

Aberdeen Asia-Pacific Income Fund, Inc.

Annual Report
October 31, 2013



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 July 12, 2013 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 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, 2013 consisted of 100% net investment income.

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

Dividend Reinvestment and Direct Stock Purchase Plan (unaudited)

Computershare Trust Company, N.A., 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.

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 year ended October 31, 2013. The Fund's principal investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

Restructuring the Fund's Leverage

On June 27, 2013, the Fund closed a private offering of 2 million shares of Series A Mandatory Redeemable Preferred Shares due in 2023 ("Series A MRPS"). The Series A MRPS, with a liquidation value of \$50 million, are rated "AA" by Fitch Ratings. Net proceeds from the Series A MRPS were used to refinance a portion of the Fund's existing \$200 million syndicated revolving credit facility. With the offering, the Fund completed a program of restructuring the Fund's leverage.

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

	Amount (\$ in millions)	Maturity
364-day Syndicated Revolving Credit Facility	\$150	April 9, 2014
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

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 structuring during the annual period can be found in the Notes to Financial Statements.

Total Return Performance

The Fund's total return, based on net asset value ("NAV"), net of fees, was (5.8%) for the year ended October 31, 2013 and 9.0% per annum since inception, assuming the reinvestment of dividends and distributions. The Fund's total return for the year ended October 31, 2013 and per annum since inception is based on the reported NAV on each annual period end.

Share Price and NAV

For the year ended October 31, 2013, based on market price, the Fund's total return was (13.4%), assuming reinvestment of dividends and distributions. The Fund's share price decreased by 18.5% over the year, from \$7.90 on October 31, 2012 to \$6.44 on October 31, 2013. The Fund's share price on October 31, 2013 represented a discount of 6.5% to the NAV per share of \$6.89 on that date, compared with a premium of 1.5% to the NAV per share of \$7.78 on October 31, 2012.

Portfolio Allocation

As of October 31, 2013, the Fund held 37.6% of its total investments in Australian debt securities, 55.5% in Asian debt securities, 4.4% in European debt securities, 1.7% in U.S. debt securities and 0.8% in Canadian debt securities.

Of the Fund's total investments, 37.1% were held in U.S. Dollar-denominated bonds issued by foreign issuers, bringing the Fund's U.S. Dollar exposure to 38.8%. The rest of the Fund's currency exposure was 41.4% in the Australian Dollar and 19.8% in various Asian currencies.

Credit Quality

As of October 31, 2013, 69.9% 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., or, if unrated, judged by Aberdeen Asset Management Asia Limited (the "Investment Manager") to be of equivalent quality.

Managed Distribution Policy

Distributions to common shareholders for the twelve-months ended October 31, 2013 totaled \$0.42 per share. Based on the share price of \$6.44 on October 31, 2013, the distribution rate over the twelve-month period ended October 31, 2013 was 6.5%. 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 12, 2013 and December 10, 2013, the Fund announced that it will pay, on December 13, 2013 and January 17, 2014, a distribution of US \$0.035 per share to all shareholders of record as of November 29, 2013 and December 31, 2013, 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. It is the Board's intention that a monthly distribution of \$0.035 per share be maintained for twelve months,

Letter to Shareholders (unaudited) (concluded)

beginning with the July 12, 2013 distribution payment. This policy is subject to 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 2014.

Open Market Repurchase Program

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

Portfolio Holdings Disclosure

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q filings are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the information on Form N-Q available to shareholders on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465.

Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available by August 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>.

Investor Relations Information

As part of our ongoing commitment to provide information to our shareholders, I invite you to visit the Fund on the web at www.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®, conduct portfolio charting and other timely data.

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

Please ensure that you are enrolled in our email services, which feature timely news from Aberdeen portfolio managers located around the world. Enroll today at www.aberdeen-asset.us/aam.nsf/usclosed/email and be among the first to receive the latest closed-end fund news, announcements of upcoming fund manager web casts, films and other information.

Please contact Aberdeen Asset Management Inc. by:

- calling toll free at 1-800-522-5465 in the United States, or
- emailing InvestorRelations@aberdeen-asset.com
- Visiting Aberdeen Closed-End Fund Center at <http://www.aberdeen-asset.us/aam.nsf/usclosed/home>;
- visiting www.aberdeenfax.com

Yours sincerely,



Christian Pittard
President

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

Report of the Investment Manager (unaudited)

Market Review

Asian local currency bonds posted modest losses while credit markets closed flat during the year ended October 31, 2013 (reporting period). Global markets initially were on a steady uptrend until May 2013, as quantitative easing (QE) in Japan and the West, a dimming growth outlook, and receding inflation were positive for bonds. Thereafter, a sharp sell-off ensued in tandem with a spike in U.S. Treasury yields due to fears that the Federal Reserve (Fed) was about to trim its government asset purchases. Volatility was most pronounced among the more emerging markets in the region, such as India and Indonesia, where structural weaknesses made them more susceptible to capital outflows. The end of the reporting period, however, brought a welcome respite, as the much-feared Fed tapering of its QE policy failed to materialize. The U.S. Congress also reached a deal to resolve the fiscal impasse and end a government shutdown. Lending further support to markets were more encouraging data, with a slew of positive numbers from China, and growth in exports and industrial output across the region.

Philippine bonds were the strongest regional performers, underpinned by ample domestic liquidity, benign inflation and upgrades to investment-grade status. They were followed by offshore Chinese and Indian bonds. Conversely, Indonesia was the weakest performer, as yields rose by more than 100 basis points across the yield curve in response to hikes in fuel prices and interest rates. Taiwan bonds also lagged as growth data indicated improvement in the economy. Yields in Singapore and Hong Kong rose in tandem with those of U.S. Treasuries. Most Asian currencies depreciated against the U.S. Dollar during the annual period, led by the Indonesian Rupiah and Indian Rupee, but the Chinese Yuan and Korean Won bucked the trend and posted modest gains.

In Australia, monetary policymakers cut the cash rate to a record low of 2.5% in an effort to help companies cope with the challenging operating environment amid benign inflation. Economic data were mixed. Building approvals accelerated, foreshadowing improving residential investment. The labor market, however, remained weak with stagnant job growth. While confidence rose among corporates, business conditions improved marginally from depressed levels. The business sector was, in our view, most likely buoyed by the Federal election result, which saw the country move away from a gridlocked parliament. Against this backdrop, Australian bonds closed with mixed performance over the year. The yield curve steepened as short-dated bonds outperformed their longer-dated peers, due largely to the central bank's policy easing.

High-yield corporate bonds led gains in Asian credit markets, whereas the laggards were investment-grade sovereign bonds and quasi-sovereign bonds,¹ the sectors most sensitive to interest rate changes. New issuance slowed initially but rose sharply later in the reporting period, given the desire of corporate bonds to lock in long-term funding in anticipation of rising U.S. Treasury yields. The Chinese property sector accounted for the bulk of high-yield supply, while solid Korean names comprised a major part of investment-grade issuers.

Fund Performance Review

Fund performance for the reporting period was enhanced by contributions from the Asian local currency bond and Australian bond holdings; however, this was offset by the drag on performance from the allocation to U.S. dollar-denominated Asian credit.

Within the Fund's Australian holdings, duration and currency strategies were the primary contributors to performance. Regarding Asian local currency bonds, the shorter-duration position in Indonesia, as well as the overweight and duration exposure in the Philippines, bolstered performance, along with the overweight to the higher-yielding Indian market. The gains were pared by the overweight to the Indian Rupee, which detracted significantly.

In U.S.-dollar denominated Asian credit, the underweight to high-yield industrials, as well as security selection in investment-grade oil and gas credits, were the most notable detractors from performance for the annual period. We maintain a more conservative position in the high-yield sector, particularly in Chinese industrials.

The Fund's use of currency forwards had a negative impact on performance primarily due to the negative carry² associated with hedging the Indian Rupee, Malaysian Ringgit and Thai Baht. The Fund can and does use U.S. Treasury futures and interest rate swaps to manage the interest-rate sensitivity of the U.S. dollar-denominated assets and leverage, respectively, held in the Fund. During the course of the reporting period, the investment team took steps in an effort to protect the Fund from the risk of higher U.S. interest rates through the use of interest rate swaps and through measures such as the issuance of fixed rate private placement debt. Given the subsequent increase in U.S. interest rates over the period, these measures had a positive impact in Fund performance.

Outlook

We believe there will be continued improvement in the U.S. labor and housing markets, which could bring forward a tapering of Fed

1 Sovereign bonds are debt securities issued by a national government within a given country and denominated in a foreign currency. Quasi-sovereign bonds are debt securities issued by an agency of a national government.

2 "Negative carry" occurs when the cost of holding a security exceeds the yield earned.

Report of the Investment Manager (unaudited) (continued)

bond purchases to the first quarter of 2014. With that in mind, we intend to maintain a bias towards a cautious stance, holding a long-U.S. dollar position as we approach the year-end. Concerns about the peripheral economies³ in the Eurozone⁴ have eased, but we think that signs of deflation in Europe most likely will keep monetary policy accommodative for an extended period. In Asia, economic data appear to be stabilizing, while inflation has been benign for most of the region. While we anticipate that Asian currencies may come under pressure against the U.S. Dollar in the near term, we think that they are likely to outperform higher-volatility G-10⁵ currencies, such as the Euro and Sterling. Nevertheless, over the medium to longer term, Asian currencies remain appealing, in our view, especially as policymakers continue to pursue a more balanced economic growth model.

In Australia, we believe that for conditions in the business sector to continue improving, the household sector will need to start growing more quickly. Evidence of this happening is still lacking, with retail sales growth remaining subdued even as consumer confidence and home prices continue to rise. Ultimately, though, we believe that the household sector will grow more quickly in the coming months, with the response to easier financial conditions likely to manifest, even if on a delayed basis relative to historical easing cycles. Therefore, we believe that the central bank's monetary policy will remain on hold in the coming months.

Loan Facilities and the Use of Leverage

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

The Fund obtained leverage via bank borrowing and other forms of leverage during the reporting period. On April 10, 2013, the Fund entered into a 364-day \$600 million revolving credit loan facility with a syndicate led by Bank of America Merrill Lynch (the "Revolving Loan Facility"). Prior to April 10, 2013, the Fund was party to a \$600 million credit loan facility with a syndicate led by The Bank of Nova Scotia. On June 12, 2013, the Fund entered into a 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. Net proceeds from (i) the senior secured notes and term loans, and (ii) the Series A MRPS were used to refinance \$400 million and \$50 million of the Fund's Revolving Loan Facility on June 12, 2013 and June 27, 2013, respectively. The Fund's outstanding balance as of October 31, 2013 was \$150 million on the Revolving Loan 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 Loan 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 Loan 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 Noteholders have the right to cause a liquidation of the collateral (i.e., sell portfolio securities and other assets of the Fund).

3 The peripheral Eurozone countries include Greece, Portugal, Ireland, Spain and Italy.

4 The Eurozone includes the 17 European Union countries which have adopted the euro as their currency: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

5 The G-10 is a group of the 10 major industrialized countries whose mission is to create a more stable world economic trading environment through monetary and fiscal policies: Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the UK and the U.S.

Report of the Investment Manager (unaudited) (concluded)

Each of the Revolving Loan Agreement, the Term Loan Agreement, the Note Purchase Agreement relating to the Notes, or the Securities Purchase Agreement relating to the Series A MRPS, includes usual and customary covenants for the applicable type of transaction. These covenants impose on the Fund asset coverage requirements, Fund composition requirements and limits on certain investments, such as illiquid investments, which are more stringent than those imposed on the Fund by the 1940 Act. The covenants or guidelines could impede the 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, 2013, 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 or hedge interest rate or currency risk. On June 11, 2013, the Fund exited \$450 million in notional value of the outstanding swaps in connection with the Fund's refinancing of its leverage from floating interest rate (via the 364-day Revolving Credit Loan Facility) to fixed

rate forms of leverage. As of October 31, 2013, the Fund held interest rate swap agreements with an aggregate notional amount of \$150 million, which represented 100% of the Fund's Revolving Loan Facility borrowings. 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 Term as of October 31, 2013	Amount (in millions)	Fixed Rate Payable (%)
48 months	\$66.0	0.84
36 months	84.0	1.42

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)

October 31, 2013

The following table summarizes Fund performance compared to the Fund's blended benchmark consisting of 45% of the UBS Composite Index, 35.75% of the JP Morgan Asian Credit Index, and 19.25% of the IBOXX Asia ex Japan Government Bond Index for the 1-year, 3-year, 5-year and 10-year periods annualized as of October 31, 2013.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	(5.8%)	4.1%	14.3%	8.3%
Market Value	(13.4%)	3.6%	16.5%	7.7%
Blended Benchmark	(3.2%)	5.1%	12.8%	8.2%

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. 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. The Fund's total return is based on the reported NAV on each annual 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 by calling 800-522-5465.

The net operating expense ratio is 1.50%. The net operating expense ratio, excluding interest expense, is 1.03%.

Portfolio Composition (unaudited)

Quality of Investments

As of October 31, 2013, 69.9% 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., or, if unrated, judged to be of equivalent quality by the Investment Manager. The table below shows the asset quality of the Fund's portfolio as of October 31, 2013, compared with the previous six and twelve months:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %	NR** %
October 31, 2013	34.4	13.9	21.6	16.2	9.7	2.2	2.0
April 30, 2013	35.4	11.2	23.5	11.7	15.0	1.6	1.6
October 31, 2012	36.2	11.5	22.8	12.6	15.1	1.3	0.5

* Below investment grade

** Not Rated

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, 2013, compared with the previous six and twelve months:

Date	Australia %	Asia (including NZ) %	Europe %	United States %	Canada %
October 31, 2013	37.6	55.5	4.4	1.7	0.8
April 30, 2013	39.7	53.4	4.4	2.4	0.1
October 31, 2012	41.6	54.2	2.2	1.9	0.1

Currency Composition

The table below shows the currency composition of the Fund's total investments as of October 31, 2013, compared with the previous six and twelve months:

Date	Australian Dollar %	Asian Currencies (including NZ Dollar) %	US Dollar* %
October 31, 2013	41.4	19.8	38.8
April 30, 2013	43.7	19.4	36.9
October 31, 2012	43.9	19.7	36.4

* Includes U.S. Dollar-denominated bonds issued by foreign issuers: 37.1% of the Fund's total investments on October 31, 2013, 36.9% of the Fund's total investments on April 30, 2013, 36.0% of the Fund's total investments on October 31, 2012.

Maturity Composition

As of October 31, 2013, the average maturity of the Fund's total investments was 6.9 years, compared with 7.2 years at April 30, 2013, and 7.2 years at October 31, 2012. The following table shows the maturity composition of the Fund's investments as of October 31, 2013, 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, 2013	18.9	25.0	46.8	9.3
April 30, 2013	18.8	26.9	43.1	11.2
October 31, 2012	20.4	23.7	42.3	13.6

Summary of Key Rates (unaudited)

The following table summarizes the movements of key interest rates and currencies from October 31, 2013 and the previous six and twelve month periods.

	October 31, 2013	April 30, 2013	October 31, 2012
Australia			
90 day bank bills	2.60%	2.91%	3.14%
10 yr bond	3.94%	3.09%	3.13%
Australian Dollar	\$0.95	\$1.04	\$1.04
Malaysia			
3-month T-bills	2.95%	3.00%	3.05%
10 yr bond	3.59%	3.36%	3.46%
Malaysian Ringgit*	R3.16	R3.04	R3.05
New Zealand			
90 day bank bills	2.70%	2.67%	2.69%
10 yr bond	4.51%	3.17%	3.48%
New Zealand Dollar	\$0.83	\$0.86	\$0.82
Philippines			
90 day T-bills	0.25%	0.37%	0.73%
10 yr bond	3.63%	3.48%	5.11%
Philippines Peso*	₱43.21	₱41.16	₱41.20
Singapore			
3-month T-bills	0.29%	0.24%	0.24%
10 yr bond	2.15%	1.37%	1.34%
Singapore Dollar*	S\$1.24	S\$1.23	S\$1.22
South Korea			
90 day commercial paper	2.65%	2.81%	2.85%
10 yr bond	3.40%	2.77%	3.02%
South Korean Won*	₩1,060.75	₩1,101.30	₩1,090.60
Thailand			
3 months deposit rate	1.63%	1.63%	1.88%
10 yr bond	3.90%	3.39%	3.30%
Thai Baht*	฿31.13	฿29.35	฿30.65
US\$ Bonds**			
South Korea	1.53%	1.21%	1.11%
Malaysia	3.60%	2.80%	2.74%
Philippines	2.66%	2.10%	2.10%
Hong Kong	0.86%	0.93%	1.16%

* 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.

Portfolio of Investments

As of October 31, 2013

Principal Amount (000)		Description	Value (US\$)
COMMERCIAL MORTGAGE BACKED SECURITY—0.4%			
AUSTRALIA—0.4%			
AUD	6,600	ALE Finance Co. Pty Ltd., 4.78%, 05/20/2020 (a)	\$ 6,275,044
Total Commercial Mortgage Backed Securities—0.4% (cost \$7,090,713)			6,275,044
CORPORATE BONDS—60.7%			
AUSTRALIA—10.7%			
AUD	1,800	AMP Group Finance Services Ltd., 7.00%, 03/02/2015	1,771,645
AUD	2,500	APT Pipelines Ltd., 7.75%, 07/22/2020	2,574,802
AUD	5,300	Australia & New Zealand Banking Group Ltd., 6.75%, 11/10/2014	5,203,907
AUD	10,400	Barclays Bank PLC, 6.75%, 02/24/2014	9,931,946
AUD	9,000	BP Capital Markets PLC, 4.50%, 09/05/2017	8,569,553
AUD	4,000	CFS Retail Property Trust, 6.25%, 12/22/2014	3,897,421
AUD	4,300	CFS Retail Property Trust, 7.25%, 05/02/2016	4,369,769
AUD	8,200	Coca-Cola Amatil Ltd., 4.25%, 11/13/2019	7,579,028
AUD	5,300	DnB NOR Boligkreditt, 6.25%, 06/08/2016	5,305,796
AUD	18,200	ING Bank Australia Ltd., 5.75%, 03/03/2015	17,833,724
AUD	10,600	KfW, 6.25%, 02/23/2018	10,976,569
AUD	10,500	KfW, 6.25%, 12/04/2019	10,953,500
AUD	15,000	KfW, 6.25%, 05/19/2021	15,650,693
AUD	3,300	Kommunalbanken AS, 6.00%, 10/21/2014	3,213,033
AUD	9,788	Kommunalbanken AS, 6.50%, 04/12/2021	10,265,978
AUD	17,600	National Australia Bank Ltd., 6.75%, 09/16/2014	17,187,078
AUD	2,900	National Capital Trust III, 3.55%, 09/30/2016 (a)(b)(c)	2,565,104
AUD	2,500	National Wealth Management Holdings Ltd., 6.75%, 06/16/2016 (a)(c)	2,448,435
AUD	4,800	New Zealand Milk Australia Pty Ltd., 6.25%, 07/11/2016	4,801,483
AUD	10,100	QIC Finance Shopping Center Fund Pty Ltd., 6.75%, 07/07/2014	9,752,115
AUD	4,000	Rabobank Capital Funding Trust V, 3.27%, 12/31/2014 (a)(b)(c)(d)	3,658,827
AUD	4,800	Royal Womens Hospital Finance Pty Ltd., 6.20%, 03/26/2017 (a)(c)(i)	4,409,919
AUD	6,000	SPI Australia Assets Pty Ltd., 7.25%, 08/12/2015	5,983,991
AUD	2,000	Telstra Corp. Ltd., 8.75%, 01/20/2015	2,007,140
AUD	3,000	Transurban Finance Co. Pty Ltd., 7.25%, 03/24/2014	2,879,315
AUD	5,000	Vero Insurance Ltd., 6.75%, 09/23/2014 (a)(c)	4,808,829
AUD	3,000	Vero Insurance Ltd., 6.75%, 10/06/2016 (a)(c)	2,939,653
AUD	8,900	Wesfarmers Ltd., 8.25%, 09/11/2014	8,769,339
AUD	4,000	Westpac Banking Corp., 7.25%, 11/18/2016	4,159,152
AUD	3,600	Woolworths Ltd., 6.75%, 03/22/2016	3,641,909
			198,109,653
CHINA—9.9%			
USD	9,900	Amber Circle Funding Ltd., 3.25%, 12/04/2022 (d)	9,195,714
USD	10,000	Central China Real Estate Ltd., 6.50%, 06/04/2016 (c)(d)	9,750,000
USD	8,450	China Overseas Finance Cayman Island II Ltd., 5.50%, 11/10/2020 (d)	8,930,856
CNY	16,721	China Petroleum & Chemical Corp., 0.80%, 02/20/2014 (e)	2,709,326
USD	4,250	China Resources Gas Group Ltd., 4.50%, 04/05/2022 (d)	4,249,915
USD	8,150	China Resources Gas Group Ltd., 4.50%, 04/05/2022 (d)	8,149,837
USD	5,600	CNOOC Finance 2011 Ltd., 4.25%, 01/26/2021 (d)	5,760,031
USD	13,300	CNOOC Finance 2012 Ltd., 3.88%, 05/02/2022 (d)	13,126,701
USD	6,000	CNOOC Finance 2013 Ltd., 3.00%, 05/09/2023	5,465,250
USD	18,900	COSL Finance BVI Ltd., 3.25%, 09/06/2022 (d)	17,357,041
USD	9,200	Country Garden Holdings Co., 7.50%, 01/10/2018 (c)(d)	9,165,500
USD	4,000	Country Garden Holdings Co., 10.50%, 08/11/2015	4,410,000

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2013

Principal Amount (000)	Description	Value (US\$)
CORPORATE BONDS (continued)		
CHINA (continued)		
USD 4,200	Country Garden Holdings Co., 11.13%, 02/23/2015 (c)(d)	\$ 4,688,040
USD 1,900	Country Garden Holdings Co., 11.75%, 09/10/2014 (d)	2,028,250
USD 7,750	ENN Energy Holdings Ltd., 6.00%, 05/13/2021 (d)	8,314,471
USD 6,000	Franshion Investment Ltd., 4.70%, 10/26/2017 (d)	5,977,200
USD 16,400	Golden Eagle Retail Group Ltd., 4.63%, 05/21/2023 (d)	14,643,215
USD 3,500	KWG Property Holding Ltd., 12.50%, 08/18/2014 (c)(d)	3,876,250
USD 800	KWG Property Holding Ltd., 12.75%, 03/30/2014 (c)(d)	874,000
USD 1,244	KWG Property Holding Ltd., 13.25%, 03/22/2017 (d)	1,443,040
CNH 18,000	Sinochem Offshore Capital Co. Ltd., 1.80%, 01/18/2014	2,945,368
USD 10,200	Sinopec Capital 2013 Ltd., 3.13%, 04/24/2023 (d)	9,355,481
USD 1,600	Sinopec Group Overseas Development 2012 Ltd., 3.90%, 05/17/2022 (d)	1,581,298
USD 6,100	Sinopec Group Overseas Development 2012 Ltd., 4.88%, 05/17/2042 (d)	5,924,863
USD 4,200	Sinopec Group Overseas Development 2013 Ltd., 5.38%, 10/17/2043 (d)	4,287,499
USD 6,750	Talent Yield Investments Ltd., 4.50%, 04/25/2022 (d)	6,790,912
USD 9,649	Yanlord Land Group Ltd., 10.63%, 03/29/2015 (c)(d)	10,565,655
		181,565,713
HONG KONG—7.9%		
USD 17,725	AIA Group Ltd., 3.13%, 03/13/2023 (d)	16,656,360
USD 21,000	Champion MTN Ltd., 3.75%, 01/17/2023 (d)	18,382,287
USD 11,400	HLP Finance Ltd., 4.75%, 06/25/2022 (d)	11,309,119
USD 17,550	Hongkong Land Finance (Cayman Island) Co. Ltd., 4.50%, 10/07/2025	17,384,486
USD 1,600	Hutchison Whampoa International Ltd., 4.63%, 09/11/2015 (d)	1,701,854
USD 1,900	Hutchison Whampoa International Ltd., 7.45%, 11/24/2033 (d)	2,451,891
USD 22,550	Hutchison Whampoa International Ltd., 7.63%, 04/09/2019 (d)	27,458,571
USD 9,000	Metropolitan Light International Ltd., 5.25%, 01/17/2015 (c)(d)	8,989,200
USD 14,745	Standard Chartered PLC, 3.95%, 01/11/2023 (d)	14,146,869
USD 1,800	Swire Pacific MTN Financing Ltd., 6.25%, 04/18/2018	2,076,073
USD 17,300	Swire Properties MTN Financing Ltd., 4.38%, 06/18/2022 (d)	17,499,729
USD 6,491	Yingde Gases Investment Ltd., 8.13%, 04/22/2016 (c)(d)	6,637,048
		144,693,487
INDIA—3.6%		
USD 11,300	Axis Bank Ltd., 5.25%, 09/30/2015	11,776,860
USD 3,050	Bank of Baroda, 5.00%, 08/24/2016 (d)	3,164,863
USD 14,369	Bharti Airtel International Netherlands BV, 5.13%, 03/11/2023 (d)	13,470,938
USD 7,000	HDFC Bank Ltd., 3.00%, 03/06/2018 (d)	6,768,370
USD 2,400	ICICI Bank Ltd., 4.75%, 11/25/2016 (d)	2,496,974
USD 8,700	ICICI Bank Ltd., 6.38%, 04/30/2017 (a)(c)(d)	8,265,000
USD 4,400	NTPC Ltd., 4.75%, 10/03/2022 (d)	4,150,049
USD 12,500	NTPC Ltd., 5.63%, 07/14/2021 (d)	12,721,050
INR 270,000	Rural Electrification Corp. Ltd., 9.35%, 06/15/2022	4,335,597
		67,149,701
INDONESIA—4.2%		
USD 10,050	Adaro Indonesia PT, 7.63%, 10/22/2014 (c)(d)	10,627,875
IDR 24,000,000	Bank OCBC Nisp Tbk PT, 6.90%, 02/19/2015	2,107,784
USD 7,600	Indo Energy Finance BV, 7.00%, 05/05/2015 (c)(d)	7,970,500
USD 9,600	Indo Energy Finance II BV, 6.38%, 01/24/2018 (c)(d)	8,424,000

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2013

Principal Amount (000)	Description	Value (US\$)
CORPORATE BONDS (continued)		
INDONESIA (continued)		
USD 50	Indosat Palapa Co. BV, 7.38%, 07/29/2015 (c)(d)	\$ 53,813
USD 7,150	Majapahit Holding BV, 7.88%, 06/29/2037 (d)	7,972,250
USD 8,900	Majapahit Holding BV, 8.00%, 08/07/2019 (d)	10,312,875
USD 14,300	Pertamina Persero PT, 5.63%, 05/20/2043 (d)	12,012,000
USD 10,100	Pertamina Persero PT, 6.00%, 05/03/2042 (d)	8,938,500
USD 10,609	Perusahaan Listrik Negara PT, 5.25%, 10/24/2042 (d)	8,540,245
		76,959,842
MALAYSIA—3.0%		
USD 11,700	AMBB Capital (L) Ltd., 6.77%, 01/27/2016 (a)(b)(c)	11,612,377
CNH 10,000	Danga Capital Bhd, 2.90%, 10/20/2014 (d)	1,632,514
USD 900	Petroliam Nasional Bhd, 7.63%, 10/15/2026 (d)	1,174,335
USD 50	PETRONAS Capital Ltd., 5.25%, 08/12/2019 (d)	56,252
USD 10,291	PETRONAS Capital Ltd., 7.88%, 05/22/2022 (d)	13,315,206
USD 13,050	PETRONAS Global Sukuk Ltd., 4.25%, 08/12/2014 (d)	13,381,548
USD 2,650	Public Bank Bhd, 6.84%, 08/22/2016 (a)(c)	2,742,525
USD 11,550	SBB Capital Corp., 6.62%, 11/02/2015 (a)(b)(c)(d)	11,663,017
		55,577,774
PHILIPPINES—3.1%		
USD 5,300	Alliance Global Group Inc., 6.50%, 08/18/2017	5,565,000
USD 3,700	Energy Development Corp., 6.50%, 01/20/2021 (d)	3,885,000
USD 6,100	Philippine Long Distance Telephone Co., 8.35%, 03/06/2017	6,984,500
USD 7,400	Power Sector Assets & Liabilities Management Corp., 6.88%, 11/02/2016 (d)(f)	8,343,500
USD 19,200	Power Sector Assets & Liabilities Management Corp., 7.25%, 05/27/2019 (d)(f)	23,232,000
USD 8,000	Power Sector Assets & Liabilities Management Corp., 7.39%, 12/02/2024 (d)(f)	10,060,000
		58,070,000
REPUBLIC OF SOUTH KOREA—7.3%		
USD 3,000	Export-Import Bank of Korea, 5.13%, 03/16/2015	3,159,732
USD 4,300	Export-Import Bank of Korea, 5.88%, 01/14/2015	4,556,800
USD 3,200	Export-Import Bank of Korea, 8.13%, 01/21/2014	3,250,275
USD 10,000	Korea Development Bank (The), 3.00%, 03/17/2019	10,138,260
USD 2,050	Korea Expressway Corp., 1.88%, 10/22/2017 (d)	2,018,623
USD 12,750	Korea Expressway Corp., 4.50%, 03/23/2015 (d)	13,306,117
USD 17,500	Korea Finance Corp., 3.25%, 09/20/2016	18,239,095
USD 10,350	Korea Finance Corp., 4.63%, 11/16/2021	11,163,945
USD 2,300	Korea Gas Corp., 2.25%, 07/25/2017 (d)	2,307,252
USD 1,400	Korea Gas Corp., 2.88%, 07/29/2018 (d)	1,415,702
USD 17,600	Korea Hydro & Nuclear Power Co. Ltd., 3.00%, 09/19/2022 (d)	16,492,625
USD 3,000	Korea South-East Power Co. Ltd., 3.63%, 01/29/2017 (d)	3,125,871
USD 12,470	Korea South-East Power Co. Ltd., 6.00%, 05/25/2016 (d)	13,674,677
USD 11,000	Korea Western Power Co. Ltd., 2.88%, 10/10/2018 (d)	11,042,174
USD 4,200	Shinhan Bank, 1.88%, 07/30/2018 (d)	4,061,245
USD 5,880	Shinhan Bank, 5.66%, 03/02/2015 (a)(c)(d)	6,056,400
USD 7,100	Standard Chartered Bank Korea Ltd., 7.27%, 03/03/2014 (a)(c)(d)	7,162,125
USD 3,950	Standard Chartered First Bank Korea Ltd., 7.27%, 03/03/2014 (a)(c)(d)	3,984,563
		135,155,481

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2013

Principal Amount (000)	Description	Value (US\$)
CORPORATE BONDS (continued)		
SINGAPORE—2.4%		
SGD 2,750	CapitaMalls Asia Treasury Ltd., 3.95%, 08/24/2017	\$ 2,312,843
SGD 3,000	CMT MTN Pte. Ltd., 2.85%, 09/01/2014	2,451,195
USD 8,600	CMT MTN Pte. Ltd., 4.32%, 04/08/2015 (d)	8,917,056
USD 8,900	Oversea-Chinese Banking Corp. Ltd., 3.15%, 03/11/2018 (a)(c)(d)	8,978,863
USD 7,450	Oversea-Chinese Banking Corp. Ltd., 3.75%, 11/15/2017 (a)(c)(d)	7,698,919
USD 9,200	STATS ChipPAC Ltd., 4.50%, 03/20/2016 (c)(d)	9,188,960
USD 4,000	United Overseas Bank Ltd., 2.88%, 10/17/2017 (a)(c)(d)	4,012,800
		43,560,636
SUPRANATIONAL—5.6%		
AUD 14,000	Asian Development Bank, 5.00%, 03/09/2022	13,578,121
AUD 13,800	Asian Development Bank, 5.50%, 02/15/2016	13,726,150
AUD 16,800	Asian Development Bank, 6.25%, 03/05/2020	17,601,024
AUD 13,000	European Investment Bank, 6.13%, 01/23/2017	13,242,802
AUD 10,000	Inter-American Development Bank, 6.00%, 05/25/2016	10,098,267
AUD 11,200	Inter-American Development Bank, 6.50%, 08/20/2019	11,828,049
AUD 8,900	International Bank for Reconstruction & Development, 5.75%, 10/21/2019	9,111,701
AUD 10,300	International Bank for Reconstruction & Development, 6.00%, 11/09/2016	10,484,839
AUD 2,600	International Finance Corp., 5.75%, 07/28/2020	2,657,274
		102,328,227
THAILAND—3.0%		
USD 5,000	Bangkok Bank PCL, 3.88%, 09/27/2022 (d)	4,825,010
USD 2,400	Bangkok Bank PCL, 4.80%, 10/18/2020 (d)	2,538,883
USD 4,200	Bangkok Bank PCL, 5.00%, 10/03/2023 (d)	4,361,406
USD 4,800	Bangkok Bank PCL, 9.03%, 03/15/2029 (d)	5,973,326
USD 11,330	PTT Global Chemical PCL, 4.25%, 09/19/2022 (d)	11,048,654
USD 50	PTTEP Australia International Finance Pty Ltd., 4.15%, 07/19/2015 (d)	51,914
USD 16,300	PTTEP Canada International Finance Ltd., 5.69%, 04/05/2021 (d)	17,875,362
USD 4,500	Siam Commercial Bank Ltd., 3.38%, 09/19/2017 (d)	4,625,753
USD 4,000	Thai Oil PCL, 3.63%, 01/23/2023 (d)	3,711,408
		55,011,716
Total Corporate Bonds—60.7% (cost \$1,129,427,617)		1,118,182,230
GOVERNMENT BONDS—67.1%		
AUSTRALIA—36.8%		
AUD 7,000	Australia Government Bond, 3.25%, 04/21/2029 (d)	5,744,982
AUD 21,000	Australia Government Bond, 4.50%, 10/21/2014	20,221,297
AUD 101,400	Australia Government Bond, 5.50%, 01/21/2018	104,420,533
AUD 44,550	Australia Government Bond, 5.50%, 04/21/2023	47,239,212
AUD 65,000	Australia Government Bond, 5.75%, 05/15/2021	69,363,527
AUD 35,300	Australia Government Bond, 5.75%, 07/15/2022	37,927,633
AUD 25,000	Australia Government Bond, 6.00%, 02/15/2017	25,825,281
AUD 5,950	Queensland Treasury Corp., 6.00%, 10/14/2015 (f)	5,960,556
AUD 27,100	Queensland Treasury Corp., 6.00%, 04/21/2016	27,372,964
AUD 22,850	Queensland Treasury Corp., 6.00%, 02/21/2018	23,574,806
AUD 31,190	Queensland Treasury Corp., 6.00%, 06/14/2021 (f)	32,927,712
AUD 47,100	Queensland Treasury Corp., 6.25%, 06/14/2019 (f)	49,897,288
AUD 24,330	Queensland Treasury Corp., 6.25%, 02/21/2020	25,592,154

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2013

Principal Amount (000)	Description	Value (US\$)
GOVERNMENT BONDS (continued)		
AUSTRALIA (continued)		
AUD 131,500	Treasury Corp. of Victoria, 5.75%, 11/15/2016	\$ 133,370,150
AUD 14,250	Treasury Corp. of Victoria, 6.00%, 06/15/2020	14,957,319
AUD 35,350	Treasury Corp. of Victoria, 6.00%, 10/17/2022	37,216,241
AUD 15,000	Western Australian Treasury Corp., 7.00%, 07/15/2021	16,517,916
		678,129,571
CHINA—3.3%		
CNY 15,000	China Government Bond, 0.00%, 08/22/2033 (e)(g)	2,423,726
CNH 32,500	China Government Bond, 1.40%, 08/18/2016 (d)	5,115,913
CNH 10,000	China Government Bond, 1.80%, 12/01/2015	1,611,289
CNH 18,000	China Government Bond, 2.48%, 12/01/2020	2,755,368
CNY 15,000	China Government Bond, 3.26%, 06/02/2014 (e)	2,451,423
CNY 50,000	China Government Bond, 3.28%, 08/05/2020 (e)	7,781,508
CNY 50,000	China Government Bond, 3.36%, 05/24/2022 (e)	7,712,856
CNY 70,000	China Government Bond, 3.41%, 06/24/2020 (e)	10,987,766
CNY 20,000	China Government Bond, 3.46%, 07/11/2020 (e)	3,179,161
CNY 18,000	China Government Bond, 3.55%, 10/20/2016 (e)	2,911,841
CNY 2,000	China Government Bond, 3.57%, 11/17/2021 (e)	314,244
CNY 40,000	China Government Bond, 3.60%, 02/17/2016 (e)	6,497,977
CNY 20,000	China Government Bond, 3.83%, 01/27/2018 (e)	3,249,865
CNY 30,000	China Government Bond, 4.10%, 09/27/2032 (e)	4,589,299
		61,582,236
INDIA—1.9%		
INR 1,338,700	India Government Bond, 7.02%, 08/17/2016	21,054,371
INR 600,000	India Government Bond, 7.49%, 04/16/2017	9,482,295
INR 125,000	India Government Bond, 8.30%, 07/02/2040	1,881,592
INR 16,000	India Government Bond, 8.33%, 06/07/2036	241,099
INR 150,000	India Government Bond, 8.83%, 12/12/2041	2,374,330
		35,033,687
INDONESIA—3.7%		
IDR 167,000,000	Barclays Indonesia Government Bond Credit Linked Note, 9.50%, 06/17/2015	15,496,296
USD 3,500	Indonesia Government International Bond, 5.25%, 01/17/2042 (d)	3,237,500
USD 7,400	Indonesia Government International Bond, 5.88%, 03/13/2020 (d)	8,103,000
USD 6,900	Indonesia Government International Bond, 6.63%, 02/17/2037 (d)	7,521,000
IDR 30,000,000	Indonesia Treasury Bond, 6.13%, 05/15/2028	2,254,797
IDR 47,000,000	Indonesia Treasury Bond, 8.25%, 06/15/2032	4,211,133
IDR 114,100,000	Indonesia Treasury Bond, 8.38%, 03/15/2024	10,725,349
IDR 80,000,000	Indonesia Treasury Bond, 8.38%, 03/15/2034	7,275,973
IDR 21,000,000	Indonesia Treasury Bond, 9.50%, 07/15/2031	2,102,813
USD 7,050	Perusahaan Penerbit SBSN, 4.00%, 11/21/2018 (d)	7,032,375
USD 50	Perusahaan Penerbit SBSN, 8.80%, 04/23/2014 (d)	51,563
		68,011,799
MALAYSIA—4.2%		
MYR 37,800	Malaysia Government Bond, 3.31%, 10/31/2017	11,961,549
MYR 12,600	Malaysia Government Bond, 3.49%, 03/31/2020	3,974,334
MYR 98,400	Malaysia Government Bond, 3.58%, 09/28/2018	31,427,286
MYR 29,500	Malaysia Government Bond, 4.01%, 09/15/2017	9,581,005
MYR 20,400	Malaysia Government Bond, 4.16%, 07/15/2021	6,681,856

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2013

Principal Amount (000)	Description		Value (US\$)
GOVERNMENT BONDS (continued)			
MALAYSIA (continued)			
MYR 14,163	Malaysia Government Bond, 4.26%, 09/15/2016		\$ 4,626,252
MYR 13,900	Malaysia Government Bond, 4.38%, 11/29/2019		4,603,943
MYR 13,500	Malaysia Government Bond, Series 0113, 3.17%, 07/15/2016		4,282,536
			77,138,761
NEW ZEALAND—0.2%			
NZD 2,150	New Zealand Government Bond, 6.00%, 04/15/2015		1,849,670
NZD 1,500	Province of Quebec, 6.75%, 11/09/2015		1,305,274
			3,154,944
PHILIPPINES—3.5%			
PHP 715,000	Philippine Government Bond, 5.75%, 11/24/2021		19,403,389
PHP 5,544	Philippine Government Bond, 6.38%, 01/19/2022		156,482
PHP 44,000	Philippine Government Bond, 8.00%, 07/19/2031		1,487,853
PHP 94,000	Philippine Government Bond, 8.75%, 05/27/2030		3,324,028
PHP 331,030	Philippine Government Bond, 9.13%, 09/04/2016		9,120,616
USD 8,300	Philippine Government International Bond, 6.50%, 01/20/2020		9,960,000
USD 7,050	Philippine Government International Bond, 7.75%, 01/14/2031		9,482,250
USD 7,970	Philippine Government International Bond, 9.88%, 01/15/2019		10,709,687
			63,644,305
REPUBLIC OF SOUTH KOREA—6.8%			
KRW 7,000,000	Korea Monetary Stabilization Bond, 2.47%, 04/02/2015		6,574,839
KRW 30,000,000	Korea Monetary Stabilization Bond, 2.76%, 06/02/2015		28,280,490
KRW 17,253,225	Korea Treasury Bond, 1.50%, 06/10/2021 (h)		16,193,569
KRW 9,500,000	Korea Treasury Bond, 2.75%, 09/10/2017		8,875,378
KRW 7,500,000	Korea Treasury Bond, 3.25%, 09/10/2018		7,135,461
KRW 22,000,000	Korea Treasury Bond, 3.38%, 09/10/2023		20,699,413
KRW 20,280,000	Korea Treasury Bond, 3.50%, 03/10/2017		19,456,583
KRW 13,300,000	Korea Treasury Bond, 3.75%, 06/10/2022		12,918,447
KRW 5,000,000	Korea Treasury Bond, 4.25%, 06/10/2021		5,014,952
			125,149,132
SINGAPORE—1.9%			
SGD 3,000	Housing & Development Board, 1.01%, 09/19/2016		2,404,632
SGD 3,000	Housing & Development Board, 1.83%, 11/21/2018 (d)		2,390,992
SGD 750	Housing & Development Board, 2.02%, 02/22/2016		617,954
SGD 2,000	Housing & Development Board, 3.14%, 03/18/2021		1,653,904
SGD 15,700	Singapore Government Bond, 2.25%, 06/01/2021		13,009,754
SGD 3,300	Singapore Government Bond, 2.75%, 07/01/2023		2,805,499
SGD 5,120	Singapore Government Bond, 3.00%, 09/01/2024		4,374,822
SGD 3,140	Singapore Government Bond, 3.13%, 09/01/2022		2,755,657
SGD 1,800	Singapore Government Bond, 3.50%, 03/01/2027		1,594,362
SGD 4,290	Singapore Government Bond, 4.00%, 09/01/2018		3,957,368
			35,564,944
SRI LANKA—0.5%			
LKR 151,000	Sri Lanka Government Bonds, 8.00%, 11/15/2018		1,026,612
LKR 230,000	Sri Lanka Government Bonds, 8.50%, 04/01/2018		1,611,107

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2013

Principal Amount (000)	Description	Value (US\$)
GOVERNMENT BONDS (continued)		
SRI LANKA (continued)		
LKR 388,000	Sri Lanka Government Bonds, 8.50%, 07/15/2018	\$ 2,684,152
USD 4,450	Sri Lanka Government International Bond, 6.25%, 07/27/2021 (d)	4,472,250
		9,794,121
THAILAND—4.3%		
THB 11,074	Bank of Thailand, 3.33%, 05/12/2014	357,171
THB 550,260	Thailand Government Bond, 1.20%, 07/14/2021 (d)(h)	17,521,628
THB 407,000	Thailand Government Bond, 2.80%, 10/10/2017	12,879,677
THB 407,200	Thailand Government Bond, 3.25%, 06/16/2017	13,124,033
THB 321,000	Thailand Government Bond, 3.45%, 03/08/2019	10,290,223
THB 18,600	Thailand Government Bond, 3.63%, 05/22/2015	605,609
THB 175,200	Thailand Government Bond, 3.63%, 06/16/2023	5,511,739
THB 516,300	Thailand Government Bond, 3.65%, 12/17/2021	16,460,507
THB 76,100	Thailand Government Bond, 3.88%, 06/13/2019	2,494,933
		79,245,520
Total Government Bonds—67.1% (cost \$1,264,117,664)		1,236,449,020
RESIDENTIAL MORTGAGE BACKED SECURITIES—0.2%		
AUSTRALIA—0.2%		
AUD 2,488	Progress Trust, 2.92%, 08/25/2036 (a)(d)	2,350,487
AUD 2,053	Westpac Securitisation Trust, 2.72%, 05/21/2038 (a)(c)(d)	1,938,120
		4,288,607
Total Residential Mortgage Backed Securities—0.2% (cost \$3,770,975)		4,288,607
SHORT-TERM INVESTMENT—2.3%		
UNITED STATES—2.3%		
USD 42,924	Repurchase Agreement, State Street Bank & Trust Co., 0.00% dated 10/31/2013, due 11/01/2013 in the amount of \$42,924,000 (collateralized by \$46,400,000 U.S. Treasury Notes, 1.63% due 11/15/2022; value of \$43,790,000)	42,924,000
Total Short-Term Investment—2.3% (cost \$42,924,000)		42,924,000
Total Investments—130.7% (cost \$2,447,330,969)		2,408,118,901
Liabilities in Excess of Other Assets—(30.7)%		(565,648,895)
Net Assets—100.0%		\$ 1,842,470,006

AUD—Australian Dollar

CNH—Chinese Yuan Renminbi Offshore

CNY—Chinese Yuan Renminbi

HKD—Hong Kong Dollar

IDR—Indonesian Rupiah

INR—Indian Rupee

KRW—South Korean Won

LKR—Sri Lanka Rupee

MYR—Malaysian Ringgit

NZD—New Zealand Dollar

PHP—Philippine Peso

SGD—Singapore Dollar

THB—Thai Baht

USD—U.S. Dollar

(a) Indicates a variable rate security. The maturity date presented for these instruments is the later of the next date on which the security can be redeemed at par or the next date on which the rate of interest is adjusted. The interest rate shown reflects the rate in effect at October 31, 2013.

(b) Perpetual bond. This is a bond that has no maturity date, is redeemable and pays a steady stream of interest indefinitely.

See Notes to Financial Statements.

Portfolio of Investments (continued)

As of October 31, 2013

- (c) The maturity date presented for these instruments represents the next call/put date.
 (d) Denotes a restricted security, see Note 2(c).
 (e) China A shares. These shares are issued in local currency, traded in the local stock markets and are held through a qualified foreign institutional investor license.
 (f) This security is government guaranteed.
 (g) Issued with a zero coupon.
 (h) Inflation linked security.
 (i) Illiquid security.

At October 31, 2013, the Fund held the following futures contracts:

Futures Contracts	Counterparty	Number of Contracts Long (Short)	Expiration Date	Unrealized Appreciation/ (Depreciation)
United States Treasury Note 6%—2 year	UBS	62	12/31/2013	\$ 49,261
United States Treasury Note 6%—5 year	UBS	922	12/31/2013	2,151,567
United States Treasury Note 6%—10 year	UBS	(1,272)	12/19/2013	(3,483,059)
United States Treasury Bond 6%—30 year	UBS	93	12/19/2013	408,063
				\$ (874,168)

At October 31, 2013, the Fund's open forward foreign currency exchange contracts were as follows:

Purchase Contracts Settlement Date*	Counterparty	Amount Purchased	Amount Sold	Fair Value	Unrealized Appreciation/ (Depreciation)
Chinese Yuan Renminbi Offshore/United States Dollar					
03/27/2014	Standard Chartered Bank	CNH63,489,200	USD10,300,000	\$ 10,371,640	\$ 71,640
Hong Kong Dollar/United States Dollar					
11/21/2013	UBS	HKD99,218,611	USD12,800,000	12,798,102	(1,898)
Indian Rupee/United States Dollar					
11/21/2013	Standard Chartered Bank	INR166,481,600	USD2,680,000	2,699,162	19,162
Malaysian Ringgit/United States Dollar					
11/12/2013	Standard Chartered Bank	MYR131,012,250	USD40,500,000	41,494,896	994,896
11/12/2013	UBS	MYR24,311,250	USD7,500,000	7,699,988	199,988
Philippine Peso/United States Dollar					
11/12/2013	Goldman Sachs	PHP1,189,168,660	USD27,300,000	27,529,176	229,176
Singapore Dollar/United States Dollar					
11/12/2013	Royal Bank of Canada	SGD33,572,534	USD26,590,000	27,026,848	436,848
11/12/2013	State Street	SGD13,344,579	USD10,730,000	10,742,767	12,767
11/12/2013	UBS	SGD3,577,375	USD2,830,000	2,879,889	49,889
South Korean Won/United States Dollar					
11/12/2013	Standard Chartered Bank	KRW3,360,900,000	USD3,000,000	3,167,423	167,423
11/12/2013	State Street	KRW12,381,752,700	USD11,170,000	11,668,973	498,973
Thai Baht/United States Dollar					
11/14/2013	Standard Chartered Bank	THB369,982,900	USD11,900,000	11,879,685	(20,315)
11/14/2013	UBS	THB381,012,000	USD12,000,000	12,233,816	233,816
				\$182,192,365	\$2,892,365

See Notes to Financial Statements.

Portfolio of Investments (concluded)

As of October 31, 2013

Sale Contracts Settlement Date*	Counterparty	Amount Purchased	Amount Sold	Fair Value	Unrealized Appreciation/ (Depreciation)
United States Dollar/Chinese Yuan Renminbi Offshore					
01/16/2014	HSBC	USD23,820,000	CNH145,099,530	\$ 23,758,799	\$ 61,201
United States Dollar/Hong Kong Dollar					
11/21/2013	Standard Chartered Bank	USD12,400,000	HKD96,176,880	12,405,753	(5,753)
United States Dollar/Indian Rupee					
11/21/2013	Standard Chartered Bank	USD14,100,000	INR882,251,100	14,303,914	(203,914)
United States Dollar/Malaysian Ringgit					
11/12/2013	State Street	USD61,020,000	MYR199,822,194	63,288,747	(2,268,747)
United States Dollar/Philippine Peso					
11/12/2013	Deutsche Bank	USD1,800,000	PHP79,650,000	1,843,892	(43,892)
11/12/2013	UBS	USD13,200,000	PHP591,756,000	13,699,113	(499,113)
United States Dollar/Singapore Dollar					
11/12/2013	Royal Bank of Canada	USD2,800,000	SGD3,580,662	2,882,535	(82,535)
United States Dollar/South Korean Won					
11/12/2013	State Street	USD38,270,000	KRW42,410,402,000	39,968,964	(1,698,964)
United States Dollar/Thai Baht					
11/14/2013	Credit Suisse	USD2,300,000	THB72,634,000	2,332,186	(32,186)
11/14/2013	UBS	USD51,400,000	THB1,616,273,000	51,896,492	(496,492)
				\$226,380,395	\$(5,270,395)

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

At October 31, 2013, the Fund's interest rate swaps were as follows:

Currency	Notional Amount	Expiration Date	Counterparty	Receive (Pay) Floating Rate	Floating Rate Index	Fixed Rate	Unrealized Appreciation/ (Depreciation)
USD	84,000,000	10/31/2016	Barclays Bank	Receive	3-month LIBOR Index	1.42%	\$ (1,849,150)
USD	66,000,000	11/01/2017	Barclays Bank	Receive	3-month LIBOR Index	0.84%	341,954
							\$(1,507,196)

See Notes to Financial Statements.

Statement of Assets and Liabilities

As of October 31, 2013

Assets	
Investments, at value (cost \$2,404,406,969)	\$ 2,365,194,901
Repurchase agreement, at value (cost \$42,924,000)	42,924,000
Foreign currency, at value (cost \$28,169,550)	27,940,641
Cash at broker for futures contracts	3,048,295
Cash at broker for interest rate swaps	1,050,000
Cash at broker for China A shares	74,764
Cash	2,173
Interest receivable	30,558,150
Receivable for investments sold	3,738,872
Prepaid expenses in connection with revolving credit facility, senior secured notes, term loans and Series A Mandatory Redeemable Preferred Shares	3,471,312
Unrealized appreciation on forward foreign currency exchange contracts	2,975,779
Variation margin receivable for futures contracts	2,608,891
Unrealized appreciation on swap contracts	341,954
Prepaid expenses	220,150
Prepaid expenses in connection with the at-the-market stock offering	219,465
Total assets	2,484,369,347
Liabilities	
Senior secured notes payable (Note 8)	200,000,000
Revolving credit facility payable (Note 9)	150,000,000
3-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
Payable for investments purchased	15,968,893
Dividends payable to common shareholders	9,364,717
Unrealized depreciation on forward foreign currency exchange contracts	5,353,809
Variation margin payable for futures contracts	3,483,059
Interest payable on revolving credit facility, senior secured notes and term loans	3,171,566
Unrealized depreciation on swap contracts	1,849,150
Investment management fees payable (Note 3)	1,178,566
Deferred foreign capital gains tax	385,301
Administration fees payable (Note 3)	240,286
Dividend payable on Series A Mandatory Redeemable Preferred Shares	183,334
Investor relations fees payable (Note 3)	113,474
Director fees payable	34,583
Accrued expenses	572,603
Total liabilities	641,899,341
Net Assets Applicable to Common Shareholders	\$1,842,470,006
Composition of Net Assets:	
Common stock (par value \$.01 per share)	\$ 2,674,079
Paid-in capital in excess of par	1,672,620,496
Distributions in excess of net investment income	(9,758,172)
Accumulated net realized loss from investments, interest rate swaps and futures contracts	(142,947,841)
Net unrealized appreciation on investments, futures contracts and interest rate swaps	30,159,052
Accumulated net realized foreign exchange gains	364,306,880
Net unrealized foreign exchange and forward foreign currency contract loss	(74,584,488)
Net Assets Applicable to Common Shareholders	\$1,842,470,006
Net asset value per common share based on 267,407,928 shares issued and outstanding	\$ 6.89

See Notes to Financial Statements.

Statement of Operations

For the Year Ended October 31, 2013

Net Investment Income

Income	
Interest and amortization of discount and premium (net of foreign withholding taxes of \$1,313,290)	\$ 109,519,050
Other income	4,635
	109,523,685
Expenses	
Investment management fee (Note 3)	13,165,345
Administration fee (Note 3)	2,665,057
Custodian's fees and expenses	934,005
Revolving credit facility, senior secured notes, term loans and Series A Mandatory Redeemable Preferred Shares fees and expenses	892,842
Investor relations fees and expenses (Note 3)	542,773
Reports to shareholders and proxy solicitation	416,773
Insurance expense	408,809
Directors' fees and expenses	290,070
Legal fees and expenses	151,185
Transfer agent's fees and expenses	149,828
Independent auditors' fees and expenses	135,770
Miscellaneous	294,350
Total operating expenses, excluding interest expense	20,046,807
Interest expense (Notes 8 & 9)	9,319,477
Total operating expenses	29,366,284
	80,157,401
Net Investment Income	80,157,401
Distributions to Series A Mandatory Redeemable Preferred Shares	(721,875)
	79,435,526
Net investment income applicable to common shareholders	
Realized and Unrealized Gains/(Losses) on Investments, Interest Rate Swaps, Futures Contracts and Foreign Currencies	
Net realized gain/(loss) from:	
Investment transactions (including \$67,020 capital gains tax)	44,263,526
Interest rate swaps	(7,296,374)
Futures contracts	472,826
Forward and spot foreign currency exchange contracts	(1,316,784)
Foreign currency transactions	(2,376,530)
	33,746,664
Net change in unrealized appreciation/(depreciation) on:	
Investments (including \$38,326 change in deferred capital gains tax)	(131,803,030)
Interest rate swaps	7,997,494
Futures contracts	(824,129)
Forward foreign currency exchange contracts	255,999
Foreign currency translation	(113,914,708)
	(238,288,374)
Net loss from investments, interest rate swaps, futures contracts and foreign currencies	(204,541,710)
Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Operations	\$(125,106,184)

See Notes to Financial Statements.

Statements of Changes in Net Assets

	For the Year Ended October 31, 2013	For the Year Ended October 31, 2012
Increase/(Decrease) in Net Assets Applicable to Common Shareholders		
Operations:		
Net investment income	\$ 79,435,526	\$ 95,277,886
Net realized gain from investments, interest rate swaps and futures contracts	37,439,978	17,311,251
Net realized gain/(loss) from foreign currency transactions	(3,693,314)	21,540,102
Net change in unrealized appreciation/depreciation on investments, interest rate swaps and futures contracts	(124,629,665)	94,102,577
Net change in unrealized appreciation/depreciation on foreign currency translation	(113,658,709)	(40,727,393)
Net increase/(decrease) in net assets applicable to common shareholders resulting from operations	(125,106,184)	187,504,423
Distributions to Common Shareholders from:		
Net investment income	(111,875,139)	(109,721,108)
Net decrease in net assets applicable to common shareholders from distributions	(111,875,139)	(109,721,108)
Common Stock Transactions:		
Proceeds from the at-the-market stock offering (Note 5)	37,174,650	12,830,315
Expenses in connection with the at-the-market stock offering (Note 5)	(59,829)	(16,197)
Change in net assets from common stock transactions	37,114,821	12,814,118
Change in net assets applicable to common shareholders resulting from operations	(199,866,502)	90,597,433
Net Assets Applicable to Common Shareholders:		
Beginning of year	2,042,336,508	1,951,739,075
End of year (including distributions in excess of net investment income of (\$9,758,172) and (\$5,423,924), respectively)	\$1,842,470,006	\$2,042,336,508

See Notes to Financial Statements.

Statement of Cash Flows

For the Year Ended October 31, 2013

Increase/(Decrease) in Cash (Including Foreign Currency)	
Cash flows provided from (used for) operating activities:	
Interest received (excluding discount and premium amortization of \$16,427,975)	\$ 127,258,762
Operating expenses paid	(25,840,569)
Dividends paid to Series A Mandatory Redeemable Preferred Shares	(538,541)
Payments received from broker for collateral on interest rate swaps	3,270,058
Purchases and sales of short-term portfolio investments, net	(5,910,000)
Purchases of long-term portfolio investments	(1,054,417,243)
Proceeds from sales of long-term portfolio investments	1,041,424,249
Realized losses on forward foreign currency exchange contracts closed	(1,613,464)
Realized losses on interest rate swap transactions	(7,296,374)
Purchases and sales of interest rate swaps, net	(1,938,640)
Payments paid to broker for futures contracts	(1,177,333)
Increase in cash collateral held at broker for China A shares	(74,100)
Decrease in prepaid expenses and other assets	226,512
Net cash provided from operating activities	73,373,317
Cash flows provided from (used for) financing activities	
Decrease in bank loan	(450,000,000)
Issuance of senior secured notes and term loans	400,000,000
Issuance of Series A Mandatory Redeemable Preferred Shares	50,000,000
Issuance of common stock	37,130,755
Dividends paid to common shareholders	(111,704,934)
Expense associated with issuance of senior secured notes, term loans and Series A Mandatory Redeemable Preferred Shares	(4,125,431)
Net cash used for financing activities	(78,699,610)
Effect of exchange rate on cash	(6,555,816)
Net decrease in cash	(11,882,109)
Cash at beginning of year	39,824,923
Cash at end of year	\$ 27,942,814
Reconciliation of Net Increase in Net Assets from Operations to Net Cash (Including Foreign Currency) Provided from (Used for) Operating Activities	
Net decrease in total net assets resulting from operations	\$ (125,106,184)
Increase in investments	(10,158,527)
Net realized gain on investment transactions	(44,263,526)
Net realized loss on interest rate swap transactions	7,296,374
Net realized gain on futures contracts	(472,826)
Net realized foreign exchange losses	3,693,314
Net change in unrealized appreciation/depreciation on investments, futures contracts and interest rate swaps	124,629,665
Net change in unrealized foreign exchange gains/losses	113,658,709
Decrease in interest receivable	1,307,102
Increase in receivable for investments sold	(3,738,872)
Increase in interest payable on bank loan, senior secured notes and term loans	2,760,900
Increase in dividend payable to preferred shares	183,334
Net change in variation margin on future contracts	824,129
Net decrease in other assets	226,512
Increase in payable for investments purchased	2,985,368
Payments received from broker for interest rate swaps	3,270,058
Change in payable/receivable for interest rate swap transactions	(1,938,640)
Payments made to broker for futures contracts	(2,474,288)
Increase in cash collateral at broker for China A shares	(74,100)
Decrease in prepaid expenses in connection with revolving credit facility, senior secured notes, term loans and Series A Preferred Shares	654,119
Increase in accrued expenses and other liabilities	110,696
Total adjustments	198,479,501
Net cash provided from operating activities	\$ 73,373,317

See Notes to Financial Statements.

Financial Highlights

	For the Year Ended October 31,				
	2013	2012	2011	2010	2009
Per Share Operating Performance:^(a)					
Net asset value per common share, beginning of year	\$7.78	\$7.48	\$7.27	\$6.53	\$4.91
Net investment income	0.30	0.36	0.39	0.37	0.35
Net realized and unrealized gains/(losses) on investments, interest rate swaps, futures contracts and foreign currency transactions	(0.77)	0.36	0.24	0.79	1.73
Total from investment operations applicable to common shareholders	(0.47)	0.72	0.63	1.16	2.08
Distributions to Series A Mandatory Redeemable Preferred Shares:					
Net investment income	–	–	–	–	–
Distributions to common shareholders from:					
Net investment income	(0.42)	(0.42)	(0.42)	(0.42)	(0.38)
Tax return of capital	–	–	–	–	(0.09)
Total distributions to common shareholders	(0.42)	(0.42)	(0.42)	(0.42)	(0.47)
Offering cost on common stock	–	–	–	–	–
Impact of shelf offering	–	–	–	–	–
Effect of Fund shares repurchased	–	–	–	–	0.01
Net asset value per common share, end of year	\$6.89	\$7.78	\$7.48	\$7.27	\$6.53
Market value, end of year	\$6.44	\$7.90	\$6.93	\$6.90	\$6.04
Total Investment Return Based on:^(b)					
Market value	(13.37)%	20.47%	6.59%	21.73%	58.26%
Net asset value	(5.89)% ^(c)	9.92% ^(c)	9.20%	18.63%	45.66%
Ratio to Average Net Assets Applicable to Common Shareholders/Supplementary Data:^(d)					
Net assets applicable to common shareholders, end of year (000 omitted)	\$1,842,470	\$2,042,337	\$1,951,739	\$1,897,181	\$1,703,352
Average net assets applicable to common shareholders (000 omitted)	\$1,953,410	\$1,965,038	\$1,937,986	\$1,753,665	\$1,457,521
Net operating expenses	1.50%	1.38%	1.49%	1.89%	2.20%
Net operating expenses without reimbursement	1.50%	1.38%	1.49%	1.89%	2.22% ^(e)
Net operating expenses, excluding interest expense	1.03%	1.01%	1.05%	1.19%	1.37%
Net investment income	4.07%	4.85%	5.30%	5.44%	6.40%
Portfolio turnover	42%	38%	72%	67%	68%
Leverage (senior securities) outstanding (000 omitted)	\$550,000	\$600,000	\$600,000	\$600,000	\$600,000
Leverage (preferred stock) outstanding (000 omitted)	\$50,000	\$–	\$–	\$–	\$–
Asset coverage ratio on long-term debt obligations at year end ^(f)	444%	440%	425%	416%	384%
Asset coverage per \$1,000 on long-term debt obligations at year end	\$4,441	\$4,404	\$4,253	\$4,162	\$3,839
Asset coverage ratio on total leverage at year end ^(g)	407%	–	–	–	–
Asset coverage per share on total leverage at year end	\$4,071	\$–	\$–	\$–	\$–

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 each of the years ended October 31, 2013, 2012, 2011, 2010, and 2009 the ratios of net investment income before preferred stock dividends to average net assets of common shareholders were 4.10%, 4.85%, 5.30%, 5.44% and 6.40%, respectively.
- (e) In 2009, the Fund filed a non-routine proxy to consider the approval of a new sub-advisory agreement among the Fund, Investment Manager, and Sub-Adviser. The Fund and the Investment Manager agreed to each bear equal responsibility with respect to the costs of soliciting proxies associated with the non-routine item.
- (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.
- (g) Asset coverage ratio is calculated by dividing net assets plus the amount of any borrowings, including Series A Mandatory Redeemable Preferred Shares, for investment purposes by the amount of any borrowings.

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

See Notes to Financial Statements.

Notes to Financial Statements

October 31, 2013

1. Organization

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

2. Summary of Significant Accounting Policies

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

(a) Security Valuation:

The Fund is required to value its securities at fair market value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Long-term debt and other fixed-income securities are valued at the last quoted or evaluated bid price on the valuation date provided by an independent pricing service provider. If there are no current day bids, the security is valued at the previously applied bid. Short-term debt securities (such as commercial paper, and U.S. treasury bills)

having a remaining maturity of 60 days or less are valued at amortized cost, which approximates fair value. Debt and other fixed-income securities are generally considered to be Level 2 investments.

Exchange traded derivatives are generally considered to be Level 1 investments and over-the-counter derivatives are generally considered to be Level 2 investments.

In the event that a security's market quotations are not readily available or are deemed unreliable, the security is valued at fair value as determined by the Fund's Pricing Committee, taking into account the relevant factors and surrounding circumstances using valuation policies and procedures approved by the Board. A security that has been fair valued by the Pricing Committee may be classified as Level 2 or 3 depending on the nature of the inputs.

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

Level 1 – quoted prices in active markets for identical investments;

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

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

Notes to Financial Statements (continued)

October 31, 2013

A summary of standard inputs is listed below:

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

The following is a summary of the inputs used as of October 31, 2013 in valuing the Fund's investments at fair value. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Please refer to the Portfolio of Investments for a detailed breakout of the security types:

Assets	Level 1	Level 2	Level 3
Fixed Income Investments			
Commercial Mortgage Backed Security	\$ –	\$ 6,275,044	\$ –
Corporate Bonds	–	1,118,182,230	–
Government Bonds	–	1,236,449,020	–
Residential Mortgage Backed Securities	–	4,288,607	–
Total Fixed Income Investments	–	2,365,194,901	–
Short-Term Investment	–	42,924,000	–
Total Investments	\$ –	\$ 2,408,118,901	\$ –
Other Financial Instruments			
Futures Contracts	\$ 2,608,891	\$ –	\$ –
Forward Foreign Currency Exchange Contracts	–	2,975,779	–
Interest Rate Swap Agreements	–	341,954	–
Total Other Financial Instruments	\$ 2,608,891	\$ 3,317,733	\$ –
Total Assets	\$ 2,608,891	\$2,411,436,634	\$ –
Liabilities			
Other Financial Instruments			
Futures Contracts	\$ (3,483,059)	\$ –	\$ –
Forward Foreign Currency Exchange Contracts	–	(5,353,809)	–
Interest Rate Swap Agreements	–	(1,849,150)	–
Total Liabilities – Other Financial Instruments	\$(3,483,059)	\$ (7,202,959)	\$ –

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing transfers at the end of each period. During the year ended October 31, 2013, there were no transfers between Levels 1, 2 or 3. For the year ended October 31, 2013, there have been no significant changes to the fair valuation methodologies.

(b) Repurchase Agreements:

The Fund may enter into repurchase agreements under the terms of a Master Repurchase Agreement. It is the Fund's policy that its custodian/counterparty segregate the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. The repurchase price generally equals the price paid by the Fund plus interest negotiated on the basis of current short-term rates. To the extent that any repurchase transaction exceeds one business day, the collateral is

Notes to Financial Statements (continued)

October 31, 2013

valued on a daily basis to determine its adequacy. Under the Master Repurchase Agreement, if the counterparty defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the counterparty of the security, realization of the collateral by the Fund may be delayed or limited. The Fund held a repurchase agreement of \$42,924,000 as of October 31, 2013. The value of the related collateral exceeded the value of the repurchase agreement at period end.

(c) Restricted Securities:

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

(d) Foreign Currency Translation:

Foreign securities, currencies, and other assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the exchange rate of said currencies against the U.S. Dollar, as of the "Valuation Time," as provided by an independent pricing service approved by the Board. The Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Time).

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

- (i) market value of investment securities, other assets and liabilities – at the exchange rates at the current daily rates of exchange; and
- (ii) purchases and sales of investment securities, income and expenses – at the rate of exchange prevailing on the respective dates of such transactions.

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

Net exchange gain/(loss) is realized from sales and maturities of portfolio securities, sales of foreign currencies, settlement of

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

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

(e) Derivative Financial Instruments:

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

Forward Foreign Currency Exchange Contracts:

A forward foreign currency exchange contract ("forward contract") involves an obligation to purchase and sell a specific currency at a future date at a price set at the time of the contract. Forward contracts are used to manage the Fund's currency exposure in an efficient manner. They are used to sell unwanted currency exposure that comes with holding securities in a market, or to buy currency exposure where the exposure from holding securities is insufficient to give the desired currency exposure either in absolute terms or relative to the benchmark. The use of forward contracts allows the separation of decision-making between markets and their currencies. The forward contract is marked-to-market daily and the change in market value is recorded by the Fund as unrealized appreciation or depreciation. Forward contracts' prices are received daily from an independent pricing provider. When the forward contract is closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. These realized and unrealized gains and losses are reported on the Statement of Operations. During the year ended October 31, 2013, the Fund used forward contracts to hedge positions in the Chinese Yuan Renminbi, Chinese Yuan Renminbi

Notes to Financial Statements (continued)

October 31, 2013

Offshore, Hong Kong Dollar, Indian Rupee, Malaysian Ringgit, South Korean Won and the Thai Baht.

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

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

Futures Contracts:

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

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

Futures contracts are valued daily at their last quoted sale price on the exchange on which they are traded.

A "sale" of a futures contract means a contractual obligation to deliver the securities or foreign currency called for by the contract at a fixed price at a specified time in the future. A "purchase" of a futures contract means a contractual obligation to acquire the securities or foreign currency at a fixed price at a specified time in the future. During the year ended October 31, 2013, the use of bond futures contracts was primarily to hedge and manage the interest rate exposure of the U.S. Dollar-denominated securities.

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

Swaps:

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

Notes to Financial Statements (continued)

October 31, 2013

included in net realized gains/(losses) on swap contracts transactions. During the year ended October 31, 2013, the Fund used interest rate swaps as a tool to hedge the Revolving Loan Facility borrowings of the Fund.

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

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

Effective June 10, 2013, certain swaps, including interest rate swaps, must be cleared pursuant to U.S. Commodity Futures Trading Commission ("CFTC") regulations. As a result, interest rate swaps entered into by the Fund after June 10, 2013 can no longer be traded over the counter and become subject to various regulations and rules of the CFTC. The Fund did not enter into any new swaps subject to clearing during the reporting period.

Summary of Derivative Instruments:

The Fund may use derivatives for various purposes as noted above. The following is a summary of the fair value of Derivative Instruments, not accounted for as hedging instruments, as of October 31, 2013:

	Asset Derivatives		Liability Derivatives	
	Year Ended October 31, 2013		Year Ended October 31, 2013	
Derivatives not accounted for as hedging instruments and risk exposure	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Interest rate swaps (interest rate risk)	Unrealized appreciation on interest rate swaps contracts	\$ 341,954	Unrealized depreciation on interest rate swaps contracts	\$ 1,849,150
Forward foreign exchange contracts (foreign exchange risk)	Unrealized appreciation on forward foreign currency exchange contracts	\$ 2,975,779	Unrealized depreciation on forward foreign currency exchange contracts	\$ 5,353,809
Futures contracts (interest rate risk)*	Variation margin receivable for future contracts	\$ 2,608,891	Variation margin payable for future contracts	\$ 3,483,059
Total		\$5,926,624		\$10,686,018

* Includes cumulative appreciation/depreciation on futures contracts as reported in the Portfolio of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

Notes to Financial Statements (continued)

October 31, 2013

The Effect of Derivative Instruments on the Statement of Operations for the Year Ended October 31, 2013

Derivatives Not Accounted for as Hedging Instruments Under Statement 133(a)	Location of Gain or (Loss) on Derivatives	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation/Depreciation on Derivatives
	Realized/Unrealized Gain/(Loss) from Investments, Interest Rate Swaps, Futures Contracts and Foreign Currencies		
Interest rate swaps (interest rate risk)		\$ (7,296,374)	\$ 7,997,494
Forward foreign exchange contracts (foreign exchange risk)		\$ (1,613,464)	\$ 255,999
Futures contracts (interest rate risk)		\$ 472,826	\$ (824,129)
Total		\$(8,437,012)	\$7,429,364

Information about futures contracts reflected as of the date of this report is generally indicative of the type and volume of activity for the quarter ended October 31, 2013. In February 2013, the Fund sold out of all 3Yr Korea Treasury Bond futures contracts. The quarterly weighted average of contracts and notional values for the Fund's future positions were as follows:

Quarter	Weighted Average Contracts	Weighted Average Notional Value
1 st Quarter	130	\$19,239,758
2 nd Quarter	73	27,100,000
3 rd Quarter	391	54,666,667
4 th Quarter	104	16,633,333

Information about forward currency contracts reflected as of the date of this report is generally indicative of the type of activity for the month ended October 31, 2013. In prior months the Fund also held positions in Chinese Yuan Renminbi, Indonesian Rupiah and Taiwan Dollar forward contracts. The volume of forward contracts was relatively unvaried throughout the year with an average notional value of \$467,312,282. The quarterly average notional values for the Fund's forward contracts were as follows:

Quarter	Average Notional Value
1 st Quarter	\$431,820,000
2 nd Quarter	500,739,127
3 rd Quarter	481,666,667
4 th Quarter	455,023,333

Information about interest rate swaps reflected as of the date of this report is generally indicative of the type and volume of activity for the last five months of the year ended October 31, 2013. In June 2013, the Fund terminated \$450,000,000 in notional value of the outstanding swaps in connection with the Fund's refinancing of its leverage. The quarterly average notional values for the Fund's interest rate swaps were as follows:

Quarter	Average Notional Value
1 st Quarter	\$600,000,000
2 nd Quarter	600,000,000
3 rd Quarter	300,000,000
4 th Quarter	150,000,000

The Fund values derivatives at fair value, as described in this note, and recognizes changes in fair value currently in the results of operations. Accordingly, the Fund does not follow hedge accounting even for derivatives employed as economic hedges.

(f) Credit-Linked Notes:

The Fund invests in credit-linked securities, which are unstructured, unleveraged pass-through vehicles to an underlying security denominated in a local currency, used for the purposes of efficiently managing access to the market and interest rate risk. For instance, the Fund may invest in credit-linked securities as a cash management tool in order to gain exposure to a certain market and/or to remain fully invested when more traditional income producing securities are not available. Like an investment in a bond, investments in credit-linked securities represent the right to receive

Notes to Financial Statements (continued)

October 31, 2013

periodic income payments (in the form of distributions) and payment of principal at the end of the term of the security. However, these payments are conditioned on the issuer's receipt of payments from, and the issuer's potential obligations to, the counterparties to the derivative instruments and other securities in which the issuer invests. For instance, the issuer may sell one or more credit default swaps, under which the issuer would receive a stream of payments over the term of the swap agreements provided that no event of default has occurred with respect to the referenced debt obligation upon which the swap is based. If a default occurs, the stream of payments may stop and the issuer would be obligated to pay the counterparty the par value (or other agreed upon value) of the referenced debt obligation. This, in turn, would reduce the amount of income and principal that the Fund would receive. The Fund's investments in these instruments are indirectly subject to the risks associated with derivative instruments, including, among others, credit risk, default or similar event risk, counterparty risk, interest rate risk, leverage risk and management risk. It is also expected that the securities will be exempt from registration under the 1933 Act. Accordingly, there may be no established trading market for the securities and they may constitute illiquid investments.

(g) Security Transactions, Investment Income and Expenses:

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

(h) Distributions:

The Fund has a managed distribution policy to pay distributions from net investment income supplemented by net realized foreign exchange gains, net realized short-term capital gains and return of capital distributions, if necessary, on a monthly basis. The managed distribution policy is subject to regular review by the Board. The Fund will also declare and pay distributions at least annually from net realized gains on investment transactions and net realized foreign exchange gains, if any. Dividends and distributions to shareholders are recorded on the ex-dividend date.

Dividends and distributions to shareholders are determined in accordance with federal income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments for foreign currencies, loss deferrals and recognition of market discount and premium.

Distributions to Series A Mandatory Redeemable Preferred Shares (the "Series A MRPS") shareholders are accrued daily and paid quarterly based on an annual rate of 4.125%. The Fund may not pay distributions to its preferred shareholders unless (i) the pro forma asset coverage ratios for the Series A MRPS, as calculated in accordance with the Fitch Ratings total and net overcollateralization tests per the 'AA' rating guidelines outlined in Fitch Rating's closed-end fund criteria, is in excess of 100%, and (ii) the Fund's asset coverage ratios for the Series A MRPS, as calculated in accordance with the 1940 Act, is in excess of 225%. The character of distributions to Series A MRPS shareholders made during the year may differ from their ultimate characterization for federal income tax purposes. For tax purposes, the Fund's distributions to Series A MRPS shareholders for the year ended October 31, 2013 were 100% net investment income. For book purposes, the source of the Fund's distributions to Series A MRPS shareholders for the year ended October 31, 2013 was 100% net investment income.

(i) Federal Income Taxes:

For federal income and excise tax purposes, substantially all of the Fund's transactions are accounted for using the Australian Dollar as the functional currency. Accordingly, realized currency gains/(losses) are realized from changes in the foreign exchange rates against the Australian Dollar or are a result from the repatriation of Australian Dollars into U.S. Dollars. This may differ substantially from the realized currency gains recognized under GAAP within the financial statements. Furthermore, the Fund's distribution requirements are calculated on a federal tax basis whereby currency gains/(losses) are considered income and distributed out as such.

The Fund intends to continue to qualify as a "regulated investment company" by complying with the provisions available to certain investment companies, as defined in Subchapter M of the Internal Revenue Code of 1986, as amended, and to make distributions of net investment income and net realized capital gains sufficient to relieve the Fund from all, or substantially all, federal income taxes. Therefore, no federal income tax provision is required. Since tax authorities can examine previously filed tax returns, the Fund's U.S. federal and state tax returns for each of the four fiscal years up to the most recent fiscal year ended October 31 are subject to such review.

(j) Cash Flow Information:

The Fund invests in securities and distributes dividends from net investment income and net realized gains on investment and currency transactions which are paid in cash or are reinvested at the discretion of shareholders. These activities are reported in the Statements of Changes in Net Assets and additional information on

Notes to Financial Statements (continued)

October 31, 2013

cash receipts and cash payments is presented in the Statement of Cash Flows. Cash includes domestic and foreign currency but does not include cash at brokers in segregated accounts for financial futures contracts because it is designated as collateral.

3. Agreements and Transactions with Affiliates

(a) Investment Manager, Investment Adviser, and Investment Sub-Adviser:

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

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

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

The Investment Manager pays fees to the Investment Adviser for its services rendered. The Investment Manager informed the Fund that it paid \$2,479,172 to the Investment Adviser, with respect to the Fund,

during the fiscal year ended October 31, 2013. As compensation for its services under the Sub-Advisory Agreement, the Sub-Adviser receives an annual fee paid by the Investment Manager in the amount of \$100,000, to be paid in monthly increments.

(b) Fund Administration:

Aberdeen Asset Management Inc. ("AAMI"), an affiliate of the Investment Manager, Investment Adviser and Sub-Adviser, is the Fund's Administrator, pursuant to an agreement under which AAMI receives a fee, payable monthly by the Fund, at an annual fee rate of 0.125% of the Fund's average weekly Managed Assets up to \$1 billion, 0.10% of the Fund's average weekly Managed Assets between \$1 billion and \$2 billion, and 0.075% of the Fund's average weekly Managed Assets in excess of \$2 billion. For the year ended October 31, 2013, AAMI earned \$2,665,057 from the Fund for administration fees.

(c) Investor Relations:

Under the terms of an Investor Relations Services Agreement, AAMI serves as the Fund's investor relations services provider.

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

For the year ended October 31, 2013, the Fund paid fees of approximately \$521,398 for investor relations services. Investor relations fees and expenses in the Statement of Operations include certain out-of-pocket expenses.

4. Investment Transactions

Purchases and sales of investment securities (excluding short-term securities) for the fiscal year ended October 31, 2013, were \$1,045,573,858 and \$1,034,160,677, respectively.

5. Capital

The authorized capital of the Fund is 400 million shares of \$0.01 par value common stock. As of October 31, 2013, there were 267,407,928 shares of common stock issued and outstanding.

Notes to Financial Statements (continued)

October 31, 2013

The Fund has filed a "shelf" registration statement with the SEC, which became effective on August 17, 2012 and permits the Fund to issue up to \$375,000,000 in shares of common stock through one or more public offerings including at-the-market offerings ("ATM offerings"). Shares are only offered through ATM offerings when the premium to net asset value is greater than the costs associated with the transaction. Any proceeds raised are used for investment purposes. The Fund has entered into a sales agreement with JonesTrading Institutional Services LLC ("JonesTrading") pursuant to which the Fund may offer and sell up to 25,000,000 of its shares of its common stock through one of more ATM offerings from time to time through JonesTrading as its agent for the offer and sale of the shares. Through the year ended October 31, 2013, there were 4,790,583 shares sold through ATM offerings made pursuant to the sales agreement. Offering costs were previously capitalized as a prepaid expense. When shares of common stock are sold, a portion of the cost attributable to those shares will be charged to paid-in capital. For the year ended October 31, 2013, these costs were \$59,829. These costs are noted on the Statements of Changes in Net Assets.

6. Open Market Repurchase Program

On March 1, 2001, the Board approved a stock repurchase program. The Board amended the program on December 12, 2007. The stock repurchase program allows the Fund to repurchase up to 10% of its outstanding common stock in the open market during any 12-month period, if and when the discount to NAV is at least 8%. For the fiscal year ended October 31, 2013 and fiscal year ended October 31, 2012, the Fund did not repurchase any shares through this program.

7. Preferred Shares

At October 31, 2013 the Fund has 2,000,000 shares of Series A Mandatory Redeemable Preferred Stock outstanding with an aggregate liquidation preference of \$50,000,000 (\$25.00 per share) (the "Series A MRPS") The following table shows the mandatory redemption date, annual fixed rate, aggregate liquidation preference and estimated fair value of the Series A MRPS at October 31, 2013.

Mandatory Redemption Date	Annual Fixed Rate	Aggregate Liquidation Preference	Estimated Fair Value
June 27, 2023	4.125%	\$50,000,000	\$48,212,761

Holders of the Series A MRPS are entitled to receive quarterly cumulative cash dividend payments on the first business day following each calendar quarter at an annual fixed rate of 4.125% until maturity. The Series A MRPS were issued in private placement offerings to institutional investors and are not listed on any

exchange or automated quotation system. Distributions are accrued daily and paid quarterly and are presented in the Statement of Assets and Liabilities as a dividend payable to preferred shareholders. As of October 31, 2013 the Fund incurred \$721,875 in distributions to preferred shareholders.

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

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

The Series A MRPS are redeemable in certain circumstances at the option of the Fund. The Series A MRPS are also subject to mandatory redemption, unless otherwise prohibited by the 1940 Act, if the Fund fails to maintain (1) asset coverage, as determined in accordance with Section 18(h) of the 1940 Act, of at least 225%, with respect to all outstanding preferred stock, as of the last day of any month or (2) eligible assets with an aggregate agency discounted value at least equal to the basic maintenance amount as provided in the Fund's rating agency guidelines. At October 31, 2013, the Fund was in compliance with the asset coverage and basic maintenance requirements of the Series A MRPS.

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

8. Senior Secured Notes

At October 31, 2013, the Fund had \$200,000,000 in aggregate principal amount of senior secured notes rated 'AAA' by Fitch Ratings outstanding (\$100,000,000 in 3.05% Series A Senior Secured Notes due June 12, 2020 and \$100,000,000 in 3.69% Series B Senior Secured Notes due June 12, 2023) (collectively, the "Notes"). The Notes are secured obligations of the Fund and, upon liquidation, dissolution or winding up of the Fund, will rank senior to all unsecured and unsubordinated Indebtedness and senior to any common or preferred stock pari passu in priority and security with all

Notes to Financial Statements (continued)

October 31, 2013

other secured indebtedness. Noteholders are entitled to receive cash interest payments semi-annually until maturity. The Series A Notes and the Series B Notes accrue interest at annual fixed rates of 3.05% and 3.69% respectively.

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

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

The estimated fair value of each series of fixed-rate Notes was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus the spread between the U.S. insurance and financial debt rate and the U.S. Treasury rate. The following table shows the maturity date, interest rate, notional/carrying amount and estimated fair value for each series of Notes outstanding at October 31, 2013.

Series	Maturity Date	Interest Rate	Notional/ Carrying Amount	Estimated Fair Value
Series A	June 12, 2020	3.05%	\$100,000,000	\$98,046,053
Series B	June 12, 2023	3.69%	\$100,000,000	\$96,877,726

9. Credit Facilities

On April 10, 2013, the Fund entered into a credit agreement (the "Revolving Loan Agreement") providing for a \$600,000,000 senior secured revolving credit loan facility (the "Revolving Loan Facility") with a syndicate led by Bank of America Merrill Lynch, N.A., as administrative agent. On June 12, 2013 the Fund entered into a term loan agreement (the "Term Loan Agreement") providing for \$200,000,000 of senior secured term loans (the "Term Loan Facility") from Bank of America, N.A. The borrowings under the Term Loan Facility were made in a single draw. Net proceeds from the Notes, the Term Loan Facility, and the Series A MRPS were used to prepay \$450,000,000 of the Revolving Loan Facility. At October 31, 2013, the Fund had \$150,000,000 outstanding under the Revolving Loan Facility and \$200,000,000 outstanding under the Term Loan Facility. Under the terms of the Revolving Loan Agreement and the Term Loan Agreement and applicable regulations, the Fund is required to maintain certain asset coverage ratios for the amount of its outstanding borrowings.

For the fiscal year ended October 31, 2013, the average interest rate on the Revolving Loan Facility was 1.072% and the average balance of the Revolving Loan Facility was \$427,123,288. Pursuant to the Term Loan Agreement, there is a \$100,000,000 term loan facility which accrues interest at 2.80% per annum (the "Term A Facility") and a \$100,000,000 term loan facility which accrues interest at 2.16% per annum (the "Term B Facility"; the Term A Facility and the Term B Facility constitute the "Term Loan Facility" as defined previously). For the fiscal year ended October 31, 2013, the average interest rate on the Term Loan Facility was 2.48% and the average balance of the Term Loan Facility was \$200,000,000. The interest expense is accrued on a daily basis and is payable on a monthly basis or on the last date of the respective LIBOR period, as applicable, for the Revolving Loan Facility, and payable on the last business day of each March, June, September, December and the maturity date for the Term Loan Facility.

The estimated fair value of each Term Loan Facility was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus the spread between the U.S. insurance and financial debt rate and the U.S. Treasury rate. The following table shows the maturity date, interest rate, notional/carrying amount and estimated fair value for each Term Loan Facility outstanding at October 31, 2013.

Series	Maturity Date	Interest Rate	Notional/ Carrying Amount	Estimated Fair Value
Term A Facility	June 12, 2018	2.80%	\$100,000,000	\$100,413,992
Term B Facility	June 12, 2016	2.16%	\$100,000,000	\$100,507,368

The Revolving Loan Facility has a term of 364 days and is not a perpetual form of leverage; there can be no assurance that the Revolving Loan Facility will be available for renewal on acceptable terms, if at all. The Term A Facility and the Term B Facility have 5- and 3-year terms, respectively. Bank loan fees and expenses included in the Statement of Operations include fees for the renewal of the Revolving Loan Facility as well as commitment fees for any portion of the loan facility not drawn upon at any time during the period.

10. Risks of Leveraged Capital Structure

The amounts borrowed under the Revolving Loan Facility, the Term Loan Facility and the Notes and other funds obtained through various forms of leverage, including the Series A MRPS, may be invested to return higher rates than the rates pursuant to which interests or dividends are paid under such forms of leverage.

Notes to Financial Statements (continued)

October 31, 2013

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'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 Loan 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 Loan 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 Noteholders have the right to cause a liquidation of the collateral (i.e., sell portfolio securities and other assets of the Fund).

Each of the Revolving Loan Agreement, the Term Loan Agreement, the Note Purchase Agreement relating to the Notes, or the Securities Purchase Agreement relating to the Series A MRPS, includes usual and customary covenants for the applicable type of transaction. These covenants impose on the Fund asset coverage requirements, Fund composition requirements and limits on certain investments, such as illiquid investments, which are more stringent than those imposed on the Fund by the 1940 Act. The covenants or guidelines could impede the Investment Manager, Investment Adviser, or Sub-Adviser from fully managing the Fund's portfolio in accordance with the Fund's investment objective and policies. Furthermore, non-compliance with such covenants or the occurrence of other events could lead to the cancellation of any and/or all of the forms of leverage. As of October 31, 2013, the Fund was in compliance with all covenants under the agreements relating to the various forms of leverage.

During the year ended October 31, 2013, the Fund incurred fees of approximately \$867,684 for the Revolving Loan Facility, Term Loan Facility and Notes.

11. Portfolio Investment Risks

(a) Credit and Market Risk:

A debt instrument's price depends, in part, on the credit quality of the issuer, borrower, counterparty, or underlying collateral and can decline in response to changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral, or changes in specific or general market, economic, industry, political, regulatory, geopolitical, or other conditions. Funds that invest in high yield and emerging market instruments are subject to certain additional credit and market risks. The yields of high yield and emerging market debt obligations reflect, among other things, perceived credit risk. The Fund's investments in securities rated below investment grade typically involve risks not associated with higher rated securities including, among others, greater risk of not receiving timely and/or ultimate payment of interest and principal, greater market price volatility, and less liquid secondary market trading.

(b) Interest Rate Risk:

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

(c) Risks Associated with Foreign Securities and Currencies:

Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of U.S. issuers. These risks include future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, and political or social instability or diplomatic developments, which could adversely affect investments in those countries.

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

Notes to Financial Statements (continued)

October 31, 2013

(d) Focus Risk:

The Fund may have elements of risk not typically associated with investments in the United States due to focused investments in a limited number of countries or regions subject to foreign securities or currencies risks. Such focused investments may subject the Fund to additional risks resulting from political or economic conditions in such countries or regions and the possible imposition of adverse governmental laws or currency exchange restrictions could cause the securities and their markets to be less liquid and their prices to be more volatile than those of comparable U.S. securities.

(e) Risks Associated with European Markets:

A number of countries in Europe have experienced and may continue to experience severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within and outside of Europe. Whether or not the Fund invests in securities of issuers located in Europe or with significant exposure to European issuers or countries,

these events could negatively affect the value and liquidity of the Fund's investments.

(f) Risks Associated with Mortgage-backed Securities:

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

12. Contingencies

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

13. Tax Information

The U.S. federal income tax basis of the Fund's investments and the net unrealized appreciation as of October 31, 2013 were as follows:

Tax Basis of Investments	Appreciation	Depreciation	Net Unrealized Depreciation
\$2,393,886,442	\$51,430,134	\$(37,197,675)	\$14,232,459

The tax character of distributions paid during the fiscal years ended October 31, 2013 and October 31, 2012 was as follows:

	October 31, 2013	October 31, 2012
Distributions paid from:		
Ordinary Income	\$ 111,875,139	\$ 109,721,108
Net long-term capital gains	–	–
Total tax character of distributions	\$111,875,139	\$109,721,108

As of October 31, 2013, the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income – net	\$	–
Undistributed long-term capital gains – net		–
Total undistributed earnings	\$	–
Capital loss carryforward		(121,122,131)*
Other currency gains		364,306,880
Other Temporary Differences		(18,103,995)
Unrealized appreciation/(depreciation) – securities		14,232,459**
Unrealized appreciation/(depreciation) – currency		(72,137,782)**
Total accumulated earnings/(losses) – net		\$167,175,431

* On October 31, 2013, the Fund had a net capital loss carryforward of \$(121,122,131) which will be available to offset like amounts of any future taxable gains. Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward

Notes to Financial Statements (concluded)

October 31, 2013

capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short term as under previous law. Capital loss carryforwards expire as follows:

Amounts	Expires
\$3,585,797	2015 (Short-Term)
\$38,887,790	2016 (Short-Term)
\$17,991,164	2017 (Short-Term)
\$60,657,380	2019 (Short-Term)

** The difference between book-basis and tax-basis unrealized appreciation/(depreciation) is attributable to the difference between book and tax amortization methods for premiums and discounts on fixed income securities, differing treatments for foreign currencies, the tax deferral of wash sales and straddles, the realization of unrealized gains on certain futures and forward contracts, and other timing differences.

GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, during the current year, \$15,244,674 has been reclassified to distributions in excess of net investment income from accumulated net realized gain from investments, interest rate swaps and futures contracts, \$1,212,529 has been reclassified from distributions in excess of net investment income to accumulated net realized foreign exchange gains, \$10,223,970 from accumulated net realized foreign exchange gains to accumulated net realized gain on investments and \$14,073,220 paid-in capital to distributions in excess of net investment income. These reclassifications have no effect on net assets or net asset values per share.

Accumulated net realized foreign exchange gains/losses will be recognized for Federal income tax purposes upon repatriation of Australian Dollars to U.S. Dollars.

14. Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU"), *Disclosures about Offsetting Assets and Liabilities*. The amendments in this update require an entity to disclose both gross and net information for derivatives and other financial instruments that are

either offset in the statement of assets and liabilities or subject to an enforceable master netting arrangement or similar agreement. The ASU is effective for annual reporting periods beginning on or after January 1, 2013 (and interim periods within those annual periods). Reporting entities will be required to provide both net amounts (those that are offset) and gross information (as if amounts are not offset) in the notes to the financial statements for relevant assets and liabilities. Management is currently evaluating the implications of this ASU and its impact on the financial statements has not been determined.

15. Subsequent Events

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the Financial Statements were issued. Based on this evaluation, no disclosures or adjustments were required to the Financial Statements as of October 31, 2013.

On November 12, 2013 and December 10, 2013, the Fund announced that it will pay, on December 13, 2013 and January 17, 2014, a distribution of \$0.035 per share to all shareholders of record as of November 29, 2013 and December 31, 2013, respectively.

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders of
Aberdeen Asia-Pacific Income Fund, Inc.

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of the Aberdeen Asia-Pacific Income Fund, Inc. (the "Fund"), as of October 31, 2013, and the related statement of operations and cash flows for the year then ended, and the statement of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included

confirmation of securities owned as of October 31, 2013, by correspondence with the custodian and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights of the Aberdeen Asia-Pacific Income Fund, Inc. present fairly, in all material respects, the financial position of the Fund as of October 31, 2013, and the results of its operations and cash flows for the year then ended, and its changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Philadelphia, Pennsylvania
December 23, 2013

Federal Tax Information: Dividends and Distributions (unaudited)

The following information is provided with respect to the distributions paid by the Aberdeen Asia-Pacific Income Fund, Inc. during the fiscal year ended October 31, 2013:

Common Shareholders

Payable Date	Foreign Taxes Paid†*	Foreign Source Income**
11/16/12 - 10/18/13	1.501%	50.80%

† Expressed as a percentage of the distributions paid.

* The foreign taxes paid represent taxes incurred by the Fund on interest received from foreign sources. Foreign taxes paid may be included in taxable income with an offsetting deduction from gross income or may be taken as a credit for taxes paid to foreign governments. You should consult your tax advisor regarding the appropriate treatment of foreign taxes paid.

** Expressed as a percentage of ordinary distributions paid grossed-up for foreign taxes paid.

Supplemental Information (unaudited)

October 31, 2013

BOARD OF DIRECTORS' CONSIDERATION OF ADVISORY AND SUB-ADVISORY AGREEMENTS

At an in-person meeting of the Board of Directors (the "Board") of Aberdeen Asia-Pacific Fund, Inc. ("FAX" or the "Fund") held on September 3, 2013, the Board, including a majority of the Directors who are not considered to be "interested persons" of the Fund (the "Independent Directors") under the Investment Company Act of 1940, as amended (the "1940 Act"), approved for an annual period the continuation of the Fund's management agreement with Aberdeen Asset Management Asia Limited (the "Investment Manager"), the investment advisory agreement among the Fund, the Investment Manager and Aberdeen Asset Management Limited (the "Investment Adviser"), and the investment sub-advisory agreement among the Fund, the Investment Manager and Aberdeen Asset Managers Limited (the "Sub-Adviser"). Collectively, the Investment Manager, the Investment Adviser and the Sub-Adviser are referred to herein as the "Advisers" and the aforementioned agreements with the Advisers are referred to as the "Advisory Agreements." The Investment Adviser and the Sub-Adviser are affiliates of the Investment Manager.

In considering whether to approve the renewal of the Fund's Advisory Agreements, the Board reviews a variety of information provided by the Advisers relating to FAX, the Advisory Agreements and the Advisers, including comparative performance, fee and expense information and other information regarding the nature, extent and quality of services provided by the Advisers under their respective Advisory Agreements. The materials provided to the Board generally include, among other items: (i) information on the investment performance of the Fund and the performance of peer

groups of funds and the Fund's performance benchmarks; (ii) information on the Fund's advisory fees and other expenses, including information comparing the Fund's expenses to those of a peer group of funds and information about any applicable expense limitations and fee "breakpoints"; (iii) information about the profitability of the Advisory Agreements to the Advisers; (iv) a report prepared by the Advisers in response to a request submitted by the Independent Directors' independent legal counsel on behalf of such Directors; and (v) a memorandum from the Independent Directors' independent legal counsel on the responsibilities of the Board in considering for approval the investment advisory and investment sub-advisory arrangements under the 1940 Act and Maryland law. The Board, including the Fund's Independent Directors, also considered other matters such as: (i) the Advisers' financial results and financial condition; (ii) the Fund's investment objective and strategies; (iii) the Advisers' investment personnel and operations; (iv) the procedures employed to determine the value of the Fund's assets; (v) the allocation of the Fund's brokerage, if any, including, if applicable, allocations to brokers affiliated with the Advisers and the use, if any, of "soft" commission dollars to pay Fund expenses and to pay for research and other similar services; (vi) the resources devoted to, and the record of compliance with, the Fund's investment policies and restrictions, policies on personal securities transactions and other compliance policies; and (vii) possible conflicts of interest. Throughout the process, the Board was afforded the opportunity to ask questions of and request additional materials from the Advisers.

In addition to the materials requested by the Directors in connection with their annual consideration of the continuation of the Advisory Agreements, the Directors received materials in advance of each

Supplemental Information (unaudited) (continued)

regular quarterly meeting of the Board that provided information relating to the services provided by the Advisers.

The Independent Directors were advised by separate independent legal counsel throughout the process. The Independent Directors also consulted in executive sessions with counsel to the Independent Directors regarding consideration of the renewal of the Advisory Agreements. The Directors also considered the recommendation of the Board's Contract Review Committee, consisting solely of the Board's Independent Directors, that the Advisory Agreements be renewed. In considering whether to approve the continuation of the Advisory Agreements, the Board, including the Independent Directors, did not identify any single factor as determinative. Individual Directors may have evaluated the information presented differently from one another, giving different weights to various factors. Matters considered by the Board, including the Independent Directors, in connection with its approval of the continuation of the Advisory Agreements included the factors listed below.

The nature, extent and quality of the services provided to the Fund under the Advisory Agreements. The Directors considered the nature, extent and quality of the services provided by the Advisers to the Fund and the resources dedicated to the applicable Fund by the Advisers. The Board considered, among other things, the Advisers' investment experience. The Board received information regarding the Advisers' compliance with applicable laws and SEC and other regulatory inquiries or audits of the Fund and the Advisers. The Board also considered the background and experience of the Advisers' senior management personnel and the qualifications, background and responsibilities of the portfolio managers primarily responsible for the day-to-day portfolio management services for the Fund. The Board also considered the allocation of responsibilities among the Advisers. The Board also considered that they receive information on a regular basis from the Fund's Chief Compliance Officer regarding the Advisers' compliance policies and procedures. The Board also considered the Advisers' risk management processes. The Board considered the Advisers' brokerage policies and practices. Management reported to the Board on, among other things, its business plans and organizational changes. The Board also took into account their knowledge of management and the quality of the performance of management's duties through Board meetings, discussion and reports during the preceding year.

After reviewing these and related factors, the Board concluded that they were satisfied with the nature, extent and quality of the services provided and supported the renewal of the applicable Advisory Agreements.

Investment performance of the Fund and the Advisers. The Board received and reviewed with management, among other performance

data, information compiled by Strategic Insight Mutual Fund Research and Consulting, LLC ("SI"), an independent third-party provider of investment company data as to the Fund's total return, as compared to the funds in the Fund's Morningstar category (the "Morningstar Group"). The Board also received performance information from management that compared the Fund's return to comparable non-U.S. investment companies in its Lipper category.

The Board received and considered information for each of the last five fiscal years regarding the Fund's total return on a gross and net basis and relative to the Fund's benchmark, the Fund's share performance and premium/discount information and the impact of foreign currency movements on the Fund's performance. The Board also received and reviewed information as to the Fund's total return for each of the last five fiscal years as compared with the total returns of its respective Morningstar Group average, and other comparable Aberdeen-managed funds and segregated accounts. The Board considered management's discussion of the factors contributing to differences in performance, including differences in the investment strategies of each of these other funds and accounts. The Board also reviewed information as to the Fund's discount/premium ranking relative to its Morningstar Group. The Board took into account management's discussion of the Fund's performance.

Specifically, the Board received and reviewed, among other performance data, information compiled by SI as to the Fund's total return, as compared to the funds in the Fund's Morningstar Group. The SI report indicated that the Fund's annualized net total return was below the median for the one- and three- year periods ended April 30, 2013, was at the median for the five- year period ended April 30, 2013 and was above the median for the ten-year period ended April 30, 2013. The Board also received performance information from management that compared the Fund's return to comparable non-U.S. investment companies in its Lipper category.

The Board received and considered information for each of the last five fiscal years regarding the Fund's total return on a gross and net basis and relative to the Fund's benchmark, the Fund's share performance and premium/discount information and the impact of foreign currency movements on the Fund's performance. The Board also received and reviewed information as to the Fund's total return for the last ten fiscal years as compared with the total returns of the Morningstar Group, and for the last five fiscal years as compared with other Aberdeen-managed clients with sufficiently similar investment portfolios to those of the Fund. The Board considered management's discussion of the factors contributing to differences in performance, including differences in the investment strategies of each of these other funds and the account. The Board also reviewed information as to the Fund's discount/premium ranking relative to the Morningstar Group. The Board also noted the Fund's annualized

Supplemental Information (unaudited) (concluded)

net total returns for various periods compared to its composite benchmark, and took into account management's discussion of the Fund's performance. The Board concluded that overall performance results were satisfactory and supported continuance of the Advisory Agreements.

Fees and expenses. The Board reviewed with management the effective annual management fee rate paid by the Fund to the Investment Manager for investment management services. Additionally, the Board received and considered information compiled at the request of the Fund by SI, comparing the Fund's effective annual management fee rate with the fees paid by a peer group consisting of other comparable closed-end funds (each such group, a "Peer Group"). The Board also took into account the management fee structure, including that management fees for the Fund were based on the Fund's total managed assets, whether attributable to common stock or borrowings, if any. The Board also considered that the compensation paid to the Investment Adviser and Sub-Adviser is paid by the Investment Manager, and, accordingly that the retention of the Investment Adviser and Sub-Adviser does not increase the fees or expenses otherwise incurred by the Fund's shareholders. The Board also considered information about the Investment Adviser's and Investment Sub-Adviser's fees, including the amount of the management fees retained by the Investment Manager after payment of the advisory and sub-advisory fees. The Board also received information from management regarding the fees charged by the Advisers to other U.S. and non-U.S. clients investing primarily in an asset class similar to that of the Fund. The Board considered the fee comparisons in light of the differences in resources and costs required to manage the different types of accounts.

The Board also took into account management's discussion of the Fund's expenses, including the factors that impacted the Fund's expenses.

Specifically, SI data indicated that: the Fund's effective management fee rate (computed based on average managed assets for the six months ended April 30, 2013, and which reflects both the advisory fee and the administration fee) was the lowest in its Peer Group, consisting of closed-end funds in the "World Bond" Morningstar category as compiled by SI; the Fund's annualized net total expense ratio based on average managed assets, which includes the Fund's assets attributable to its common stock plus borrowings for investment purposes, including leverage, for the six months ended April 30, 2013 was the lowest in its Peer Group; and the Fund's annualized net total expense ratio based on average net assets, excluding the principal amount of borrowings, for the six months ended April 30, 2013 was the lowest in its Peer Group. The Board also took into account the impact of leverage on Fund expenses,

information from management regarding profitability and ancillary benefits and the fees charged by the Advisers to other clients with sufficiently similar investment portfolios and investment management services to those of the Fund.

Economies of Scale. The Board took into account management's discussion of the Fund's management fee structure. The Board determined that the management fee structure was reasonable and reflects economies of scale being shared between the Fund and the Advisers. This determination was based on various factors, including that the Fund's management fee schedule provides breakpoints at higher asset levels and how the Fund's management fee compares relative to its Peer Group at higher asset levels.

After reviewing these and related factors, the Board concluded that the advisory fee, and as applicable, sub-advisory fee structures were reasonable, and supported the renewal of the Advisory Agreements.

The Directors also considered other factors, which included but were not limited to the following:

- the effect of any market and economic volatility on the performance, asset levels and expense ratios of the Fund.
- whether the Fund has operated in accordance with its investment objectives and the Fund's record of compliance with its investment restrictions, and the compliance programs of the Advisers. The Directors also considered the compliance-related resources the Advisers and their affiliates were providing to the Fund.
- so-called "fallout benefits" to the Advisers and their affiliates, such as reputational and other indirect benefits. The Directors considered any possible conflicts of interest associated with these fallout and other benefits, and the reporting, disclosure and other processes in place to disclose and monitor such possible conflicts of interest.

* * *

Based on their evaluation of all factors that they deemed to be material, including those factors described above, and assisted by the advice of independent counsel, the Directors, including the Independent Directors, concluded that renewal of the Advisory Agreements would be in the best interest of each of the Fund and its shareholders. Accordingly, the Board, including the Board's Independent Directors voting separately, approved the Fund's Advisory Agreements for an additional one-year period.

Management of the Fund (unaudited)

The names of the Directors and Officers of the Fund, their addresses, years of birth, and principal occupations during the past five years are provided in the tables below. Directors that are deemed “interested persons” (as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended) of the Fund, the Investment Manager or Investment Adviser are included in the table below under the heading “Interested Directors.” Directors who are not interested persons, as described above, are referred to in the table below under the heading “Independent Directors.”

As of October 31, 2013

Name, Address and Year of Birth	Position(s) Held With the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex* Overseen by Director	Other Directorships Held by Director
Interested Director					
Martin J. Gilbert** Aberdeen Asset Management PLC 10 Queen’s Terrace Aberdeen, Scotland AB10 1YG Year of Birth: 1955	Class III Director; Vice President	Term as Director expires 2015; Director since 2001	Mr. Gilbert is a founding director and shareholder, and Chief Executive of Aberdeen Asset Management PLC, the holding company of the management group that was established in 1983. He was President of the Fund, of Aberdeen Global Income Fund, Inc. and Aberdeen Australia Equity Fund, Inc. from February 2004 to March 2008. He was Chairman of the Board of the Fund and of Aberdeen Global Income Fund, Inc. from 2001 to September 2005. He has been a Director of Aberdeen Asset Management Asia Limited, the Fund’s Investment Manager, since 1991, a Director of Aberdeen Asset Management Limited, the Fund’s Investment Adviser, since 2000, and a Director of Aberdeen Asset Managers (C.I.) Limited, the Fund’s former investment manager, from 2000 to 2005. He has been a Director since 1995, and has been President since September 2006 of Aberdeen Asset Management Inc., the Fund’s Administrator.	29	None
Independent Directors					
P. Gerald Malone 48 Barmouth Road London SW18 2DP United Kingdom Year of Birth: 1950	Chairman of the Board; Class II Director	Term expires 2014; Director since 2001	Mr. Malone is, by profession, a solicitor of some 38 years standing. He has served as a Minister of State in the United Kingdom Government. Mr. Malone currently serves as Independent Chairman of one London AIM-listed company (healthcare software) in addition to a privately owned pharmaceutical company. He is Chairman of the Board of Trustees of Aberdeen Funds and Chairman of the Board of Directors of Aberdeen Global Income Fund, Inc.	28	None
Neville J. Miles 142 Martins Lane Knockrow NSW 2479 Australia Year of Birth: 1946	Class I Director	Term expires 2016; Director since 1996	Mr. Miles is, and has been for a period in excess of ten years, Chairman of Ballyshaw Pty. Ltd. (share trading, real estate development and investment). He is Chairman of the Board of Aberdeen Australia Equity Fund, Inc. He also is a non-executive director of a number of Australian companies.	28	None
William J. Potter c/o Aberdeen Asset Management Asia Limited 21 Church Street #01-01 Capital Square Two Singapore 049480 Year of Birth: 1948	Preferred Share Director	Term expires 2015; Director since 1986	Mr. Potter has been Chairman of Meredith Financial Group (investment management) since 2004, a Director of Alexandria Bancorp (international banking and trustee services) since 1989, and a Director of National Foreign Trade Council (international trade) since 1983.	3	None

Management of the Fund (unaudited) (continued)

Name, Address and Year of Birth	Position(s) Held With the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex* Overseen by Director	Other Directorships Held by Director
Peter D. Sacks c/o Aberdeen Asset Management Inc., 1735 Market Street, 32 nd Floor Philadelphia, PA 19103 Year of Birth: 1945	Preferred Share Director	Term expires 2014; Director since 1993	Mr. Sacks has been Founding Partner of Toron Capital Markets, Inc. (investment management) since 1988. He is also a Director and Investment Advisory Committee member of several private and public sector funds in Canada.	28	None
John T. Sheehy B.V. Murray and Company 666 Goodwin Avenue Suite 300 Midland Park, NJ 07432 Year of Birth: 1942	Class I Director	Term expires 2016; Director since 1986	Mr. Sheehy has been a Senior Managing Director of B.V. Murray and Company (investment banking) since 2001 and Director of Macquarie AIR-serv Holding, Inc. (automotive services) from 2006 to June 2013. He was a Managing Member of Pristina Capital Partners, LLC (water purification technology development) from 2007 to 2011, a Director of Smarte Carte, Inc. (airport services) from 2007 until 2010, and Managing Member of The Value Group LLC (venture capital) from 1997 to 2009.	28	None

* Aberdeen Australia Equity Fund, Inc., Aberdeen Global Income Fund, Inc., Aberdeen Chile Fund, Inc., Aberdeen Israel Fund, Inc., Aberdeen Indonesia Fund, Inc., Aberdeen Latin America Equity Fund, Inc., Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc., the Aberdeen Funds, Aberdeen Singapore Fund, Inc., The Asia-Tigers Fund, Inc., The India Fund, Inc., and Aberdeen Greater China Fund, Inc. have the same Investment Manager and Investment Adviser as the Fund, or an investment adviser that is affiliated with the Investment Manager and Investment Adviser and may thus be deemed to be part of the same "Fund Complex" as the Fund.

** Mr. Gilbert is deemed to be an interested person because of his affiliation with the Fund's Investment Manager. Mr. Gilbert serves as a Director of several Funds in the Fund Complex.

- Further information about the Fund's Directors is available in the Fund's Statement of Additional Information, which can be obtained without charge by calling 1-800-522-5465.

Management of the Fund (unaudited) (continued)

Information Regarding Officers who are not Directors

Name, Address and Year of Birth	Position(s) Held With the Fund	Term of Office* and Length of Time Served	Principal Occupation(s) During Past Five Years
<p>Jeffrey Cotton** Aberdeen Asset Management Inc. 1735 Market St. 32nd Floor Philadelphia, PA 19103</p> <p>Year of Birth: 1977</p>	Chief Compliance Officer; and Vice President, Compliance	Since 2011	Currently, Vice President and Head of Compliance – Americas for Aberdeen Asset Management Inc. Mr. Cotton joined Aberdeen in 2010. Prior to joining Aberdeen, Mr. Cotton was a Senior Compliance Officer at Old Mutual Asset Management (2009-2010) supporting its affiliated investment advisers and mutual fund platform. Mr. Cotton was also a VP, Senior Compliance Manager at Bank of America/Columbia Management (2006-2009).
<p>Sharon Ferrari** Aberdeen Asset Management Inc. 1735 Market St. 32nd Floor Philadelphia, PA 19103</p> <p>Year of Birth: 1977</p>	Assistant Treasurer	Since 2009	Currently, Senior Fund Administration Manager for Aberdeen Asset Management Inc. Ms. Ferrari joined Aberdeen Asset Management Inc. as a Senior Fund Administrator in 2008. Prior to joining Aberdeen Asset Management Inc., Ms. Ferrari was an Accounting Analyst at Delaware Investments.
<p>Alan Goodson** Aberdeen Asset Management Inc. 1735 Market St. 32nd Floor Philadelphia, PA 19103</p> <p>Year of Birth: 1974</p>	Vice President	Since 2009	Currently, Head of Product – US, overseeing both Product Management and Product Development for Aberdeen's registered and unregistered investment companies in the US and Canada. Mr Goodson is Vice President of Aberdeen Asset Management Inc. and joined Aberdeen in 2000.
<p>Matthew Keener** Aberdeen Asset Management Inc. 1735 Market St. 32nd Floor Philadelphia, PA 19103</p> <p>Year of Birth: 1976</p>	Assistant Secretary	Since 2008	Currently, Senior Product Manager for Aberdeen Asset Management Inc. Mr. Keener joined Aberdeen Asset Management Inc. in 2006 as a Fund Administrator. Prior to joining Aberdeen Asset Management Inc., Mr. Keener was a Private Equity Supervisor with SEI Investments (2004-2006).
<p>Megan Kennedy** Aberdeen Asset Management Inc. 1735 Market St. 32nd Floor Philadelphia, PA 19103</p> <p>Year of Birth: 1974</p>	Vice President and Secretary	Since 2008	Currently, Head of Product Management for Aberdeen Asset Management Inc. Ms. Kennedy joined Aberdeen Asset Management Inc. in 2005 as a Senior Fund Administrator. Ms. Kennedy was promoted to Assistant Treasurer Collective Funds/North American Mutual Funds in February 2008 and promoted to Treasurer Collective Funds/North American Mutual Funds in July 2008.
<p>Adam McCabe** Aberdeen Asset Management Asia Limited 21 Church Street #01-01 Capital Square Two Singapore 049480</p> <p>Year of Birth: 1979</p>	Vice President	Since 2011	Currently, Senior Portfolio Manager/Deputy Head of Asian Fixed Income on the Aberdeen fixed income—Asia Pacific desk, responsible for currency and interest rate strategies in Aberdeen's Asian fixed income portfolios. Mr. McCabe joined Aberdeen in 2009 following the acquisition of certain asset management businesses from Credit Suisse. Mr. McCabe worked for Credit Suisse since 2001, where he was an investment manager responsible for the development and implementation of its Asian currency and interest rate strategies.
<p>Andrea Melia** Aberdeen Asset Management Inc. 1735 Market St. 32nd Floor Philadelphia, PA 19103</p> <p>Year of Birth: 1969</p>	Treasurer and Principal Accounting Officer	Since 2009	Currently, Head of Fund Administration- US and Vice President for Aberdeen Asset Management Inc. Ms. Melia joined Aberdeen Asset Management Inc. in September 2009. Prior to joining Aberdeen, Ms. Melia was Director of fund administration and accounting oversight for Princeton Administrators LLC, a division of BlackRock Inc. and had worked with Princeton Administrators since 1992.
<p>Anthony Michael** Aberdeen Asset Management Asia Limited 21 Church Street #01-01 Capital Square Two Singapore 049480</p> <p>Year of Birth: 1963</p>	Vice President	Since 2008	Currently, Head of Fixed Income – Asia-Pacific for Aberdeen Asset Management Asia Limited. Mr. Michael joined Aberdeen through the acquisition of Deutsche Asset Management's Australian Fixed Income business in June 2007. Previously, Mr. Michael was Director and Senior Portfolio Manager at Deutsche (2002-2007).

Management of the Fund (unaudited) (concluded)

Name, Address and Year of Birth	Position(s) Held With the Fund	Term of Office* and Length of Time Served	Principal Occupation(s) During Past Five Years
Jennifer Nichols** Aberdeen Asset Management Inc. 1735 Market St. 32 nd Floor Philadelphia, PA 19103 Year of Birth: 1978	Vice President	Since 2008	Currently, Global Head of Legal and Vice President and Director for Aberdeen Asset Management Inc. Ms. Nichols joined Aberdeen Asset Management Inc. in October 2006. Prior to that, Ms. Nichols was an associate attorney in the Financial Services Group of Pepper Hamilton LLP (law firm) (2003-2006).
Christian Pittard** Aberdeen Asset Managers Limited Bow Bells House, 1 Bread Street London United Kingdom Year of Birth: 1973	President	Since 2009	Currently, Group Head of Product Development, for Aberdeen Asset Management PLC. Previously, Director and Vice President (2006-2008), Chief Executive Officer (from October 2005 to September 2006) and employee (since June 2005) of Aberdeen Asset Management Inc.
Victor Rodriguez** Aberdeen Asset Management Asia Limited 21 Church Street #01-01 Capital Square Two Singapore 049480 Year of Birth: 1971	Vice President	Since 2009	Currently, Head of Fixed Income – Australia for Aberdeen Asset Management Limited. Mr. Rodriguez joined Aberdeen Asset Management Limited in 2009 following the acquisition of Credit Suisse Asset Management (Australia) Limited. Mr. Rodriguez was formerly a member of the fixed income team at Credit Suisse Asset Management since 1995.
Lucia Sitar** Aberdeen Asset Management Inc. 1735 Market St. 32 nd Floor Philadelphia, PA 19103 Year of Birth: 1971	Vice President	Since 2008	Currently, Managing U.S. Counsel for Aberdeen Asset Management Inc. Ms. Sitar joined Aberdeen Asset Management Inc. in July 2007. Prior to that, Ms. Sitar was an associate attorney in the Investment Management Group of Stradley Ronon Stevens & Young LLP (law firm) (2000-2007).

* Officers hold their positions with the Fund until a successor has been duly elected and qualifies. Officers are generally elected annually at the meeting of the Board of Directors next following the annual meeting of shareholders. The officers were last elected on March 6, 2013.

** Messrs. Cotton, Goodson, Keener, Pittard, McCabe, Michael, and Rodriguez and Meses. Ferrari, Kennedy, Melia, Nicholas and Sitar hold one or more officer positions with one or more of the following funds: Aberdeen Australia Equity Fund, Inc. and Aberdeen Global Income Fund, Inc., Aberdeen Funds, Aberdeen Indonesia Fund, Inc., Aberdeen Israel Fund, Inc., Aberdeen Latin America Equity Fund, Inc., Aberdeen Chile Fund, Inc., and Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc., Aberdeen Singapore Fund, Inc., The Asia-Tigers Fund, Inc., The India Fund, Inc., and Aberdeen Greater China Fund Inc. each of which may be deemed to be part of the same "Fund Complex" as the Fund.



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Corporate Information

Directors

P. Gerald Malone, Chairman
Martin J. Gilbert
Neville J. Miles
William J. Potter
Peter D. Sacks
John T. Sheehy

Officers

Christian Pittard, *President*
Jeffrey Cotton, *Chief Compliance Officer and Vice President, Compliance*
Megan Kennedy, *Vice President and Secretary*
Andrea Melia, *Treasurer and Principal Accounting Officer*
Martin J. Gilbert, *Vice President*
Alan Goodson, *Vice President*
Adam McCabe, *Vice President*
Anthony Michael, *Vice President*
Jennifer Nichols, *Vice President*
Victor Rodriguez, *Vice President*
Lucia Sitar, *Vice President*
Sharon Ferrari, *Assistant Treasurer*
Matthew Keener, *Assistant Secretary*

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Investment Sub-Adviser

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Aberdeen Asset Management Asia Limited

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

The common shares of Aberdeen Asia-Pacific Income Fund, Inc. are traded on the NYSE MKT Equities Exchange under the symbol "FAX". Information about the Fund's net asset value and market price is available at www.aberdeenfax.com.

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