan Property Group Ltd., 11.25%, 01/17/2017 (e)(g)	6,390,318
CNH 11,250	China Development Bank Corp., 3.60%, 11/13/2018	1,656,589
USD 3,500	China Hongqiao Group Ltd., 7.63%, 06/26/2017 (e)	3,570,000
USD 7,000	China Overseas Finance Cayman III Ltd., 5.38%, 10/29/2023 (e)	7,900,753
USD 4,955	China Resources Gas Group Ltd., 4.50%, 04/05/2022 (e)	5,353,446
USD 7,500	CNOOC Curtis Funding No 1 Pty Ltd., 4.50%, 10/03/2023 (e)	8,197,102
USD 15,160	CNOOC Nexen Finance 2014 ULC, 4.25%, 04/30/2024	16,146,385
USD 5,400	CNPC General Capital Ltd., 2.75%, 05/14/2019 (e)	5,504,258
USD 8,350	CNPC General Capital Ltd., 3.40%, 04/16/2023 (e)	8,601,761
USD 1,810	Country Garden Holdings Co. Ltd., 7.25%, 10/04/2017 (e)(g)	1,912,012
USD 4,348	CRCC Yuxiang Ltd., 3.50%, 05/16/2023 (e)	4,446,426
USD 15,143	ENN Energy Holdings Ltd., 6.00%, 05/13/2021 (e)	17,077,427
USD 10,700	Franshion Investment Ltd., 4.70%, 10/26/2017 (e)	10,914,834
USD 5,876	Future Land Development Holdings Ltd., 10.25%, 07/21/2017 (e)(g)	6,397,319
USD 3,674	Kunlun Energy Co. Ltd., 3.75%, 05/13/2025 (e)	3,810,967
USD 3,800	Logan Property Holdings Co. Ltd., 11.25%, 06/04/2017 (e)(g)	4,141,741
USD 18,800	Proven Honour Capital Ltd., 4.13%, 05/19/2025 (e)	19,676,832
USD 14,434	Semiconductor Manufacturing International Corp., 4.13%, 10/07/2019 (e)	14,994,963
USD 1,250	Shimao Property Holdings Ltd., 6.63%, 01/14/2017 (e)(g)	1,295,084
USD 5,200	Sinopec Capital 2013 Ltd., 144A, 3.13%, 04/24/2023 (e)	5,273,403
USD 4,109	Sinopec Capital 2013 Ltd., REG S, 3.13%, 04/24/2023 (e)	4,167,003
USD 1,600	Sinopec Group Overseas Development 2012 Ltd., 3.90%, 05/17/2022 (e)	1,711,162
USD 4,400	Sinopec Group Overseas Development 2013 Ltd., 4.38%, 10/17/2023 (e)	4,807,009
USD 5,900	Sinopec Group Overseas Development 2014 Ltd., 4.38%, 04/10/2024 (e)	6,428,770
		<b>178,394,925</b>
<b>GERMANY 3.4%</b>		
AUD 7,500	KfW, 3.75%, 07/18/2018 (h)	5,872,276
AUD 5,000	KfW, 6.00%, 08/20/2020 (h)	4,305,032
AUD 10,600	KfW, 6.25%, 02/23/2018 (h)	8,507,632
AUD 10,500	KfW, 6.25%, 12/04/2019 (h)	8,959,568
AUD 15,000	KfW, 6.25%, 05/19/2021 (h)	13,278,167
AUD 10,000	Landwirtschaftliche Rentenbank, 4.75%, 04/08/2024 (f)	8,594,645
		<b>49,517,320</b>

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



**Portfolio of Investments** (continued)

As of October 31, 2016

<b>Principal Amount (000)</b>		<b>Description</b>	<b>Value (US\$)</b>
<b>CORPORATE BONDS (continued)</b>			
<b>HONG KONG 5.9%</b>			
USD	4,103	Champion Ltd., 3.75%, 01/17/2023 (e)	\$ 4,202,789
USD	5,326	FPC Treasury Ltd., 4.50%, 04/16/2023 (e)	5,457,456
USD	8,800	Green Dragon Gas Ltd., 10.00%, 11/30/2016 (b)(e)(g)	7,040,000
USD	17,000	HLP Finance Ltd., 4.75%, 06/25/2022 (e)	18,289,943
USD	12,000	Hongkong Electric Finance Ltd., 2.88%, 05/03/2026 (e)	11,858,484
USD	1,600	Hongkong Land Finance Cayman Islands Co. Ltd. (The), 4.50%, 06/01/2022	1,773,171
USD	15,500	Hutchison Whampoa Finance CI Ltd., 7.50%, 08/01/2027 (e)	21,181,680
USD	2,880	Hutchison Whampoa International Ltd., 7.45%, 11/24/2033 (e)	4,137,011
USD	3,973	Hutchison Whampoa International Ltd., 7.63%, 04/09/2019 (e)	4,518,263
USD	5,600	Shimao Property Holdings Ltd., 8.38%, 02/10/2019 (e)(g)	6,314,442
			<b>84,773,239</b>
<b>INDIA 11.0%</b>			
USD	4,060	Adani Transmission Ltd., 4.00%, 08/03/2026 (e)	4,041,089
INR	300,000	Axis Bank Ltd., 8.85%, 12/05/2024	4,851,253
USD	13,340	Bharat Petroleum Corp. Ltd., 4.00%, 05/08/2025 (e)	13,676,888
USD	3,652	Bharti Airtel International Netherlands BV, 5.35%, 05/20/2024 (e)	3,966,810
USD	3,923	Bharti Airtel Ltd., 4.38%, 06/10/2025 (e)	4,036,434
USD	6,487	GCX Ltd., 7.00%, 12/01/2016 (e)(g)	6,276,017
USD	12,000	HDFC Bank Ltd., 3.00%, 03/06/2018 (e)	12,139,080
INR	50,000	HDFC Bank Ltd., 7.95%, 09/21/2026	762,055
INR	250,000	Housing Development Finance Corp. Ltd., 8.75%, 01/13/2020 (g)	3,856,962
USD	10,700	ICICI Bank Ltd., 4.00%, 03/18/2026 (e)	10,875,994
INR	250,000	ICICI Bank Ltd., 9.15%, 08/06/2024	4,068,187
INR	100,000	Indiabulls Housing Finance Ltd., 9.00%, 04/29/2026	1,488,828
INR	250,000	Indian Railway Finance Corp. Ltd., 8.83%, 03/25/2023	3,994,291
USD	3,400	NTPC Ltd., 4.75%, 10/03/2022 (e)	3,719,246
INR	200,000	NTPC Ltd., 8.49%, 03/25/2025	3,179,391
INR	100,000	NTPC Ltd., 8.73%, 03/07/2023	1,584,666
INR	100,000	NTPC Ltd., 9.17%, 09/22/2024	1,639,644
USD	10,600	ONGC Videsh Ltd., 4.63%, 07/15/2024 (e)	11,339,541
INR	250,000	Power Finance Corp. Ltd., 8.39%, 04/19/2025	3,893,002
INR	400,000	Power Finance Corp. Ltd., 8.65%, 12/28/2024	6,400,210
USD	7,280	Power Grid Corp. of India Ltd., 3.88%, 01/17/2023 (e)	7,547,074
INR	200,000	Power Grid Corp. of India Ltd., 8.93%, 10/20/2022	3,243,587
INR	300,000	Power Grid Corp. of India Ltd., 9.30%, 09/04/2024	4,970,010
USD	6,600	Reliance Industries Ltd., 4.13%, 01/28/2025 (e)	6,809,774
INR	100,000	Reliance Jio Infocomm Ltd., 8.95%, 10/04/2020	1,564,607
INR	200,000	Rural Electrification Corp. Ltd., 8.44%, 12/04/2021	3,124,856
INR	150,000	Rural Electrification Corp. Ltd., 9.34%, 08/25/2024	2,489,881
INR	270,000	Rural Electrification Corp. Ltd., 9.35%, 06/15/2022	4,419,758
USD	6,050	Samvardhana Motherson Automotive Systems Group BV, 4.88%, 06/16/2019 (e)(g)	6,155,875
INR	100,000	Tata Motors Ltd., 9.73%, 10/01/2020	1,596,630
USD	10,575	UPL Corp. Ltd., 3.25%, 10/13/2021 (e)	10,568,137
			<b>158,279,777</b>
<b>INDONESIA 2.1%</b>			
IDR	24,000,000	Bank OCBC Nisp Tbk PT, 9.40%, 02/10/2017	1,843,396

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USD	1,200	Jababeka International BV, 6.50%, 10/05/2020 (e)(g)	1,224,012
IDR	30,000,000	Lembaga Pembiayaan Ekspor Indonesia, 9.50%, 03/13/2020	2,369,559
USD	3,150	Majapahit Holding BV, 7.88%, 06/29/2037 (e)	4,071,375
USD	1,000	MPM Global Pte Ltd., 6.75%, 09/19/2017 (e)(g)	1,044,423
USD	6,034	Pertamina Persero PT, 6.00%, 05/03/2042 (e)	6,362,105
USD	9	Perusahaan Listrik Negara PT, 5.25%, 10/24/2042 (e)	8,950

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (continued)

As of October 31, 2016

Principal Amount (000)		Description	Value (US\$)
<b>CORPORATE BONDS (continued)</b>			
<b>INDONESIA (continued)</b>			
USD	4,000	Pratama Agung Pte Ltd., 6.25%, 02/24/2018 (e)(g)	\$ 4,210,104
USD	4,000	Star Energy Geothermal Wayang Windu Ltd., 6.13%, 03/28/2017 (e)(g)	4,150,000
USD	4,164	TBG Global Pte Ltd., 5.25%, 02/10/2019 (e)(g)	4,359,096
			<b>29,643,020</b>
<b>MALAYSIA 1.5%</b>			
MYR	5,000	Cagamas Bhd, 4.20%, 10/22/2018	1,208,007
USD	3,360	Malaysia Sovereign Sukuk Bhd, 3.04%, 04/22/2025 (e)	3,413,088
USD	4,150	Malaysia Sukuk Global Bhd, 3.18%, 04/27/2026 (e)(h)	4,265,370
USD	900	Petrolia Nasional Bhd, 7.63%, 10/15/2026 (e)	1,269,408
USD	50	Petronas Capital Ltd., 5.25%, 08/12/2019 (e)	54,633
USD	2,400	Petronas Global Sukuk Ltd., 2.71%, 03/18/2020 (e)	2,439,454
MYR	5,000	Putrajaya Holdings Sdn Bhd, 5.10%, 04/22/2019	1,227,723
USD	7,000	Wakala Global Sukuk Bhd, 4.65%, 07/06/2021 (e)	7,772,100
			<b>21,649,783</b>
<b>NORWAY 0.6%</b>			
AUD	9,788	Kommunalbanken AS, 6.50%, 04/12/2021	8,664,819
			<b>8,664,819</b>
<b>PHILIPPINES 3.0%</b>			
USD	3,700	Energy Development Corp., 6.50%, 01/20/2021 (e)	4,185,625
USD	7,000	ICTSI Treasury BV, 5.88%, 09/17/2025 (e)	7,519,729
USD	3,446	International Container Terminal Services, Inc., 7.38%, 03/17/2020 (e)	3,924,932
USD	13,086	Megaworld Corp., 4.25%, 04/17/2023 (e)	13,218,142
USD	3,072	PLDT, Inc., 8.35%, 03/06/2017	3,110,400
USD	8,534	Power Sector Assets & Liabilities Management Corp., 7.39%, 12/02/2024 (e)(h)	11,351,125
			<b>43,309,953</b>
<b>REPUBLIC OF SOUTH KOREA 4.3%</b>			
USD	8,400	Busan Bank Co. Ltd., 3.63%, 07/25/2026 (e)	8,261,400
USD	7,218	Doosan Heavy Industries & Construction Co. Ltd., 2.13%, 04/27/2020 (e)	7,193,415
USD	10,552	Hyundai Capital Services, Inc., 2.63%, 09/29/2020 (e)	10,713,762
USD	1,400	Korea Gas Corp., 2.88%, 07/29/2018 (e)	1,430,722
USD	2,000	Korea Hydro & Nuclear Power Co. Ltd., 2.88%, 10/02/2018 (e)	2,043,938
USD	6,658	Korea Hydro & Nuclear Power Co. Ltd., 3.00%, 09/19/2022 (e)	6,958,908
USD	2,305	Korea Hydro & Nuclear Power Co. Ltd., 3.25%, 06/15/2025 (e)	2,420,345
USD	13,652	Korea National Oil Corp., 2.63%, 04/14/2026 (e)	13,713,065
USD	3,000	KT Corp., 2.50%, 07/18/2026 (e)	2,965,575
USD	6,390	Minera y Metalergica del Boleo SA de CV, 2.88%, 05/07/2019 (e)	6,521,219
			<b>62,222,349</b>
<b>SINGAPORE 2.7%</b>			
SGD	2,750	CapitaMalls Asia Treasury Ltd., 3.95%, 08/24/2017 (e)	2,011,391
USD	12,000	Global Logistic Properties Ltd., 3.88%, 06/04/2025 (e)	12,261,984
USD	5,608	HPHT Finance 15 Ltd., 2.88%, 03/17/2020 (e)	5,722,527
USD	8,900	Oversea-Chinese Banking Corp. Ltd., 3.15%, 03/11/2018 (a)(e)(f)(g)	9,025,668
USD	9,000	United Overseas Bank Ltd., 3.50%, 09/16/2021 (a)(e)(f)(g)	9,175,158
			<b>38,196,728</b>

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (continued)

As of October 31, 2016

<b>Principal Amount (000)</b>		<b>Description</b>	<b>Value (US\$)</b>
<b>CORPORATE BONDS (continued)</b>			
<b>SUPRANATIONAL 5.3%</b>			
AUD	14,000	Asian Development Bank, 5.00%, 03/09/2022	\$ 11,994,760
AUD	16,800	Asian Development Bank, 6.25%, 03/05/2020	14,434,352
AUD	15,000	Inter-American Development Bank, 6.00%, 02/26/2021	13,102,286
AUD	11,200	Inter-American Development Bank, 6.50%, 08/20/2019	9,532,685
AUD	10,000	International Bank for Reconstruction & Development, 4.25%, 06/24/2025	8,492,422
AUD	6,900	International Bank for Reconstruction & Development, 5.75%, 10/21/2019	5,797,909
AUD	15,600	International Finance Corp., 5.75%, 07/28/2020	13,330,464
			<b>76,684,878</b>
<b>THAILAND 2.5%</b>			
USD	2,400	Bangkok Bank PCL, 4.80%, 10/18/2020 (e)	2,624,414
USD	4,800	Bangkok Bank PCL, 9.03%, 03/15/2029 (e)	6,960,648
USD	17,170	Krung Thai Bank PCL, 5.20%, 12/26/2019 (a)(e)(f)(g)	17,977,471
USD	4,500	Siam Commercial Bank Ltd., 3.38%, 09/19/2017 (e)	4,560,930
USD	4,002	Siam Commercial Bank PCL, 3.50%, 04/07/2019 (e)	4,135,991
			<b>36,259,454</b>
<b>UNITED KINGDOM 1.8%</b>			
USD	12,962	HSBC Holdings PLC, 6.38%, 03/30/2025 (a)(f)(g)(i)	13,010,608
USD	5,149	Standard Chartered PLC, 3.95%, 01/11/2023 (e)	5,125,165
USD	5,000	Standard Chartered PLC, 4.05%, 04/12/2026 (e)	5,145,440
USD	2,871	Standard Chartered PLC, 144A, 3.95%, 01/11/2023 (e)	2,857,710
			<b>26,138,923</b>
		<b>Total Corporate Bonds 59.4% (cost \$866,141,889)</b>	<b>854,945,741</b>
<b>GOVERNMENT BONDS 77.2%</b>			
<b>AUSTRALIA 36.4%</b>			
AUD	34,700	Australia Government Bond, 3.25%, 04/21/2025 (e)	28,397,201
AUD	30,300	Australia Government Bond, 3.25%, 04/21/2029 (e)	24,854,648
AUD	91,900	Australia Government Bond, 3.75%, 04/21/2037 (e)	78,643,007
AUD	29,800	Australia Government Bond, 4.50%, 04/21/2033 (e)	27,992,861
AUD	7,000	Australia Government Bond, 5.50%, 04/21/2023 (e)	6,429,070
AUD	35,300	Australia Government Bond, 5.75%, 07/15/2022 (e)	32,333,877
AUD	71,200	Australia Government Bond, 6.00%, 02/15/2017 (e)	54,837,766
AUD	7,500	New South Wales Treasury Corp., 4.00%, 05/20/2026 (e)	6,421,822
AUD	46,000	New South Wales Treasury Corp., 6.00%, 02/01/2018	36,828,162
AUD	15,000	New South Wales Treasury Corp., 6.00%, 03/01/2022	13,662,439
AUD	22,850	Queensland Treasury Corp., 6.00%, 02/21/2018 (e)	18,322,200
AUD	31,190	Queensland Treasury Corp., 6.00%, 06/14/2021 (e)(h)	27,968,239
AUD	47,100	Queensland Treasury Corp., 6.25%, 06/14/2019 (h)	39,946,784
AUD	24,330	Queensland Treasury Corp., 6.25%, 02/21/2020 (e)	21,048,396
AUD	61,500	Treasury Corp. of Victoria, 5.75%, 11/15/2016	46,859,763
AUD	14,250	Treasury Corp. of Victoria, 6.00%, 06/15/2020	12,401,145
AUD	35,350	Treasury Corp. of Victoria, 6.00%, 10/17/2022	32,762,869
AUD	15,000	Western Australian Treasury Corp., 7.00%, 07/15/2021	13,868,889
			<b>523,579,138</b>
<b>BANGLADESH 0.1%</b>			
BDT	100,000	Bangladesh Treasury Bond, 11.78%, 08/14/2018 (b)	1,412,876
			<b>1,412,876</b>

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (continued)

As of October 31, 2016

Principal Amount (000)		Description	Value (US\$)
<b>GOVERNMENT BONDS (continued)</b>			
<b>CHINA 4.2%</b>			
CNH	13,000	China Development Bank, 3.35%, 03/20/2017	\$ 1,911,082
CNY	15,000	China Government Bond, 2.85%, 01/28/2026	2,233,569
CNY	20,000	China Government Bond, 3.14%, 09/08/2020	3,029,994
CNY	50,000	China Government Bond, 3.28%, 08/05/2020 (j)	7,610,179
CNY	10,000	China Government Bond, 3.36%, 05/24/2022 (j)	1,537,186
CNY	40,000	China Government Bond, 3.41%, 06/24/2020 (j)	6,111,372
CNY	3,000	China Government Bond, 3.46%, 07/11/2020 (j)	459,153
CNY	2,000	China Government Bond, 3.57%, 11/17/2021 (j)	309,997
CNY	88,000	China Government Bond, 3.64%, 04/09/2025 (j)	13,881,081
CNY	60,000	China Government Bond, 4.08%, 08/22/2023 (j)	9,625,273
CNY	30,000	China Government Bond, 4.10%, 09/27/2032 (j)	5,028,212
CNY	20,000	China Government Bond, 4.13%, 09/18/2024 (j)	3,247,356
CNY	20,000	China Government Bond, 4.15%, 04/28/2031 (j)	3,345,070
CNH	13,000	Export-Import Bank of China (The), 3.25%, 01/17/2021	1,915,685
			<b>60,245,209</b>
<b>INDIA 9.9%</b>			
INR	150,000	Export-Import Bank of India, 7.62%, 09/01/2026	2,272,998
INR	750,000	India Government Bond, 7.68%, 12/15/2023	11,752,046
INR	1,000,000	India Government Bond, 7.72%, 05/25/2025	15,698,966
INR	2,026,780	India Government Bond, 8.08%, 08/02/2022	32,076,939
INR	1,885,000	India Government Bond, 8.12%, 12/10/2020	29,635,480
INR	1,000,000	India Government Bond, 8.17%, 12/01/2044	16,671,288
INR	1,782,130	India Government Bond, 8.27%, 06/09/2020	28,045,536
INR	16,000	India Government Bond, 8.33%, 06/07/2036	267,781
INR	360,440	India Government Bond, 8.40%, 07/28/2024	5,839,876
INR	9,230	India Government Bond, 9.20%, 09/30/2030	162,147
			<b>142,423,057</b>
<b>INDONESIA 12.3%</b>			
USD	3,500	Indonesia Government International Bond, 5.25%, 01/17/2042 (e)	3,832,616
USD	6,900	Indonesia Government International Bond, 6.63%, 02/17/2037 (e)	8,662,881
IDR	200,000,000	Indonesia Treasury Bond, 7.00%, 05/15/2022	15,264,562
IDR	120,000,000	Indonesia Treasury Bond, 7.00%, 05/15/2027	8,966,891
IDR	47,000,000	Indonesia Treasury Bond, 8.25%, 06/15/2032	3,771,628
IDR	260,000,000	Indonesia Treasury Bond, 8.25%, 05/15/2036	20,698,116
IDR	114,000,000	Indonesia Treasury Bond, 8.38%, 03/15/2024	9,278,663
IDR	258,224,000	Indonesia Treasury Bond, 8.38%, 09/15/2026	21,055,883
IDR	120,400,000	Indonesia Treasury Bond, 8.38%, 03/15/2034	9,665,773
IDR	340,600,000	Indonesia Treasury Bond, 8.75%, 05/15/2031	29,170,792
IDR	100,000,000	Indonesia Treasury Bond, 8.75%, 02/15/2044	8,523,483
IDR	30,000,000	Indonesia Treasury Bond, 9.00%, 03/15/2029	2,547,517
IDR	21,000,000	Indonesia Treasury Bond, 9.50%, 07/15/2031	1,848,847
USD	2,050	Perusahaan Penerbit SBSN Indonesia III, 4.00%, 11/21/2018 (e)	2,129,540
USD	14,981	Perusahaan Penerbit SBSN Indonesia III, 4.35%, 09/10/2024 (e)	15,730,050
USD	7,809	Perusahaan Penerbit SBSN Indonesia III, 4.55%, 03/29/2026 (e)	8,218,972
USD	8,000	Perusahaan Penerbit SBSN Indonesia III, 4.55%, 03/29/2026 (e)	8,420,000
			<b>177,786,214</b>

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**MALAYSIA 1.9%**

MYR	15,000	Malaysia Government Bond, 4.23%, 06/30/2031	3,657,783
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See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



## Portfolio of Investments (continued)

As of October 31, 2016

Principal Amount (000)	Description	Value (US\$)
<b>GOVERNMENT BONDS (continued)</b>		
<b>MALAYSIA (continued)</b>		
MYR 50,000	Malaysia Government Bond, 4.25%, 05/31/2035	\$ 11,818,832
MYR 50,500	Malaysia Government Bond, 4.74%, 03/15/2046	12,388,451
		<b>27,865,066</b>
<b>PHILIPPINES 1.4%</b>		
PHP 347,040	Philippine Government Bond, 5.75%, 11/24/2021	7,964,859
PHP 543	Philippine Government Bond, 6.38%, 01/19/2022	12,558
PHP 251,000	Philippine Government International Bond, 3.63%, 03/21/2033	4,790,675
USD 4,747	Philippine Government International Bond, 9.50%, 02/02/2030	7,935,033
		<b>20,703,125</b>
<b>REPUBLIC OF SOUTH KOREA 7.2%</b>		
KRW 37,000,000	Korea Treasury Bond, 2.25%, 12/10/2025	33,839,164
KRW 46,000,000	Korea Treasury Bond, 3.00%, 09/10/2024	44,119,920
KRW 10,300,000	Korea Treasury Bond, 3.38%, 09/10/2023	10,034,752
KRW 7,000,000	Korea Treasury Bond, 3.50%, 03/10/2024	6,912,134
KRW 3,300,000	Korea Treasury Bond, 3.75%, 06/10/2022	3,219,909
KRW 1,500,000	Korea Treasury Bond, 3.75%, 12/10/2033	1,699,229
KRW 3,500,000	Korea Treasury Bond, 4.25%, 06/10/2021	3,425,806
		<b>103,250,914</b>
<b>SINGAPORE 1.8%</b>		
SGD 14,500	Singapore Government Bond, 2.13%, 06/01/2026	10,626,767
SGD 20,000	Singapore Government Bond, 3.00%, 09/01/2024	15,662,175
		<b>26,288,942</b>
<b>SRI LANKA 1.5%</b>		
USD 5,254	Sri Lanka Government Bonds, 6.13%, 06/03/2025 (e)	5,267,576
LKR 471,000	Sri Lanka Government Bonds, 8.00%, 11/15/2018	3,006,305
LKR 230,000	Sri Lanka Government Bonds, 8.50%, 04/01/2018	1,506,340
LKR 388,000	Sri Lanka Government Bonds, 8.50%, 07/15/2018	2,524,550
LKR 293,000	Sri Lanka Government Bonds, 8.75%, 05/15/2017	1,967,167
LKR 80,000	Sri Lanka Government Bonds, 11.20%, 07/01/2022	527,675
LKR 1,020,000	Sri Lanka Government Bonds, 11.40%, 01/01/2024	6,738,807
		<b>21,538,420</b>
<b>THAILAND 0.5%</b>		
THB 203,400	Thailand Government Bond, 3.65%, 06/20/2031	6,537,236
	<b>Total Government Bonds 77.2% (cost \$1,161,040,958)</b>	<b>1,111,630,197</b>
<b>SHORT-TERM INVESTMENT 0.6%</b>		
<b>UNITED STATES 0.6%</b>		
	State Street Institutional U.S. Government Money Market Fund (k)	8,956,514
		<b>8,956,514</b>
	<b>Total Short-Term Investment 0.6% (cost \$8,956,514)</b>	<b>8,956,514</b>
	<b>Total Investments 137.2% (cost \$2,036,139,361)</b>	<b>1,975,532,452</b>
	Long Term Debt Securities	(525,000,000)
	Mandatory Redeemable Preferred Stock at Liquidation Value	(50,000,000)
	Other Assets in Excess of Liabilities 2.8%	39,818,971
	<b>Net Assets 100.0%</b>	<b>\$ 1,440,351,423</b>

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (continued)

As of October 31, 2016

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) Variable or Floating Rate Security. Rate disclosed is as of October 31, 2016.
- (b) Illiquid security.
- (c) For this security the annuity payments increase by 3.25% every year, until the asset amortizes to zero.
- (d) Inflation linked security.
- (e) Denotes a restricted security.
- (f) 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.
- (g) The maturity date presented for these instruments represents the next call/put date.
- (h) This security is government guaranteed.
- (i) Perpetual bond. This is a bond that has no maturity date, is redeemable and pays a steady stream of interest indefinitely.
- (j) 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.
- (k) Registered investment company advised by State Street Global Advisors.

At October 31, 2016, the Fund held the following futures contracts:

<b>Futures Contracts</b>	<b>Counterparty</b>	<b>Number of Contracts Long (Short)</b>	<b>Expiration Date</b>	<b>Unrealized Appreciation/ (Depreciation)</b>
United States Treasury Note 6% 2 year	UBS	586	12/30/2016	\$ 15,515
United States Treasury Note 6% 5 year	UBS	56	12/30/2016	(30,317)
United States Treasury Note 6% 10 year	UBS	(1,492)	12/20/2016	1,537,524
United States Treasury Note 6% 30 year	UBS	272	12/20/2016	(1,785,653)
				<b>\$ (262,931)</b>

At October 31, 2016, the Fund's open forward foreign currency exchange contracts were as follows:

<b>Purchase Contracts</b>	<b>Settlement Date*</b>	<b>Counterparty</b>	<b>Amount Purchased</b>	<b>Amount Sold</b>	<b>Fair Value</b>	<b>Unrealized Appreciation/ (Depreciation)</b>
<b>Chinese Yuan Renminbi Offshore/United States Dollar</b>						
	11/10/2016	Royal Bank of Canada	CNH21,464,000	USD3,200,000	\$ 3,164,647	\$ (35,353)
<b>Indonesian Rupiah/United States Dollar</b>						
	11/18/2016	Standard Chartered Bank	IDR140,805,000,000	USD10,500,000	10,769,222	269,222
<b>Malaysian Ringgit/United States Dollar</b>						
	01/20/2017	BNP Paribas	MYR13,491,200	USD3,200,000	3,204,307	4,307
	01/20/2017	Credit Suisse	MYR67,666,190	USD16,300,000	16,071,457	(228,543)

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01/20/2017	Royal Bank of Canada	MYR54,008,972	USD12,940,000	12,827,719	(112,281)
<b>Philippine Peso/United States Dollar</b>					
11/14/2016	Standard Chartered Bank	PHP1,208,826,400	USD24,800,000	24,964,864	164,864

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

**Portfolio of Investments** (concluded)

As of October 31, 2016

<b>Purchase Contracts</b>		<b>Amount</b>		<b>Fair Value</b>	<b>Unrealized</b>
<b>Settlement Date*</b>	<b>Counterparty</b>	<b>Purchased</b>	<b>Amount Sold</b>		<b>Appreciation/</b>
					<b>(Depreciation)</b>
<b>Singapore Dollar/United States Dollar</b>					
12/15/2016	Goldman Sachs	SGD3,810,377	USD2,800,000	\$ 2,740,021	\$ (59,979)
12/15/2016	Royal Bank of Canada	SGD19,184,037	USD14,100,000	13,795,132	(304,868)
12/15/2016	Standard Chartered Bank	SGD10,404,750	USD7,500,000	7,481,997	(18,003)
<b>South Korean Won/United States Dollar</b>					
12/02/2016	Credit Suisse	KRW4,293,620,000	USD3,800,000	3,752,672	(47,328)
<b>Thai Baht/United States Dollar</b>					
11/23/2016	Goldman Sachs	THB1,178,542,000	USD34,000,000	33,659,604	(340,396)
				<b>\$ 132,431,642</b>	<b>\$ (708,358)</b>
<b>Sale Contracts</b>					
<b>United States Dollar/Australian Dollar</b>					
12/22/2016	State Street	USD88,300,000	AUD115,769,876	87,953,959	346,041
<b>United States Dollar/Chinese Renminbi</b>					
11/10/2016	State Street	USD30,800,000	CNY205,389,800	30,324,038	475,962
<b>United States Dollar/Chinese Yuan Renminbi Offshore</b>					
11/10/2016	Credit Suisse	USD1,300,000	CNH8,657,870	1,276,514	23,486
<b>United States Dollar/Indian Rupee</b>					
01/25/2017	Standard Chartered Bank	USD8,100,000	INR547,212,510	8,095,399	4,601
<b>United States Dollar/Philippine Peso</b>					
11/14/2016	Standard Chartered Bank	USD18,900,000	PHP921,242,700	19,025,642	(125,642)
<b>United States Dollar/Singapore Dollar</b>					
12/15/2016	Goldman Sachs	USD9,500,000	SGD12,905,750	9,280,452	219,548
<b>United States Dollar/South Korean Won</b>					
12/02/2016	BNP Paribas	USD42,000,000	KRW46,787,544,000	40,892,841	1,107,159
12/02/2016	Standard Chartered Bank	USD7,800,000	KRW8,667,360,000	7,575,370	224,630
<b>United States Dollar/Thai Baht</b>					
11/23/2016	Goldman Sachs	USD39,100,000	THB1,357,474,900	38,769,995	330,005
				<b>\$ 243,194,210</b>	<b>\$ 2,605,790</b>

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

At October 31, 2016, the Fund's interest rate swaps were as follows:

<b>Currency</b>	<b>Notional Amount</b>	<b>Expiration Date</b>	<b>Counterparty</b>	<b>Receive (Pay) Floating Rate</b>	<b>Floating Rate Index</b>	<b>Fixed Rate</b>	<b>Unrealized Appreciation/ (Depreciation)</b>
<b>Over-the-Counter swap agreements:</b>							
USD	66,000,000	11/01/2017	Barclays Bank	Receive	3-month LIBOR Index	0.84%	\$ (44,835)
<b>Centrally cleared swap agreements:</b>							
USD	59,000,000	10/28/2026	Citibank	Receive	3-month LIBOR Index	1.57%	618,397
							<b>\$ 573,562</b>

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Statement of Assets and Liabilities

As of October 31, 2016

<b>Assets</b>	
Investments, at value (cost \$2,027,182,847)	\$ 1,966,575,938
Short-term investments, at value (cost \$8,956,514)	8,956,514
Foreign currency, at value (cost \$8,273,605)	8,241,711
Cash at broker for interest rate swaps	3,340,248
Cash at broker for futures contracts	1,835,645
Cash at broker for China A shares	67,980
Interest receivable	26,262,385
Receivable for investments sold	3,844,801
Due from broker	4,340,117
Unrealized appreciation on forward foreign currency exchange contracts	3,169,825
Prepaid expenses in connection with revolving credit facility, senior secured notes, term loans and Series A Mandatory Redeemable Preferred Shares	2,182,759
Variation margin receivable for futures contracts	1,553,039
Other receivables	149,824
Prepaid expenses and other assets	190,842
<b>Total assets</b>	<b>2,030,711,628</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 (Note 9)	100,000,000
5-year term loan payable (Note 9)	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
Due to custodian	6,346,246
Interest payable on revolving credit facility, senior secured notes and term loans	3,180,751
Variation margin payable for futures contracts	1,815,970
Unrealized depreciation on forward foreign currency exchange contracts	1,272,393
Investment management fees payable (Note 3)	916,870
Deferred foreign capital gains tax	823,052
Dividend payable on Series A Mandatory Redeemable Preferred Shares	194,792
Administration fee payable (Note 3)	192,691
Variation margin payable for centrally cleared interest rate swaps	104,200
Unrealized depreciation on over-the-counter interest rate swaps	44,835
Investor relations fees payable (Note 3)	33,179
Director fees payable	250
Accrued expenses	434,976
<b>Total liabilities</b>	<b>590,360,205</b>
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 1,440,351,423</b>
<b>Composition of Net Assets:</b>	
Common stock (par value \$0.01 per share) (Note 5)	\$ 2,532,665
Paid-in capital in excess of par	1,458,337,533
Distributions in excess of net investment income	(1,118,257)
Accumulated net realized loss from investments, interest rate swaps and futures contracts	(62,095,946)
Net unrealized appreciation on investments, futures contracts and interest rate swaps	73,179,957
Accumulated net realized foreign exchange gains	101,849,395
Net unrealized foreign exchange and forward foreign currency contract loss	(132,333,924)
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 1,440,351,423</b>

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Net asset value per share based on 253,266,519 shares issued and outstanding	\$	5.69
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See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



## Statement of Operations

For the Year Ended October 31, 2016

### Net Investment Income

#### Income

Interest and amortization of discount and premium and other income (net of foreign withholding taxes of \$1,381,647)	\$ 93,735,111
	93,735,111

#### Expenses

Investment management fee (Note 3)	10,715,073
Administration fee (Note 3)	2,253,990
Revolving credit facility, senior secured notes, term loans and Series A Mandatory Redeemable Preferred Shares fees and expenses	846,421
Custodian fees and expenses	534,887
Investor relations fees and expenses (Note 3)	513,710
Insurance expense	367,289
Reports to shareholders and proxy solicitation	307,742
Director fees and expenses	246,577
Legal fees and expenses	185,671
Transfer agent fees and expenses	138,622
Independent auditor fees and expenses	88,250
Miscellaneous	186,172
Total operating expenses, excluding interest expense	16,384,404
Interest expense (Notes 8 & 9)	13,643,587
Distributions to Series A Mandatory Redeemable Preferred Shares (Note 7)	2,016,664
Net operating expenses	32,044,655

**Net investment income applicable to common shareholders** **61,690,456**

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

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

Investment transactions (including \$443,327 capital gains tax)	36,483,242
Interest rate swaps	(732,550)
Futures contracts	9,780
Forward and spot foreign currency exchange contracts	(20,625,170)
Foreign currency transactions	(72,031,900)
	(56,896,598)

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

Investments (including \$(10,387) change in deferred capital gains tax)	17,731,274
Interest rate swaps	1,296,065
Futures contracts	(40,710)
Forward foreign currency exchange rate contracts	1,302,169
Foreign currency translation	109,075,832
	129,364,630
Net gain from investments, interest rate swaps, futures contracts and foreign currencies	72,468,032

**Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations** **\$ 134,158,488**

See Notes to Financial Statements.



## Statements of Changes in Net Assets

	For the Year Ended October 31, 2016	For the Year Ended October 31, 2015
<b>Increase/(Decrease) in Net Assets Applicable to Common Shareholders</b>		
<b>Operations:</b>		
Net investment income	\$ 61,690,456	\$ 72,157,952
Net realized gain/(loss) from investments, interest rate swaps and futures contracts	35,760,472	(2,917,607)
Net realized loss from foreign currency transactions	(92,657,070)	(68,765,179)
Net change in unrealized appreciation/(depreciation) on investments, interest rate swaps and futures contracts	18,986,629	(16,449,951)
Net change in unrealized appreciation/(depreciation) on foreign currency translation	110,378,001	(140,478,054)
<b>Net increase/(decrease) in net assets applicable to common shareholders resulting from operations</b>	<b>134,158,488</b>	<b>(156,452,839)</b>
<b>Distributions to Common Shareholders from:</b>		
Net investment income	(59,990,293)	(102,766,980)
Tax return of capital	(46,911,791)	(5,766,249)
Net decrease in net assets applicable to common shareholders from distributions	(106,902,084)	(108,533,229)
<b>Common Stock Transactions:</b>		
Repurchase of common stock resulting in the reduction of 3,042,619 and 4,991,465 shares of common stock, respectively (Note 6)	(14,553,549)	(26,309,672)
Change in net assets from common stock transactions	(14,553,549)	(26,309,672)
Change in net assets applicable to common shareholders resulting from operations	12,702,855	(291,295,740)
<b>Net Assets Applicable to Common Shareholders:</b>		
Beginning of year	1,427,648,568	1,718,944,308
<b>End of year (including distributions in excess of net investment income of (\$1,118,257) and (\$474,699), respectively)</b>	<b>\$ 1,440,351,423</b>	<b>\$ 1,427,648,568</b>
Amounts listed as are \$0 or round to \$0.		

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Statement of Cash Flows

For the Year Ended October 31, 2016

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

Cash flows provided from (used for) operating activities:

Interest received (excluding discount and premium amortization of \$10,173,348)	\$ 102,329,544
Operating expenses paid	(29,405,196)
Dividends paid to Series A Mandatory Redeemable Preferred Shares	(2,578,125)
Payments paid to broker for collateral on interest rate swaps	(5,907,768)
Purchases of short-term portfolio investments	(10,566,609,346)
Sales of short-term portfolio investments	10,633,971,832
Purchases of long-term portfolio investments	(1,088,823,021)
Proceeds from sales of long-term portfolio investments	1,138,292,996
Realized losses on forward foreign currency exchange contracts closed	(15,438,545)
Realized losses on interest rate swap transactions	(732,550)
Payments paid to broker for futures contracts	(937,947)
Decrease in cash collateral held at broker for China A shares	3,588
Decrease in prepaid expenses and other assets	9,094
Net cash provided from operating activities	164,174,556
Cash flows provided from (used for) financing activities	
Repurchase of common stock	(14,553,549)
Dividends paid to common shareholders	(106,902,084)
Change in payable due to custodian	6,232,179
Net cash used for financing activities	(115,223,454)
Effect of exchange rate on cash	(76,851,331)
Net decrease in cash	(27,900,229)
Cash at beginning of year	36,141,940
Cash at end of year	\$ 8,241,711

### 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	\$ 134,158,488
Decrease in investments	139,424,058
Net realized gain on investment transactions	(36,483,242)
Net realized foreign exchange losses	77,218,525
Net change in unrealized appreciation/depreciation on investments	(17,731,274)
Net change in unrealized foreign exchange gains/losses	(110,378,001)
Increase in interest and other receivable	(1,578,915)
Decrease in receivable for investments sold	1,983,993
Decrease in interest payable on bank loan, senior secured notes and term loans	(190,417)
Decrease in dividend payable to preferred shares	(561,461)
Net change in variation margin on future contracts	40,710
Decrease in prepaid expenses and other assets	9,094
Decrease in payable for investments purchased	(14,402,242)
Change in interest receivable/payable for closed interest rate swaps	(4,235,917)
Payments made to broker for interest rate swaps	(2,967,916)
Payments made to broker for futures contracts	(947,727)
Decrease in cash collateral held at broker for China A shares	3,588
Decrease in prepaid expenses in connection with revolving credit facility, senior secured notes, term loans and Series A Mandatory Redeemable Preferred Shares	963,331
Decrease in accrued expenses and other liabilities	(150,119)
Total adjustments	30,016,068
Net cash provided from operating activities	\$ 164,174,556

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

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## Financial Highlights

	For the Fiscal Years Ended October 31,				
	2016	2015	2014	2013	2012
<b>Per Share Operating Performance<sup>(a)</sup>:</b>					
Net asset value per common share, beginning of year	\$5.57	\$6.58	\$6.89	\$7.78	\$7.48
Net investment income	0.24	0.28	0.28	0.30	0.36
Net realized and unrealized gains/(losses) on investments, interest rate swaps, futures contracts and foreign currency transactions	0.29	(0.88)	(0.18)	(0.77)	0.36
Total from investment operations applicable to common shareholders	0.53	(0.60)	0.10	(0.47)	0.72
Distributions to common shareholders from:					
Net investment income	(0.24)	(0.40)	(0.42)	(0.42)	(0.42)
Tax return of capital	(0.18)	(0.02)			
Total distributions to shareholders	(0.42)	(0.42)	(0.42)	(0.42)	(0.42)
Capital Share Transactions:					
Impact due to open market repurchase policy (Note 6)	0.01	0.01	0.01		
Total capital share transactions	0.01	0.01	0.01		
Net asset value per common share, end of year	\$5.69	\$5.57	\$6.58	\$6.89	\$7.78
Market value, end of year	\$4.92	\$4.75	\$5.88	\$6.44	\$7.90
<b>Total Investment Return Based on<sup>(b)</sup>:</b>					
Market value	12.90%	(12.38%)	(2.17%)	(13.37%)	20.47%
Net asset value	11.35%	(8.19%)	2.33%	(5.89%) <sup>(c)</sup>	9.92% <sup>(c)</sup>
<b>Ratio to Average Net Assets Applicable to Common Shareholders/Supplementary Data<sup>(d)</sup>:</b>					
Net assets applicable to common shareholders, end of year (000 omitted)	\$1,440,351	\$1,427,649	\$1,718,944	\$1,842,470	\$2,042,337
Average net assets applicable to common shareholders (000 omitted)	\$1,433,905	\$1,549,308	\$1,771,852	\$1,953,410	\$1,965,038
Net operating expenses	2.23%	2.15% <sup>(e)</sup>	1.97%	1.50%	1.38%
Net operating expenses, excluding interest expense and distributions to Series A Mandatory Redeemable Preferred Shares	1.14%	1.14% <sup>(e)</sup>	1.09%	1.03%	1.01%
Net investment income	4.30%	4.65%	4.14%	4.07%	4.85%
Portfolio turnover	52%	45%	49%	42%	38%
Leverage (senior securities) outstanding (000 omitted)	\$525,000	\$525,000	\$550,000	\$550,000	\$600,000
Leverage (preferred stock) outstanding (000 omitted)	\$50,000	\$50,000	\$50,000	\$50,000	\$
Asset coverage ratio on long-term debt obligations at year end <sup>(f)</sup>	384%	381%	422%	444%	440%
Asset coverage per \$1,000 on long-term debt obligations at year end	\$3,839	\$3,815	\$4,216	\$4,441	\$4,404
Asset coverage ratio on total leverage at year end <sup>(g)</sup>	350%	348%	386%	407%	
Asset coverage per share on total leverage at year end	\$3,505	\$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 fiscal years ended October 31, 2016, 2015, 2014, 2013 and 2012, the ratios of net investment income before preferred stock dividends to average net assets of common shareholders were 4.16%, 4.79%, 4.26%, 4.10% and 4.85%, 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 2014.
- (f) 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.