

ABERDEEN ASIA-PACIFIC INCOME FUND INC
Form N-CSR
January 04, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number:	811-04611
Exact name of registrant as specified in charter:	Aberdeen Asia-Pacific Income Fund, Inc.
Address of principal executive offices:	1735 Market Street, 32 nd Floor Philadelphia, PA 19103
Name and address of agent for service:	Ms. Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street 32 nd Floor Philadelphia, PA 19103
Registrant's telephone number, including area code:	800-522-5465
Date of fiscal year end:	October 31
Date of reporting period:	October 31, 2012

Item 1 Reports to Stockholders

Managed Distribution Policy (unaudited)

The Board of Directors of the Fund has authorized a managed distribution policy (MDP) of paying monthly distributions at an annual rate of \$0.035 per share set once a year. 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 accounting rules, the amount 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 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 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, 2012, consisted of 100% net investment income.

In January 2013, 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 2012 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.

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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)

December 5, 2012

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, 2012. The Fund's principal investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

Total Return Performance

The Fund's total return, based on net asset value (NAV), was 9.8% for the year ended October 31, 2012 and 9.6% per annum since inception, assuming the reinvestment of dividends and distributions. The Fund's annual total return is based on the reported NAV on October 31, 2012.

Share Price and NAV

The Fund's share price increased by 14% over the year, from \$6.93 on October 31, 2011 to \$7.90 on October 31, 2012. The Fund's share price on October 31, 2012 represented a premium of 1.5% to the NAV per share of \$7.78 on that date, compared with a discount of 7.4% to the NAV per share of \$7.48 on October 31, 2011.

Portfolio Allocation

As of October 31, 2012, the Fund held 41.6% of its total investments in Australian debt securities, 54.2% in Asian debt securities, 2.2% in European debt securities, 1.9% in U.S. debt securities and 0.1% in Canadian debt securities.

Of the Fund's total investments, 36.0% were held in U.S. Dollar-denominated bonds issued by foreign issuers, bringing the Fund's U.S. Dollar exposure to 36.4%. The rest of the Fund's currency exposure was 43.9% in the Australian Dollar and 19.7% in various Asian currencies.

Credit Quality

As of October 31, 2012, 70.5% of the Fund's portfolio was 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, 2012 totaled \$0.42 per share. Based on the share price of \$7.90 on October 31, 2012, the distribution rate over the twelve-month period ended October 31, 2012 was 5.3%. Since all distributions are paid after deducting applicable withholding taxes, the effective distribution rate may be higher for those U.S. investors who are able to claim a tax credit.

On November 9, 2012 and December 11, 2012, the Fund announced that it will pay on December 14, 2012 and January 11, 2013, a distribution of US \$0.035 per share to all shareholders of record as of November 30, 2012 and December 31, 2012, 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, beginning with the July 13, 2012 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 2013.

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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, 2012 and fiscal year ended October 31, 2011, the Fund did not repurchase any shares.

Revolving Credit Facility and Leverage

The Fund has entered into a \$600,000,000 revolving credit loan facility with a syndicate led by The Bank of Nova Scotia, which was renewed for a 364-day term on April 11, 2012. The outstanding balance on the loan as of October 31, 2012 was \$600,000,000. Under the terms of the loan facility and applicable regulations, the Fund is required to maintain certain asset coverage ratios for the amount of its outstanding borrowings. The Board regularly reviews the use of leverage by the Fund. The Fund is also authorized to use reverse repurchase agreements as another form of leverage.

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

Aberdeen Asia-Pacific Income Fund, Inc.

Letter to Shareholders (unaudited) (concluded)

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 additional, timely information to investors, including Fund performance and investment strategy, we would like to highlight the monthly fact sheets including fund manager commentary, which are posted to the Fund's website at www.aberdeenfax.com. Also, there are daily updates of share price, NAV and details of distributions. If you have any questions in relation to this information or suggestions on how to improve it further, we would be delighted to hear from you.

Please contact Aberdeen Asset Management Inc. by:

Calling toll free at 1-800-522-5465 in the United States;

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.

For additional information on Aberdeen's family of closed-end funds, we invite you to visit our Closed-End Investor Center at www.aberdeen-asset.us/cef.

From the site you will also be able to review Fund performance, download literature and sign up for email services. The site houses

topical information about the funds, including fact sheets from Morningstar® that are updated daily, tools that permit you to conduct performance charting and timely information from our fund managers, among other data. When you enroll in our online email services, we can ensure that you are among the first to know about Aberdeen's latest closed-end fund news and receive alerts regarding upcoming fund manager web casts, films and other information.

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

Yours sincerely,

Christian Pittard

President

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

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (unaudited)

Economic Review

Asian fixed income markets strengthened during the year ended October 31, 2012. Initially, the European debt crisis sparked fears of escalating systemic risk, but this was eased by massive liquidity injections and Greece's bailout. Elsewhere, the U.S. Federal Reserve pledged to keep interest rates near zero until the end of 2014. Subsequently, risk aversion spiked on uncertainty over Greece's potential exit from the Eurozone and stress in Spain's banking system. There was a flight to quality which benefited safe-haven assets, particularly in developed countries. Towards the period end, major central banks announced stimulus measures against a rapidly deteriorating global economic backdrop. In particular, the U.S. Federal Reserve launched a third round of quantitative easing, while the European Central Bank proposed fresh measures to tackle the debt crisis. Risk sentiment remained weak, however, with the looming U.S. fiscal cliff adding to the uncertainty.

Growth slowed across most of Asia, amid sluggish consumption and waning demand from developed markets. Exports were sluggish and while the year-on-year numbers had possibly begun to stabilize, import growth deteriorated. This would improve external balances but was less positive for the broader domestic economy, as it indicated that external weakness had led to lower domestic demand for imports of capital goods or intermediate inputs for re-export elsewhere. Gross Domestic Product contracted in Singapore and decelerated in Korea, two of the more open economies. China's third-quarter growth eased to 7.4% from 7.6%, but improvements in industrial production, fixed asset investment and retail sales appear to indicate that the economy may be reaching a bottom. Bucking the trend were Indonesia and the Philippines, where consumption remained resilient.

Inflation was stable generally, although price pressures persisted in India. Central banks in Australia, China, Korea, Thailand and the Philippines cut interest rates to support growth.

Solid inflows and well-subscribed new issues bolstered the Asian dollar credit market, as the JP Morgan Asia Credit Index returned almost 13%. High-yield names, in particular corporates, outperformed their investment-grade peers, while industrials led gains at the sector level. Significantly, new issues in Asia ex-Japan exceeded US\$100 billion for the first time ever during the period.

The Australian bond market also did well, as weakness in European banks and sovereigns drove demand for high-quality, low-risk sovereigns. The shorter end of the curve was supported by three interest rate cuts, while slowing domestic growth pushed yields significantly lower at the longer end.

Asian local currency government bonds also posted decent returns, led by India, Indonesia and the Philippines. Foreign inflows bolstered

the Indian market, as investors responded favorably to a slew of reforms that included liberalizing the key retail and aviation sectors. Indonesian bonds benefited from interest rate cuts and sovereign credit rating upgrades, while fiscal discipline and stable economic growth underpinned the Philippine market. Other regional markets posted more modest gains.

Most Asian currencies appreciated against the U.S. Dollar. The Philippine Peso and Malaysian Ringgit led the gains, underpinned by the supportive domestic fundamentals. The Korean Won also outperformed, given the central bank's easing bias. In contrast, the Indonesian Rupiah fared poorly as continued export weakness deepened concerns over the current account deficit. The other laggard was the Indian Rupee, which was hurt by inflation and deficit worries as well as an S&P downgrade of the country's long-term debt outlook.

The Fund uses currency forwards as part of the currency overlay process, in order to position the currency exposure according to our strategy. These forwards detracted 0.67% from value in the Fund over the review period, due primarily to the hedging positions in the Indian Rupee and Indonesian Rupiah.

The Fund can also use interest rate swaps to hedge interest rate or otherwise obtain exposure to a particular interest rate market, but it is not deploying this strategy currently. In addition, the Fund uses credit-linked notes to reduce the impact of withholding taxes in Indonesia.

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The use of bond futures contracts was primarily to hedge and manage the interest rate exposure of the Australian bond and U.S. dollar-denominated Asian credit portfolios. During the review period, the Fund held net short U.S. Treasury futures positions, which subtracted 0.23% from performance of the Asian credit portfolio. The value of these positions fell as the underlying U.S. Treasuries rose because of subdued economic growth. The exposure to Australian bond futures also detracted 0.13% from performance in the Australian portfolio.

During the period, bond futures were used as a component of overall duration positioning. To the extent that duration positioning was a modest negative for overall performance, futures at times contributed towards that impact. However, we would emphasise that this impact was not a direct result of derivatives usage per se; rather, it was the overall duration positioning that was detrimental to performance, to which the bond futures at times contributed.

Loan Facility and the Use of Leverage

The Fund utilizes leverage to seek to increase the yield for its shareholders. The amounts borrowed from the loan facility may be

Aberdeen Asia-Pacific Income Fund, Inc.

Report of the Investment Manager (unaudited) (concluded)

invested to return higher rates than the rates in the Fund's portfolio. 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. Non-recurring expenses in connection with the implementation of the loan facility will reduce the Fund's performance.

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 loan facility 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 not permitted to declare dividends or other distributions in the event of default under the loan facility. In the event of default under the credit agreement, 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. The loan facility has a term of 364 days and is not a perpetual form of leverage; there can be no assurance that the loan facility will be available for renewal on acceptable terms, if at all.

The credit agreement governing the loan facility includes usual and customary covenants for this 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, Aberdeen Asset Management Limited (the Investment Adviser) or Aberdeen Asset Managers Limited (the 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 the loan facility. The covenants also include a requirement that the Fund maintain a NAV of no less than \$1,000,000,000.

Prices and availability of leverage are extremely volatile in the current market environment. The Board regularly reviews the use of leverage by the Fund and may explore other forms of leverage. The Fund may implement a reverse repurchase agreement program as another form of leverage if the Board determines it would be advantageous for the Fund and shareholders to do so. A reverse

repurchase agreement involves the sale of a security, with an agreement to repurchase the same or substantially similar securities at an agreed upon price and date. Whether such a transaction produces a gain for the Fund depends upon the costs of the agreements and the income and gains of the securities purchased with the proceeds received from the sale of the security. If the income and gains on the securities purchased fail to exceed the costs, the Fund's NAV will decline faster than otherwise would be the case. Reverse repurchase agreements, as with any leveraging techniques, may increase the Fund's return; however, such transactions also increase the Fund's risks in down markets.

Interest Rate Swaps

The Fund may enter into interest rate swaps to efficiently gain or hedge interest rate or currency risk. On October 31, 2012, the Fund unwound \$66,000,000 of the previously held \$240,000,000 interest rate swap agreement that matures on October 31, 2016. Also on that date, the Fund entered into a new interest rate swap with a notional amount \$66,000,000 with a maturity date of November 1, 2017. As of October 31, 2012, the Fund held interest rate swap agreements with an aggregate notional amount of \$600,000,000, which represented 100% of the Fund's total 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, 2012	Amount (in millions)	Fixed Rate Payable (%)
60 months	\$ 66.0	0.84

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48 months	\$	174.0	1.42
46 months	\$	60.0	1.20
24 months	\$	300.0	0.82

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

Aberdeen Asset Management Asia Limited

Aberdeen Asia-Pacific Income Fund, Inc.

Average Annual Returns (unaudited)

October 31, 2012

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 as of October 31, 2012.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	9.8%	12.5%	9.4%	11.9%
Market Value	20.5%	16.1%	12.1%	14.0%
Benchmark	9.4%	11.4%	9.2%	10.7%

Returns represent past performance. Total investment return at net asset value is based on changes in the net asset value of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the Fund's dividend reinvestment program. 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 Fund's dividend reinvestment program. The Fund's annual total return is based on the reported NAV on October 31, 2012. 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 1.38%. The net operating expense ratio, excluding interest expense, is 1.01%.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio Composition (unaudited)

Quality of Investments

As of October 31, 2012, 70.5% of the Fund's total investments were invested in securities where either the issue or the issuer was rated A or better by Standard & Poor's or Moody's Investors Service, Inc., 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, 2012, compared with the previous six and twelve months:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %	NR** %
October 31, 2012	36.2	11.5	22.8	12.6	15.1	1.3	0.5
April 30, 2012	36.0	8.3	22.7	14.8	16.9	1.3	0.0
October 31, 2011	33.7	12.1	22.3	12.4	18.5	1.0	0.0

* 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, 2012, compared with the previous six and twelve months:

Date	Australia %	Asia (including NZ) %	Europe %	United States %	Canada %
October 31, 2012	41.6	54.2	2.2	1.9	0.1
April 30, 2012	42.5	54.0	2.8	0.6	0.1
October 31, 2011	41.2	52.1	3.3	3.3	0.1

Currency Composition

The table below shows the currency composition of the Fund's total investments as of October 31, 2012, compared with the previous six and twelve months:

Date	Australian Dollar %	Asian Currencies (including NZ Dollar) %	US Dollar* %
October 31, 2012	43.9	19.7	36.4
April 30, 2012	45.3	19.8	34.9
October 31, 2011	44.6	19.4	36.0

* Includes U.S. Dollar-denominated bonds issued by foreign issuers: 36% of the Fund's total investments on October 31, 2012, 34.6% of the Fund's total investments on April 30, 2012, 35.9% of the Fund's total investments on October 31, 2011.

Maturity Composition

As of October 31, 2012, the average maturity of the Fund's total investments was 7.2 years, compared with 7.3 years at April 30, 2012, and 6.9 years at October 31, 2011. The following table shows the maturity composition of the Fund's investments as of October 31, 2012, 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, 2012	20.4	23.7	42.3	13.6
April 30, 2012	20.0	27.7	35.3	17.0
October 31, 2011	24.8	21.5	36.6	17.1

Aberdeen Asia-Pacific Income Fund, Inc.

Summary of Key Rates (unaudited)

The following table summarizes the movements of key interest rates and currencies from October 31, 2012 and the previous six and twelve month periods.

	October 31, 2012	April 30, 2012	October 31, 2011
Australia			
90 day bank bills	3.14%	4.05%	4.71%
10 yr bond	3.13%	3.67%	4.51%
Australian Dollar	\$1.04	\$1.04	\$1.06
Malaysia			
3-month T-bills	3.05%	3.06%	2.98%
10 yr bond	3.46%	3.57%	3.75%
Malaysian Ringgit*	₹3.05	₹3.06	₹3.07
New Zealand			
90 day bank bills	2.69%	2.71%	2.71%
10 yr bond	3.48%	3.99%	4.50%
New Zealand Dollar	\$0.82	\$0.82	\$0.81
Philippines			
90 day T-bills	0.73%	2.47%	1.41%
10 yr bond	5.11%	5.79%	5.92%
Philippines Peso*	₱41.20	₱42.94	₱42.64
Singapore			
3-month T-bills	0.24%	0.25%	0.29%
10 yr bond	1.34%	1.55%	1.75%
Singapore Dollar*	₪\$1.22	₪\$1.26	₪\$1.25
South Korea			
90 day commercial paper	2.85%	3.40%	3.43%
10 yr bond	3.02%	3.81%	3.87%
South Korean Won*	₩1,090.60	₩1,133.05	₩1,108.20
Thailand			
3 months deposit rate	1.88%	2.00%	2.00%
10 yr bond	3.30%	3.82%	3.39%
Thai Baht*	฿30.65	฿30.85	฿30.75
US\$ Bonds**			
South Korea	1.11%	2.34%	2.77%
Malaysia	2.74%	3.37%	3.61%
Philippines	2.10%	3.04%	3.84%
Hong Kong	1.16%	1.40%	1.72%

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

** Sovereign issues.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments

As of October 31, 2012

Principal Amount (000)	Description	Value (US\$)
COMMERCIAL MORTGAGE BACKED SECURITY 0.3%		
AUSTRALIA 0.3%		
AUD 6,600	ALE Finance Co. Pty Ltd., 5.81%, 5/20/2020 (a)	\$ 6,786,385
Total Commercial Mortgage Backed Securities 0.3% (cost \$7,090,713)		6,786,385
CORPORATE BONDS 50.4%		
AUSTRALIA 10.5%		
AUD 1,800	AMP Group Finance Services Ltd., 7.00%, 3/02/2015	1,971,264
AUD 2,500	APT Pipelines Ltd., 7.75%, 7/22/2020	2,907,422
AUD 5,300	Australia & New Zealand Banking Group Ltd., 6.75%, 11/10/2014	5,857,181
AUD 4,200	Barclays Bank PLC, 6.75%, 2/24/2014	4,498,669
AUD 4,000	CFS Retail Property Trust, 6.25%, 12/22/2014	4,320,903
AUD 4,300	CFS Retail Property Trust, 7.25%, 5/02/2016	4,857,885
AUD 5,300	DnB NOR Boligkreditt, 6.25%, 6/08/2016	5,840,291
AUD 1,400	General Electric Capital Australia Funding Pty Ltd., 6.00%, 5/15/2013	1,472,743
AUD 3,500	GPT RE Ltd., 6.50%, 8/22/2013	3,700,896
AUD 1,300	ING Bank Australia Ltd., 5.75%, 8/28/2013 (b)	1,378,154
AUD 12,400	ING Bank Australia Ltd., 5.75%, 3/03/2015 (b)	13,590,193
AUD 10,600	KfW, 6.25%, 2/23/2018 (b)	12,333,959
AUD 10,500	KfW, 6.25%, 12/04/2019 (b)	12,443,221
AUD 3,300	Kommunalbanken AS, 6.00%, 10/21/2014	3,589,614
AUD 4,800	Kommunalbanken AS, 6.50%, 4/12/2021	5,781,405
AUD 15,500	National Australia Bank Ltd., 6.25%, 4/01/2013	16,278,664
AUD 6,600	National Australia Bank Ltd., 6.75%, 9/16/2014	7,257,743
AUD 2,900	National Capital Trust III, 4.24%, 9/30/2016 (a)(c)(d)	2,796,399
AUD 2,500	National Wealth Management Holdings Ltd., 6.75%, 6/16/2016 (a)(c)	2,630,781
AUD 4,800	New Zealand Milk Australia Pty Ltd., 6.25%, 7/11/2016	5,361,419
AUD 4,600	QIC Finance Shopping Center Fund Pty Ltd., 6.75%, 7/07/2014	4,948,553
AUD 4,000	Rabobank Capital Funding Trust V, 4.04%, 12/31/2014 (a)(c)(d)(e)	3,963,814
AUD 4,800	Royal Womens Hospital Finance Pty Ltd., 6.20%, 3/26/2017 (a)	5,103,019
AUD 6,000	SPI Australia Assets Pty Ltd., 7.00%, 8/12/2015	6,684,646
AUD 29,720	St. George Bank Ltd., 10.00%, 5/09/2013 (a)(c)	31,838,990
AUD 2,000	Telstra Corp. Ltd., 8.75%, 1/20/2015	2,268,145
AUD 3,000	Transurban Finance Co. Pty Ltd., 7.25%, 3/24/2014	3,227,847
AUD 5,000	Vero Insurance Ltd., 6.75%, 9/23/2014 (a)(c)	5,241,009
AUD 3,000	Vero Insurance Ltd., 6.75%, 10/06/2016 (a)(c)	3,021,223
AUD 7,000	Vodafone Group PLC, 6.75%, 1/10/2013	7,305,441
AUD 3,500	Volkswagen Financial Services Australia Pty Ltd., 7.25%, 11/26/2012	3,641,094
AUD 8,900	Wesfarmers Ltd., 8.25%, 9/11/2014	9,956,670
AUD 4,000	Westpac Banking Corp., 7.25%, 11/18/2016	4,660,677
AUD 3,600	Woolworths Ltd., 6.75%, 3/22/2016	4,079,286
		214,809,220
CHINA 5.9%		
USD 7,000	Agile Property Holdings Ltd., 8.88%, 4/28/2014 (c)(e)	7,306,600
USD 4,550	Central China Real Estate Ltd., 12.25%, 10/20/2013 (c)(e)	4,993,625
USD 8,450	China Overseas Finance Cayman Island II Ltd., 5.50%, 11/10/2020 (c)(e)	9,444,616
CNY 16,721	China Petroleum & Chemical Corp., 0.80%, 2/20/2014	2,562,893
USD 4,250	China Resources Gas Group Ltd., 4.50%, 4/05/2022 (e)	4,664,864

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USD	8,800	China Shanshui Cement Group Ltd., 10.50%, 4/27/2015 (c)(e)	9,570,000
USD	8,800	CNOOC Finance 2012 Ltd., 3.88%, 5/02/2022 (e)	9,447,715
USD	7,100	COSL Finance BVI Ltd., 3.25%, 9/06/2022 (e)	7,054,837
USD	5,100	Country Garden Holdings Co., 11.13%, 2/23/2015 (c)(e)	5,729,510

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2012

Principal Amount (000)		Description	Value (US\$)
CORPORATE BONDS (continued)			
CHINA (continued)			
USD	4,300	Country Garden Holdings Co., 11.75%, 9/10/2014 (c)(e)	\$ 4,730,000
USD	7,750	ENN Energy Holdings Ltd., 6.00%, 5/13/2021 (c)(e)	9,020,496
USD	800	KWG Property Holding Ltd., 12.75%, 3/30/2014 (c)(e)	875,982
USD	3,944	KWG Property Holding Ltd., 13.25%, 3/22/2017 (e)	4,414,405
USD	6,100	Longfor Properties Co. Ltd., 9.50%, 4/07/2014 (c)(e)	6,725,250
CNH	18,000	Sinochem Offshore Capital Co. Ltd., 1.80%, 1/18/2014	2,822,319
USD	1,600	Sinopec Group Overseas Development 2012 Ltd., 3.90%, 5/17/2022 (e)	1,734,362
USD	6,100	Sinopec Group Overseas Development 2012 Ltd., 4.88%, 5/17/2042 (e)	7,003,764
USD	6,750	Talent Yield Investments Ltd., 4.50%, 4/25/2022 (e)	7,354,935
USD	6,600	Yancoal International Resources Development Co. Ltd., 5.73%, 5/16/2022 (e)	6,792,165
USD	7,949	Yanlord Land Group Ltd., 10.63%, 3/29/2015 (c)(e)	8,505,430
			120,753,768
HONG KONG 6.0%			
USD	17,350	Henson Finance Ltd., 5.50%, 9/17/2019 (c)	19,052,469
USD	11,400	HLP Finance Ltd., 4.75%, 6/25/2022 (e)	12,143,747
USD	17,550	Hongkong Land Finance (Cayman Island) Co. Ltd., 4.50%, 10/07/2025	18,721,621
USD	1,600	Hutchison Whampoa International Ltd., 4.63%, 9/11/2015 (e)	1,739,661
USD	1,900	Hutchison Whampoa International Ltd., 7.45%, 11/24/2033 (e)	2,797,305
USD	22,550	Hutchison Whampoa International Ltd., 7.63%, 4/09/2019 (e)	29,007,260
USD	5,300	Swire Pacific MTN Financing Ltd., 5.50%, 8/19/2019	6,195,981
USD	3,800	Swire Pacific MTN Financing Ltd., 6.25%, 4/18/2018	4,526,716
USD	9,600	Swire Properties MTN Financing Ltd., 4.38%, 6/18/2022 (e)	10,516,454
USD	18,100	Wing Hang Bank Ltd., 6.00%, 4/20/2017 (a)(c)(d)	18,175,278
			122,876,492
INDIA 3.6%			
USD	11,300	Axis Bank Ltd., 5.25%, 9/30/2015	11,901,138
USD	5,150	Bank of Baroda, 5.00%, 8/24/2016 (e)	5,403,246
USD	4,500	ICICI Bank Ltd., 4.75%, 11/25/2016 (c)(e)	4,708,269
USD	15,700	ICICI Bank Ltd., 6.38%, 4/30/2017 (a)(c)(e)	15,857,000
USD	6,800	Indian Railway Finance Corp. Ltd., 4.41%, 3/30/2016	7,107,999
USD	12,500	NTPC Ltd., 5.63%, 7/14/2021 (e)	13,593,750
USD	4,950	NTPC Ltd., 5.88%, 3/02/2016	5,355,628
INR	150,000	Power Finance Corp. Ltd., 9.03%, 2/15/2013	2,784,607
INR	270,000	Rural Electrification Corp. Ltd., 9.35%, 6/15/2022	5,140,500
INR	67,000	Rural Electrification Corp. Ltd., 10.90%, 8/14/2013	1,256,769
			73,108,906
INDONESIA 2.6%			
USD	8,650	Adaro Indonesia PT, 7.63%, 10/22/2014 (c)(e)	9,558,250
USD	3,650	Indosat Palapa Co. BV, 7.38%, 7/29/2015 (c)(e)	4,142,750
USD	2,850	Majapahit Holding BV, 7.88%, 6/29/2037 (e)	3,904,500
USD	8,900	Majapahit Holding BV, 8.00%, 8/07/2019 (e)	11,303,000
USD	4,500	Pertamina Persero PT, 4.88%, 5/03/2022 (e)	4,893,750
USD	8,350	Pertamina Persero PT, 5.25%, 5/23/2021 (e)	9,268,500
USD	4,500	Pertamina Persero PT, 6.00%, 5/03/2042 (e)	5,085,000
USD	4,600	Perusahaan Listrik Negara PT, 5.25%, 10/24/2042 (e)	4,697,520

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2012

Principal Amount (000)		Description	Value (US\$)
CORPORATE BONDS (continued)			
MALAYSIA 3.2%			
USD	11,700	AMBB Capital (L) Ltd., 6.77%, 1/27/2016 (a)(c)(d)	\$ 11,712,390
CNH	10,000	Danga Capital Bhd, 2.90%, 10/20/2014 (e)	1,582,257
USD	7,750	PETRONAS Capital Ltd., 5.25%, 8/12/2019 (e)	9,279,517
USD	20,050	PETRONAS Global Sukuk Ltd., 4.25%, 8/12/2014 (e)	21,104,490
USD	2,650	Public Bank Bhd, 6.84%, 8/22/2016 (a)(c)	2,774,733
USD	11,550	SBB Capital Corp., 6.62%, 11/02/2015 (a)(c)(d)	11,714,772
USD	6,300	TNB Capital (L) Ltd., 5.25%, 5/05/2015 (e)	6,775,285
			64,943,444
PHILIPPINES 1.5%			
USD	12,550	Alliance Global Group Inc., 6.50%, 8/18/2017	13,773,110
USD	6,100	Philippine Long Distance Telephone Co., 8.35%, 3/06/2017	7,350,500
USD	7,400	Power Sector Assets & Liabilities Management Corp., 6.88%, 11/02/2016 (b)(e)	8,750,500
			29,874,110
REPUBLIC OF SOUTH KOREA 7.8%			
USD	3,750	Export-Import Bank of Korea, 4.00%, 1/11/2017	4,102,350
USD	4,300	Export-Import Bank of Korea, 5.00%, 4/11/2022	5,065,370
USD	3,000	Export-Import Bank of Korea, 5.13%, 3/16/2015	3,263,661
USD	4,300	Export-Import Bank of Korea, 5.88%, 1/14/2015	4,720,179
USD	3,200	Export-Import Bank of Korea, 8.13%, 1/21/2014	3,462,099
USD	3,000	Hana Funding Ltd., 8.75%, 12/17/2012 (a)(c)(d)	3,020,688
USD	1,950	Hana Funding Ltd., 8.75%, 12/17/2012 (a)(c)(d)	1,963,447
USD	1,850	Hyundai Capital Services, Inc., 4.38%, 7/27/2016 (e)	2,005,986
USD	7,500	Hyundai Capital Services, Inc., 6.00%, 5/05/2015 (e)	8,273,603
USD	17,200	Korea Development Bank (The), 3.50%, 8/22/2017	18,443,526
USD	11,450	Korea Expressway Corp., 1.88%, 10/22/2017 (e)	11,321,119
USD	12,750	Korea Expressway Corp., 4.50%, 3/23/2015 (e)	13,646,707
USD	1,350	Korea Expressway Corp., 5.13%, 5/20/2015 (e)	1,468,229
USD	9,100	Korea Finance Corp., 3.25%, 9/20/2016	9,603,876
USD	10,350	Korea Finance Corp., 4.63%, 11/16/2021	11,683,991
USD	4,200	Korea Hydro & Nuclear Power Co. Ltd., 3.00%, 9/19/2022 (e)	4,204,906
USD	3,000	Korea South-East Power Co. Ltd., 3.63%, 1/29/2017 (e)	3,187,179
USD	12,470	Korea South-East Power Co. Ltd., 6.00%, 5/25/2016 (e)	14,075,076
USD	14,500	National Agricultural Cooperative Federation, 4.25%, 1/28/2016 (e)	15,531,820
USD	5,880	Shinhan Bank, 5.66%, 3/02/2015 (a)(c)(e)	6,018,068
USD	2,600	Shinhan Bank, 6.82%, 9/20/2016 (a)(c)	2,767,333
USD	7,100	Standard Chartered Bank Korea Ltd., 7.27%, 3/03/2014 (a)(c)(e)	7,401,750
USD	3,950	Standard Chartered First Bank Korea Ltd., 7.27%, 3/03/2014 (a)(c)(e)	4,117,875
			159,348,838
SINGAPORE 3.0%			
SGD	2,750	CapitaMalls Asia Treasury Ltd., 3.95%, 8/24/2017	2,338,458
SGD	3,000	CMT MTN Pte. Ltd., 2.85%, 9/01/2014	2,496,016
USD	8,600	CMT MTN Pte. Ltd., 4.32%, 4/08/2015	9,075,623
USD	8,900	Oversea-Chinese Banking Corp. Ltd., 3.15%, 3/11/2018 (a)(c)(e)	8,958,731
USD	7,450	Oversea-Chinese Banking Corp. Ltd., 3.75%, 11/15/2017 (a)(c)	7,730,023
USD	8,440	STATS ChipPAC Ltd., 7.50%, 8/12/2015 (c)(e)	8,967,500

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USD	18,450	Temasek Financial (I) Ltd., 4.30%, 10/25/2019 (c)(e)	21,062,022
			60,628,373

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2012

Principal Amount (000)	Description	Value (US\$)
CORPORATE BONDS (continued)		
SUPRANATIONAL 4.4%		
AUD 13,800	Asian Development Bank, 5.50%, 2/15/2016	\$ 15,363,483
AUD 16,800	Asian Development Bank, 6.25%, 3/05/2020	20,272,588
AUD 13,000	European Investment Bank, 6.13%, 1/23/2017	14,702,012
AUD 11,200	Inter-American Development Bank, 6.50%, 8/20/2019	13,596,058
AUD 8,900	International Bank for Reconstruction & Development, 5.75%, 10/21/2019	10,411,007
AUD 10,300	International Bank for Reconstruction & Development, 6.00%, 11/09/2016	11,780,135
AUD 2,600	International Finance Corp., 5.75%, 7/28/2020	3,052,273
		89,177,556
THAILAND 1.9%		
USD 5,000	Bangkok Bank PCL, 3.88%, 9/27/2022 (c)(e)	5,077,610
USD 4,800	Bangkok Bank PCL, 4.80%, 10/18/2020 (c)(e)	5,269,666
USD 7,400	Bangkok Bank PCL, 9.03%, 3/15/2029 (e)	9,842,000
USD 2,730	PTT Global Chemical PCL, 4.25%, 9/19/2022 (c)(e)	2,808,728
USD 50	PTTEP Australia International Finance Pty Ltd., 4.15%, 7/19/2015 (e)	52,803
USD 5,050	PTTEP Canada International Finance Ltd., 5.69%, 4/05/2021 (e)	5,876,417
USD 8,400	PTTEP Canada International Finance Ltd., 6.35%, 6/12/2042 (e)	10,628,461
		39,555,685
	Total Corporate Bonds 50.4% (cost \$940,138,612)	1,027,929,662
GOVERNMENT BONDS 74.6%		
AUSTRALIA 40.2%		
AUD 99,900	Australia Government Bond, 4.50%, 10/21/2014	107,515,295
AUD 62,100	Australia Government Bond, 4.75%, 11/15/2012	64,501,565
AUD 101,400	Australia Government Bond, 5.50%, 1/21/2018	119,411,264
AUD 44,550	Australia Government Bond, 5.50%, 4/21/2023	55,944,103
AUD 74,600	Australia Government Bond, 5.75%, 7/15/2022	94,777,765
AUD 25,000	Australia Government Bond, 6.00%, 2/15/2017	29,519,279
AUD 5,950	Queensland Treasury Corp., 6.00%, 10/14/2015 (b)	6,691,693
AUD 27,100	Queensland Treasury Corp., 6.00%, 4/21/2016 (b)	30,598,811
AUD 22,850	Queensland Treasury Corp., 6.00%, 2/21/2018 (b)	26,410,335
AUD 31,190	Queensland Treasury Corp., 6.00%, 6/14/2021 (b)	37,926,149
AUD 27,100	Queensland Treasury Corp., 6.25%, 6/14/2019 (b)	32,724,401
AUD 24,330	Queensland Treasury Corp., 6.25%, 2/21/2020 (b)	29,009,006
AUD 131,500	Treasury Corp. of Victoria, 5.75%, 11/15/2016 (b)	149,786,696
AUD 14,250	Treasury Corp. of Victoria, 6.00%, 6/15/2020 (b)	17,163,991
AUD 15,350	Treasury Corp. of Victoria, 6.00%, 10/17/2022 (b)	18,861,947
		820,842,300
CHINA 3.2%		
CNH 32,500	China Government Bond, 1.40%, 8/18/2016 (e)	4,962,489
CNH 10,000	China Government Bond, 1.80%, 12/01/2015	1,561,942
CNH 18,000	China Government Bond, 2.48%, 12/01/2020	2,752,623
CNY 41,000	China Government Bond, 3.26%, 6/02/2014	6,599,487
CNY 50,000	China Government Bond, 3.28%, 8/05/2020	7,886,207
CNY 50,000	China Government Bond, 3.36%, 5/24/2022	7,879,409
CNY 70,000	China Government Bond, 3.41%, 6/24/2020	11,141,865
CNY 18,000	China Government Bond, 3.55%, 10/20/2016	2,928,400

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CNY	2,000	China Government Bond, 3.57%, 11/17/2021	320,949
CNY	40,000	China Government Bond, 3.60%, 2/17/2016	6,511,614

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2012

Principal Amount (000)		Description	Value (US\$)
GOVERNMENT BONDS (continued)			
CHINA (continued)			
CNY	20,000	China Government Bond, 3.83%, 1/27/2018	\$ 3,293,054
CNY	30,000	China Government Bond, 4.10%, 9/27/2032	4,915,523
USD	1,350	Export-Import Bank of China, 4.88%, 7/21/2015 (e)	1,480,598
USD	2,750	Export-Import Bank of China, 5.25%, 7/29/2014 (e)	2,938,716
			65,172,876
HONG KONG 0.4%			
HKD	51,200	Hong Kong Government Bond, 3.52%, 12/05/2017	7,663,877
INDIA 2.0%			
INR	1,338,700	India Government Bond, 7.02%, 8/17/2016	24,060,865
INR	600,000	India Government Bond, 7.49%, 4/16/2017	10,871,193
INR	125,000	India Government Bond, 8.30%, 7/02/2040	2,311,562
INR	16,000	India Government Bond, 8.33%, 6/07/2036	297,328
INR	150,000	India Government Bond, 8.83%, 12/12/2041	2,928,690
			40,469,638
INDONESIA 4.9%			
IDR	167,000,000	Barclays Indonesia Government Bond Credit Linked Note, 9.50%, 6/17/2015	19,116,762
USD	3,500	Indonesia Government International Bond, 5.25%, 1/17/2042 (e)	4,033,750
USD	7,400	Indonesia Government International Bond, 5.88%, 3/13/2020 (e)	8,889,250
USD	6,900	Indonesia Government International Bond, 6.63%, 2/17/2037 (e)	9,246,000
USD	10,150	Indonesia Government International Bond, 11.63%, 3/04/2019 (e)	15,428,000
IDR	73,700,000	Indonesia Treasury Bond, 5.63%, 5/15/2023	7,659,314
IDR	47,000,000	Indonesia Treasury Bond, 8.25%, 6/15/2032	5,832,835
IDR	21,000,000	Indonesia Treasury Bond, 9.50%, 7/15/2031	2,894,403
USD	9,050	Perusahaan Penerbit SBSN, 4.00%, 11/21/2018 (e)	9,559,063
USD	15,050	Perusahaan Penerbit SBSN, 8.80%, 4/23/2014 (e)	16,621,957
			99,281,334
MALAYSIA 5.8%			
MYR	25,000	Malaysia Government Bond, 3.20%, 10/15/2015	8,241,489
MYR	19,500	Malaysia Government Bond, 3.21%, 5/31/2013	6,407,683
MYR	34,500	Malaysia Government Bond, 3.31%, 10/31/2017	11,360,965
MYR	12,000	Malaysia Government Bond, 3.42%, 8/15/2022	3,922,286
MYR	98,400	Malaysia Government Bond, 3.58%, 9/28/2018	32,771,949
MYR	1,798	Malaysia Government Bond, 3.89%, 3/15/2027	604,935
MYR	29,500	Malaysia Government Bond, 4.01%, 9/15/2017	10,021,313
MYR	51,300	Malaysia Government Bond, 4.16%, 7/15/2021	17,641,912
MYR	14,163	Malaysia Government Bond, 4.26%, 9/15/2016	4,839,050
MYR	13,900	Malaysia Government Bond, 4.38%, 11/29/2019	4,846,176
MYR	11,685	Malaysia Government Bond, 4.39%, 4/15/2026	4,145,923
USD	12,700	Wakala Global Sukuk Bhd, 2.99%, 7/06/2016 (e)	13,277,215
			118,080,896
NEW ZEALAND 0.1%			
NZD	2,150	New Zealand Government Bond, 6.00%, 4/15/2015	1,916,421
NZD	1,500	Province of Quebec, 6.75%, 11/09/2015	1,349,671
			3,266,092

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2012

Principal Amount (000)	Description	Value (US\$)
GOVERNMENT BONDS (continued)		
PHILIPPINES 6.7%		
PHP 715,000	Philippine Government Bond, 5.75%, 11/24/2021	\$ 18,761,135
PHP 405,544	Philippine Government Bond, 6.38%, 1/19/2022	11,100,301
PHP 94,000	Philippine Government Bond, 8.75%, 5/27/2030	3,120,633
PHP 517,000	Philippine Government Bond, 9.13%, 9/04/2016	14,788,145
USD 7,950	Philippine Government International Bond, 5.00%, 1/13/2037	9,470,438
USD 2,800	Philippine Government International Bond, 6.50%, 1/20/2020	3,580,500
USD 20,250	Philippine Government International Bond, 7.75%, 1/14/2031	31,286,250
USD 4,900	Philippine Government International Bond, 8.88%, 3/17/2015	5,767,300
USD 100	Philippine Government International Bond, 9.38%, 1/18/2017 (c)	132,000
USD 7,970	Philippine Government International Bond, 9.88%, 1/15/2019	11,556,500
USD 15,979	Philippine Government International Bond, 10.63%, 3/16/2025	28,083,092
		137,646,294
REPUBLIC OF SOUTH KOREA 6.2%		
KRW 20,000,000	Korea Monetary Stabilization Bond, 3.76%, 6/02/2013	18,442,160
KRW 14,138,674	Korea Treasury Bond, 1.50%, 6/10/2021 (f)	14,034,637
KRW 54,780,000	Korea Treasury Bond, 3.50%, 3/10/2017	51,558,649
KRW 6,500,000	Korea Treasury Bond, 3.75%, 6/10/2022	6,350,398
KRW 13,400,000	Korea Treasury Bond, 4.25%, 6/10/2021	13,485,000
USD 1,350	Republic of Korea, 5.13%, 12/07/2016	1,557,002
USD 15,950	Republic of Korea, 7.13%, 4/16/2019	20,797,093
		126,224,939
SINGAPORE 1.0%		
SGD 3,000	Housing & Development Board, 1.01%, 9/19/2016	2,466,508
SGD 3,000	Housing & Development Board, 1.83%, 11/21/2018 (e)	2,521,921
SGD 2,000	Housing & Development Board, 3.14%, 3/18/2021	1,798,915
SGD 5,120	Singapore Government Bond, 3.00%, 9/01/2024	4,806,957
SGD 9,310	Singapore Government Bond, 3.13%, 9/01/2022	8,895,919
		20,490,220
SRI LANKA 0.2%		
USD 4,450	Sri Lanka Government International Bond, 6.25%, 7/27/2021 (e)	4,975,990
THAILAND 3.9%		
THB 11,074	Bank of Thailand, 3.33%, 5/12/2014	363,741
THB 230,000	Bank of Thailand, 3.42%, 8/18/2013	7,538,920
THB 218,289	Thailand Government Bond, 1.20%, 7/14/2021 (f)	7,274,707
THB 407,000	Thailand Government Bond, 2.80%, 10/10/2017	13,076,558
THB 407,200	Thailand Government Bond, 3.25%, 6/16/2017	13,362,418
THB 482,000	Thailand Government Bond, 3.45%, 3/08/2019	15,933,552
THB 42,100	Thailand Government Bond, 3.63%, 5/22/2015	1,395,653
THB 84,800	Thailand Government Bond, 3.63%, 6/16/2023	2,804,144
THB 444,800	Thailand Government Bond, 3.65%, 12/17/2021	14,899,987
THB 76,100	Thailand Government Bond, 3.88%, 6/13/2019	2,588,331
		79,238,011
	Total Government Bonds 74.6% (cost \$1,406,463,364)	1,523,352,467

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2012

Principal Amount (000)	Description	Value (US\$)
RESIDENTIAL MORTGAGE BACKED SECURITIES 0.4%		
AUSTRALIA 0.4%		
AUD 3,284	Progress Trust, 3.61%, 8/25/2036 (a)(c)(e)	\$ 3,385,903
AUD 1,955	Puma Finance Ltd., 3.87%, 1/24/2013 (a)(c)(e)	2,028,257
AUD 2,763	Westpac Securitisation Trust, 3.74%, 5/21/2014 (a)(c)(e)	2,831,213
		8,245,373
	Total Residential Mortgage Backed Securities 0.4% (cost \$6,575,059)	8,245,373
SHORT-TERM INVESTMENT 1.8%		
UNITED STATES 1.8%		
USD 37,014	Repurchase Agreement, State Street Bank & Trust Co., 0.15% dated 10/31/2012, due 11/01/2012 in the amount of \$37,014,154, (collateralized by \$35,110,000 U.S. Treasury Notes, 1.50%-2.38% due 5/31/2018-8/31/2018; value of \$37,766,488)	37,014,000
	Total Short-Term Investment 1.8% (cost \$37,014,000)	37,014,000
	Total Investments 127.5% (cost \$2,397,281,748)	2,603,327,887
	Liabilities in Excess of Other Assets (27.5%)	(560,991,379)
	Net Assets 100.0%	\$ 2,042,336,508

AUD Australian Dollar	IDR Indonesian Rupiah	NZD New Zealand Dollar	USD U.S. Dollar
CNH Chinese Yuan Renminbi Offshore	INR Indian Rupee	PHP Philippine Peso	
CNY Chinese Yuan Renminbi	KRW South Korean Won	SGD Singapore Dollar	
HKD Hong Kong Dollar	MYR Malaysian Ringgit	THB Thai Baht	

- (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, 2012.
- (b) This security is government guaranteed.
- (c) The maturity date presented for these instruments represents the next call/put date.
- (d) Perpetual bond. This is a bond that has no maturity date, is redeemable and pays a steady stream of interest indefinitely.
- (e) Denotes a restricted security, see Note 2(c).
- (f) Inflation linked security.

At October 31, 2012, the Fund held the following futures contracts:

Futures Contracts	Counterparty	Number of Contracts Long (Short)	Expiration Date	Unrealized Appreciation/ (Depreciation)
Korea Treasury Bond 6%-3 year	UBS	75	12/18/2012	\$ (8,556)
United States Treasury Note 6%-2 year	UBS	233	12/31/2012	(8,797)
United States Treasury Note 6%-5 year	UBS	(72)	12/31/2012	(4,500)
United States Treasury Note 6%-10 year	UBS	(190)	12/19/2012	(87,651)
	UBS	244	12/19/2012	59,465

United States Treasury Bond 6%-30
year

\$ (50,039)

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (continued)

As of October 31, 2012

At October 31, 2012, the Fund's open forward foreign currency exchange contracts were as follows:

Purchase Contracts		Amount		Fair Value	Unrealized
Settlement Date*	Counterparty	Purchased	Amount Sold		Appreciation/
					(Depreciation)
Chinese Yuan Renminbi/United States Dollar					
1/30/2013	Royal Bank of Canada	CNY38,210,600	USD6,000,000	\$ 6,069,466	\$ 69,466
Chinese Yuan Renminbi Offshore/United States Dollar					
1/30/2013	Deutsche Bank	CNH37,879,800	USD6,000,000	6,024,983	24,983
1/30/2013	HSBC	CNH369,520,606	USD57,470,000	58,774,214	1,304,214
10/30/2013	Standard Chartered Bank	CNH102,352,000	USD16,000,000	16,279,629	279,629
Indian Rupee/United States Dollar					
11/09/2012	Credit Suisse	INR209,919,600	USD3,800,000	3,897,061	97,061
11/09/2012	Deutsche Bank	INR243,165,000	USD4,300,000	4,514,247	214,247
11/09/2012	HSBC	INR322,221,000	USD5,700,000	5,981,885	281,885
Indonesian Rupiah/United States Dollar					
3/01/2013	UBS	IDR261,415,000,000	USD27,500,000	26,844,676	(655,324)
Malaysian Ringgit/United States Dollar					
3/27/2013	Credit Suisse	MYR49,228,800	USD16,000,000	16,036,322	36,322
Philippine Peso/United States Dollar					
11/23/2012	Goldman Sachs	PHP202,909,000	USD4,899,999	4,929,981	29,982
Singapore Dollar/United States Dollar					
12/05/2012	Goldman Sachs	SGD10,570,260	USD8,600,000	8,665,360	65,360
12/05/2012	Royal Bank of Canada	SGD25,552,340	USD20,900,000	20,947,471	47,471
12/05/2012	Standard Chartered Bank	SGD2,367,971	USD1,930,000	1,941,231	11,231
12/05/2012	State Street	SGD11,758,368	USD9,600,000	9,639,355	39,355
South Korean Won/United States Dollar					
3/20/2013	Goldman Sachs	KRW6,944,340,000	USD6,140,000	6,329,008	189,008
				\$ 196,874,889	\$ 2,034,890
Sale Contracts					
Settlement Date*	Counterparty	Amount	Amount Sold	Fair Value	Unrealized
		Purchased			Appreciation/
					(Depreciation)
United States Dollar/Chinese Yuan Renminbi					
1/30/2013	Goldman Sachs	USD6,000,000	CNY37,848,000	\$ 6,011,870	\$ (11,870)
United States Dollar/Hong Kong Dollar					
12/05/2012	Royal Bank of Canada	USD900,001	HKD6,979,005	900,573	(572)
United States Dollar/Indian Rupee					
11/09/2012	Standard Chartered Bank	USD27,370,000	INR1,557,038,245	28,905,701	(1,535,701)
United States Dollar/Indonesian Rupiah					
3/01/2013	HSBC	USD12,000,000	IDR117,960,000,000	12,113,299	(113,299)
United States Dollar/Malaysian Ringgit					
3/27/2013	Deutsche Bank	USD8,330,000	MYR25,706,380	8,373,875	(43,875)
3/27/2013	Goldman Sachs	USD39,140,001	MYR121,126,558	39,457,077	(317,076)
3/27/2013	HSBC	USD5,700,000	MYR17,647,200	5,748,590	(48,590)
United States Dollar/Philippine Peso					
11/23/2012	Royal Bank of Canada	USD3,500,000	PHP144,865,000	3,519,715	(19,715)
11/23/2012	Standard Chartered Bank	USD28,220,000	PHP1,197,261,720	29,089,287	(869,287)
United States Dollar/South Korean Won					

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3/20/2013	Standard Chartered Bank	USD39,880,000	KRW45,012,556,000	41,024,030	(1,144,030)
United States Dollar/Thai Baht					
12/13/2012	HSBC	USD6,300,000	THB193,347,000	6,289,582	10,418
12/13/2012	UBS	USD25,700,000	THB807,725,300	26,275,322	(575,322)
				\$ 207,708,921	\$ (4,668,919)

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

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Portfolio of Investments (concluded)

As of October 31, 2012

At October 31, 2012, 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 Depreciation
USD	300,000,000	10/31/2014	Deutsche Bank	Receive	3-month LIBOR Index	0.82%	\$ (2,593,398)
USD	60,000,000	8/19/2016	UBS	Receive	3-month LIBOR Index	1.20%	(1,439,245)
USD	174,000,000	10/31/2016	Barclays Bank	Receive	3-month LIBOR Index	1.42%	(5,448,221)
USD	66,000,000	11/01/2017	Barclays Bank	Receive	3-month LIBOR Index	0.84%	(23,826)
							\$ (9,504,690)

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

Statement of Assets and Liabilities

As of October 31, 2012

Assets	
Investments, at value (cost \$2,360,267,748)	\$ 2,566,313,887
Repurchase agreement, at value (cost \$37,014,000)	37,014,000
Foreign currency, at value (cost \$26,337,753)	26,520,630
Cash	13,304,293
Cash at broker for futures contracts	1,400,681
Cash at broker for interest rate swaps	4,320,058
Interest receivable	31,872,790
Unrealized appreciation on forward foreign currency exchange contracts	2,700,632
Variation margin receivable for futures contracts	59,465
Prepaid expenses in connection with the at-the-market stock offering	235,399
Prepaid expenses	446,662
Total assets	2,684,188,497
Liabilities	
Bank loan payable (Note 6)	600,000,000
Payable for investments purchased	12,983,525
Unrealized depreciation on interest rate swaps	9,504,690
Dividends payable to common shareholders	9,194,512
Unrealized depreciation on forward foreign currency exchange contracts	5,334,661
Payable for interest rate swaps closed	1,938,640
Investment management fees payable (Note 3)	1,218,120
Interest payable on bank loan	410,666
Deferred foreign capital gains tax	346,975
Administration fees payable (Note 3)	245,472
Variation margin payable for futures contracts	109,504
Director fees payable	45,339
Investor relations fees payable (Note 3)	44,367
Accrued expenses	475,518
Total liabilities	641,851,989
Net Assets	\$ 2,042,336,508
Composition of Net Assets:	
Common stock (par value \$.01 per share)	\$ 2,626,173
Paid-in capital in excess of par	1,649,626,801
Distributions in excess of net investment income	(5,423,924)
Accumulated net realized loss from investments, interest rate swaps and futures contracts	(175,367,115)
Net unrealized appreciation on investments, futures contracts and interest rate swaps	154,788,717
Accumulated net realized foreign exchange gains	377,011,635
Net unrealized foreign exchange and forward foreign currency contract gains	39,074,221
Net Assets	\$ 2,042,336,508
Net asset value per common share based on 262,617,345 shares issued and outstanding	\$ 7.78(a)

(a) The NAV shown above differs from the reported NAV on October 31, 2012 due to financial statement rounding. See Notes to Financial Statements.

Statement of Operations

For the Year Ended October 31, 2012

Net Investment Income

Income

Interest and amortization of discount and premium (net of foreign withholding taxes of \$1,883,484)	\$ 122,465,656
	122,465,656

Expenses

Investment management fee (Note 3)	13,217,671
Administration fee (Note 3)	2,673,779
Custodian's fees and expenses	938,577
Bank loan fees and expenses	671,931
Investor relations fees and expenses (Note 3)	535,948
Insurance expense	460,917
Directors' fees and expenses	379,405
Reports to shareholders and proxy solicitation	365,380
Transfer agent's fees and expenses	143,501
Legal fees and expenses	140,539
Independent auditors' fees and expenses	107,300
Miscellaneous	248,822
Total operating expenses, excluding interest expense	19,883,770
Interest expense (Note 6)	7,304,000
Total operating expenses	27,187,770

Net Investment Income	95,277,886
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Realized and Unrealized Gains/(Losses) on Investments, Interest Rate Swaps, Futures Contracts and Foreign Currencies

Net realized gain/(loss) from:

Investment transactions (including \$703,032 capital gains tax)	27,863,541
Interest rate swaps	(5,668,606)
Futures contracts	(4,883,684)
Forward and spot foreign currency exchange contracts	(1,237,605)
Foreign currency transactions	22,777,707
	38,851,353

Net change in unrealized appreciation/(depreciation) on:

Investments	100,827,483
Interest rate swaps	(6,924,541)
Futures contracts	199,635
Forward foreign currency exchange contracts	(1,778,772)
Foreign currency translation	(38,948,621)

	53,375,184
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Net gain from investments, interest rate swaps, futures contracts and foreign currencies	92,226,537
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Net Increase in Net Assets Resulting from Operations	\$ 187,504,423
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See Notes to Financial Statements.

Statements of Changes in Net Assets

	For the Year Ended October 31, 2012	For the Year Ended October 31, 2011
Increase/(Decrease) in Net Assets		
Operations:		
Net investment income	\$ 95,277,886	\$ 102,760,020
Net realized gain/(loss) from investments, interest rate swaps and futures contracts	17,311,251	(28,369,246)
Net realized gain from foreign currency transactions	21,540,102	196,830,805
Net change in unrealized appreciation/depreciation on investments, interest rate swaps and futures contracts	94,102,577	(2,966,732)
Net change in unrealized appreciation/depreciation on foreign currency translation	(40,727,393)	(104,086,979)
Net increase in net assets resulting from operations	187,504,423	164,167,868
Distributions to Shareholders from:		
Net investment income	(109,721,108)	(109,609,812)
Net decrease in net assets from distributions	(109,721,108)	(109,609,812)
Common Stock Transactions:		
Proceeds from the at-the-market stock offering (Note 5)	12,830,315	
Expenses in connection with the at-the-market stock offering	(16,197)	
Change in net assets from common stock transactions	12,814,118	
Change in net assets resulting from operations	90,597,433	54,558,056
Net Assets:		
Beginning of year	1,951,739,075	1,897,181,019
End of year (including distributions in excess of net investment income of \$(5,423,924) and accumulated net investment income of \$228,950,543, respectively)	\$ 2,042,336,508	\$ 1,951,739,075

See Notes to Financial Statements.

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

Aberdeen Asia-Pacific Income Fund, Inc.

Statement of Cash Flows

For the Year Ended October 31, 2012

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

Cash flows provided from (used for) operating activities:	
Interest received (excluding discount and premium amortization of \$9,423,979)	\$ 135,529,631
Operating expenses paid	(27,142,989)
Payments received from broker for collateral on interest rate swaps	7,730,000
Purchases and sales of short-term portfolio investments, net	45,826,326
Purchases of long-term portfolio investments	(1,044,893,981)
Proceeds from sales of long-term portfolio investments	971,585,823
Realized losses on forward foreign currency exchange contracts closed	(1,245,965)
Realized losses on interest rate swap transactions	(3,729,966)
Payments paid to broker for futures contracts	(3,795,384)
Decrease in prepaid expenses and other assets	120,801
Net cash provided from operating activities	79,984,296
Cash flows provided from (used for) financing activities	
Issuance of common stock	12,578,719
Dividends paid to common shareholders	(109,660,884)
Net cash used for financing activities	(97,082,165)
Effect of exchange rate on cash	5,548,209
Net decrease in cash	(11,549,660)
Cash at beginning of year	51,374,583
Cash at end of year	\$ 39,824,923

Reconciliation of Net Increase in Net Assets from Operations to Net Cash (Including Foreign Currency)

Provided from (Used for) Operating Activities

Net increase in total net assets resulting from operations	\$ 187,504,423
Decrease in investments	16,867,589
Net realized gain on investment transactions	(27,863,541)
Net realized loss on interest rate swap transactions	5,668,606
Net realized loss on futures contracts	4,883,684
Net realized foreign exchange gains	(21,540,102)
Net change in unrealized appreciation/depreciation on investments, futures contracts and interest rate swaps	(94,102,577)
Net change in unrealized foreign exchange gains/losses	40,727,393
Decrease in interest receivable	3,639,996
Decrease in interest payable on bank loan	(6,000)
Net change in margin variation on future contracts	(199,635)
Net decrease in other assets	120,801
Decrease in payable for investments purchased	(44,785,057)
Payments received from broker for interest rate swaps	7,730,000
Payments received from broker for futures contracts	1,287,935
Increase in accrued expenses and other liabilities	50,781
Total adjustments	(107,520,127)
Net cash provided from operating activities	\$ 79,984,296
See Notes to Financial Statements.	

Aberdeen Asia-Pacific Income Fund, Inc.

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Financial Highlights

	2012	For the Year Ended October 31,			2008
	2011	2010	2009		
Per Share Operating Performance^(a):					
Net asset value per common share, beginning of year	\$7.48	\$7.27	\$6.53	\$4.91	\$6.99
Net investment income	0.36	0.39	0.37	0.35	0.42
Net realized and unrealized gains/(losses) on investments, interest rate swaps, futures contracts and foreign currency transactions	0.36	0.24	0.79	1.73	(2.03)
Dividends to preferred shareholders from net investment income					(0.06)
Total from investment operations applicable to common shareholders	0.72	0.63	1.16	2.08	(1.67)
Distributions to common shareholders from:					
Net investment income	(0.42)	(0.42)	(0.42)	(0.38)	(0.42)
Tax return of capital				(0.09)	
Total distributions	(0.42)	(0.42)	(0.42)	(0.47)	(0.42)
Offering cost on common stock					
Impact of shelf offering					
Effect of Fund shares repurchased				0.01	0.01
Net asset value per common share, end of year	\$7.78	\$7.48	\$7.27	\$6.53	\$4.91
Market value, end of year	\$7.90	\$6.93	\$6.90	\$6.04	\$4.18
Total Investment Return Based on^(b):					
Market value	20.47%	6.59%	21.73%	58.26%	(28.40%)
Net asset value	9.92% ^(g)	9.20%	18.63%	45.66%	(24.32%)
Ratio to Average Net Assets Applicable to Common Shareholders/Supplementary Data^(c):					
Net assets applicable to common shareholders, end of year (000 omitted)	\$2,042,337	\$1,951,739	\$1,897,181	\$1,703,352	\$1,284,318
Average net assets applicable to common shareholders (000 omitted)	\$1,965,038	\$1,937,986	\$1,753,665	\$1,457,521	\$1,741,105
Net operating expenses	1.38%	1.49%	1.89%	2.20%	1.85% ^(d)
Net operating expenses without reimbursement	1.38%	1.49%	1.89%	2.22% ^(e)	
Net operating expenses, excluding interest expense	1.01%	1.05%	1.19%	1.37%	1.22%
Net investment income	4.85%	5.30%	5.44%	6.40%	5.51%
Portfolio turnover	38%	72%	67%	68%	58%
Senior securities (loan facility) outstanding (000 omitted)	\$600,000	\$600,000	\$600,000	\$600,000	\$520,000
Asset coverage ratio on revolving credit facility at year end ^(f)	440%	425%	416%	384%	347%
Asset coverage per \$1,000 on revolving credit facility at year end	\$4,404	\$4,253	\$4,162	\$3,839	\$3,470

Aberdeen Asia-Pacific Income Fund, Inc.

Financial Highlights (concluded)

- (a) Based on average shares outstanding.
 - (b) Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions.
 - (c) 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, 2012, 2011, 2010, 2009, and 2008 the ratios of net investment income before preferred stock dividends to average net assets of common shareholders were 4.85%, 5.30%, 5.44%, 6.40% and 6.44%, respectively.
 - (d) Includes expenses of both preferred and common stock.
 - (e) In 2009, the Fund filed a non-routine proxy to consider 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 Auction Market Preferred Stock, for investment purposes by the amount of any borrowings.
 - (g) The total return shown above includes the impact of financial statement rounding of the NAV per share.
- See Notes to Financial Statements.

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

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements

October 31, 2012

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 are in conformity with 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 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.

Equity securities that are traded on an exchange are valued at the last quoted sale price on the principal exchange on which the security is traded at the Valuation Time. The Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Time). In the absence of a sale price, the security is valued at the mean of the bid/ask quoted at the close on the principal exchange on which the security is traded. Securities traded on NASDAQ are valued at the NASDAQ official closing price. A security using any of these pricing methodologies is determined as a Level 1 investment.

Foreign equity securities that are traded on foreign exchanges that close prior to the Valuation Time are valued by applying fair

valuation factors to the last sale price. Fair valuation factors are provided by an independent pricing service provider. If the pricing service is unable to provide a valuation factor, or if the valuation factor falls below a predetermined threshold, the security is valued at the last sale price and classified as a Level 1 investment. A security that applies a fair valuation factor is generally a Level 2 investment.

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 US 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 determined as Level 2 investments.

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

In the event that a security's market quotations are not readily available or are deemed unreliable, the fair value of a security is determined by the Fund's Pricing Committee, taking into account the relevant factors and surrounding circumstances. 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.

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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 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. 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).

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (continued)

October 31, 2012

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.

A summary of standard inputs is listed below:

Security Type	Standard Inputs
Foreign equities utilizing a fair valuation factor	Fair value of market and/or sector indices, futures, depositary receipts, ETFs, exchange rates, and historical opening and closing prices of each security
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
Bank loans	Reported trade data and broker-dealer price quotations
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, 2012 in valuing the Fund's investments carried at fair value. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Please refer to the Portfolio of Investments for a detailed breakout of the security types:

Assets	Level 1	Level 2	Level 3
Fixed Income Investments			
Commercial Mortgage Backed Security	\$	\$ 6,786,385	\$
Corporate Bonds		1,027,929,662	
Government Bonds		1,523,352,467	
Residential Mortgage Backed Securities		8,245,373	
Total Fixed Income Investments		2,566,313,887	
Short-Term Investment		37,014,000	
Total Investments	\$	\$ 2,603,327,887	\$
Other Financial Instruments			
Futures Contracts	\$ 59,465	\$	\$
Forward Foreign Currency Exchange Contracts		2,700,632	
Total Other Financial Instruments	\$ 59,465	\$ 2,700,632	\$
Total Assets	\$ 59,465	\$ 2,606,028,519	\$
Liabilities			
Other Financial Instruments			
Futures Contracts	\$ (109,504)	\$	\$
Forward Foreign Currency Exchange Contracts		(5,334,661)	
Interest Rate Swap Agreements		(9,504,690)	
Total Liabilities - Other Financial Instruments	\$ (109,504)	\$ (14,839,351)	\$

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

Notes to Financial Statements (continued)

October 31, 2012

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, 2012, there were no transfers between fair value measurement levels. For the year ended October 31, 2012, there have been no significant changes to the fair valuation methodologies.

(b) Repurchase Agreements:

The Fund may enter into repurchase agreements. It is the Fund's policy that its custodian/counterparty segregate the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. The repurchase price generally equals the price paid by the Fund plus interest negotiated on the basis of current short-term rates. To the extent that any repurchase transaction exceeds one business day, the collateral is valued on a daily basis to determine its adequacy. 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 \$37,014,000 as of October 31, 2012.

(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.

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.

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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

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (continued)

October 31, 2012

independent pricing provider. When the forward contract is closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. These realized and unrealized gains and losses are reported on the Statement of Operations. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts and from unanticipated movements in exchange rates. During the year ended October 31, 2012, the Fund used forward contracts to hedge positions in the Indian Rupee and Indonesian Rupiah.

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 into.

Upon entering into a futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. 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.

Should market conditions change unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may realize a loss. The use of futures transactions for hedging purposes involves the risk of imperfect correlation in movements in the price of futures contracts, interest rates and the value/market value of the underlying hedged assets. During the year ended October 31, 2012, the use of bond futures contracts was primarily to hedge and

manage the interest rate exposure of the Australian bond and U.S. Dollar-denominated Asian credit portfolios. Bond futures were also used as a component of overall duration positioning. During the review period, the Fund held net short U.S. Treasury futures positions, which subtracted from performance of the Fund. The value of these positions fell as the underlying U.S. Treasuries rose because of subdued economic growth. The exposure to Australian bond futures also detracted from performance in the Fund.

Swaps:

A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or notional principal amount. The Fund will enter into swaps only on a net basis, which means that the two payment streams are netted out, with the Fund receiving or paying, as the case may be, only the net amount of the difference between the two payments. Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the net interest payment to be received by the Fund, and/or the termination value at the end of the contract. Therefore, the Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying reference asset or index. The Fund records unrealized gains/(losses) on a daily basis representing the value and the current net receivable or payable relating to open swap contracts. Net amounts received or paid on the swap contract are recorded as realized gains/(losses). Fluctuations in the value of swap contracts are recorded for financial statement purposes as unrealized appreciation or depreciation of swap contracts. Realized gains/(losses) from terminated swaps are included in net realized gains/(losses) on swap contracts transactions. During the year ended October 31, 2012, the Fund used interest rate swaps as a tool to hedge the leverage of the Fund.

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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.

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (continued)

October 31, 2012

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, 2012:

	Asset Derivatives		Liability Derivatives	
	Year Ended October 31, 2012		Year Ended October 31, 2012	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments and risk exposure				
Interest rate swaps (interest rate risk)	Unrealized appreciation on interest rate swaps	\$	Unrealized depreciation on interest rate swaps	\$ 9,504,690
Forward foreign exchange contracts (foreign exchange risk)	Unrealized appreciation on forward currency exchange contracts	\$ 2,700,632	Unrealized depreciation on forward currency exchange contracts	\$ 5,334,661
Futures contracts (interest rate risk)*	Unrealized appreciation on futures contracts	\$ 59,465	Unrealized depreciation on futures contracts	\$ 109,504
Total		\$ 2,760,097		\$ 14,948,855

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

The Effect of Derivative Instruments on the Statement of Operations

for the Year Ended October 31, 2012

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)		\$ (5,668,606)	\$ (6,924,541)
		\$ (1,245,965)	\$ (1,778,772)

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Forward foreign exchange contracts (foreign exchange risk)		
Futures contracts (interest rate risk)	\$ (4,883,684)	\$ 199,635
Total	\$ (11,798,255)	\$ (8,503,678)

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (continued)

October 31, 2012

The type of activity and volume of futures contracts varied throughout the year ended October 31, 2012. For the first six months of the year, the Fund consistently held futures contracts in 3Yr and 10Yr Australian TBonds, 2Yr, 5Yr and 10Yr U.S. Treasury Notes, and 30Yr U.S. Treasury Bonds. In May 2012, the Fund sold out of all 3Yr and 10Yr Australian TBond futures contracts and in July 2012, purchased 3Yr Korea Treasury Bond futures contracts. The quarterly weighted average of contracts and notional values for the Fund's future positions were as follows:

	Weighted Average	Weighted Average
Quarter	Contracts	Notional Value
1 st Quarter	1,528	\$ 156,704,571
2 nd Quarter	134	\$ 63,786,643
3 rd Quarter	(249)	\$ 13,982,071
4 th Quarter	(18)	\$ 15,500,566

Information about forward currency contracts reflected as of the date of this report is generally indicative of the type of activity for the year ended October 31, 2012. In February and March 2012, the Fund bought into and then sold out of all Australian Dollar positions. The volume of forward contracts varied throughout the year with an average notional value of \$642,721,544. The quarterly average notional values for the Fund's forward contracts were as follows:

	Average
Quarter	Notional Value
1 st Quarter	\$ 1,001,163,808
2 nd Quarter	\$ 652,965,702
3 rd Quarter	\$ 505,710,000
4 th Quarter	\$ 411,046,667

Information about interest rate swaps reflected as of the date of this reports is generally indicative of the type and volume of activity for the months ended October, 31, 2012. At the end of October 2012, the Fund unwound \$66,000,000 of the previously held \$240,000,000 interest rate swap agreement and entered into a new interest rate swaps with a notional amount \$66,000,000. The total overall notional value and volume of interest rate swap positions was unvaried for the period.

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 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

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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:

Securities 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 is 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.

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (continued)

October 31, 2012

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.

(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, only realized currency gains/(losses) resulting from the repatriation of Australian Dollars into U.S. Dollars are recognized for U.S. federal tax purposes.

The Fund intends to qualify or 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, 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) Earnings Credits:

The Fund's custodial arrangements include a provision to reduce its custodial fees by the amount of earnings credits recognized on cash deposits in demand deposit accounts.

(k) Cash Flow Information:

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

3. Agreements and Transactions with Affiliates

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

Aberdeen Asset Management Asia Limited (the Investment Manager) serves as investment manager to the Fund, pursuant to a management agreement. Aberdeen Asset Management Limited (the Investment Adviser) serves as the investment adviser and Aberdeen

Asset Managers Limited (AAML or the Sub-Adviser) serves as the sub-adviser, pursuant to an advisory agreement and a sub-advisory agreement, respectively. On March 1, 2012, Aberdeen Asset Management Investment Services Limited (AAMISL), the previous sub-adviser to the Fund, merged into AAML. AAML assumed the sub-adviser responsibilities of the Fund for which AAMISL was sub-adviser. There was no change to the portfolio management team or the level or nature of the services provided to the Fund for which AAMISL served as sub-adviser as a result of the merger and the same resources available to AAMISL for the management and compliance oversight of the Fund are available to AAML. 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.

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The management agreement provides the Investment Manager with a fee, payable monthly, 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 \$2,567,643 to the Investment Adviser, with respect to the Fund, during the fiscal year ended October 31, 2012. 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.

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (continued)

October 31, 2012

(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 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.

(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 fiscal year ended October 31, 2012, the Fund paid fees of approximately \$511,982 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, 2012, were \$1,000,108,924 and \$927,689,091 respectively.

5. Capital

There are 400 million shares of \$0.01 par value common stock authorized. At October 31, 2012, there were 262,617,345 shares of common stock issued and outstanding.

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. In accordance with the terms of a sales agreement, the Fund may offer and sell up to 25,000,000 of its shares, par value \$0.01 per share, from time to time through JonesTrading Institutional LLC as its agent for the offer and sale of the shares. Under the shelf registration statement, the Fund may sell the Fund's common shares in one or more at-the-market offerings (ATM offerings) when market conditions are considered favorable. Such shares would only be issued when the premium to net asset value is greater than the costs associated with the transaction. Any proceeds raised would be used for investment purposes. Through October 31, 2012, there were 1,641,601 shares sold through the ATM offering. Offering costs are capitalized as a prepaid expense. When shares are sold, a portion of the cost attributable to those shares will be charged to paid-in capital. For the year ended October 31, 2012, these costs were \$16,197. These costs are noted on the Statements of Changes in Net Assets.

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, 2012 and fiscal year ended October 31, 2011, the Fund did not repurchase any shares through this program.

6. Revolving Credit Facility

On April 11, 2012, the Fund renewed a \$600,000,000 loan facility with a 364-day term with a syndicate of major financial institutions led by The Bank of Nova Scotia. For the fiscal year ended October 31, 2012, the balance of the loan outstanding was \$600,000,000, and the average interest rate on the loan facility was 1.20%. The average balance for the fiscal year was \$600,000,000. The interest expense is accrued on a daily basis and is payable to The Bank of Nova Scotia on a monthly basis.

The amounts borrowed from the loan facility may be invested to return higher rates than the rates in the Fund's portfolio. 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. Non-recurring expenses in connection with the implementation of the loan facility will reduce the Fund's performance.

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (continued)

October 31, 2012

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 loan facility 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 not permitted to declare dividends or other distributions in the event of default under the loan facility. In the event of a default under the credit agreement, 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. The loan facility has a term of 364 days and is not a perpetual form of leverage; there can be no assurance that the loan facility will be available for renewal on acceptable terms, if at all. Bank loan fees and expenses included in the Statement of Operations include fees for the renewal of the loan facility as well as commitment fees for any portion of the loan facility not drawn upon at any time during the period. During the year ended October 31, 2012, the Fund incurred fees of approximately \$671,931.

The credit agreement governing the loan facility includes usual and customary covenants for this 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 the loan facility. The covenants also include a requirement that the Fund maintain a net asset value of no less than \$1,000,000,000.

7. Portfolio Investment Risks

(a) Credit and Market Risk:

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. The consequences of political, social,

economic, or diplomatic changes may have disruptive effects on the market prices of emerging markets investments held by the Fund.

(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, political or social instability or diplomatic developments, which could adversely affect investments in those countries.

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

(d) Concentration Risk:

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The Fund may have elements of risk not typically associated with investments in the United States of America due to concentrated investments in a limited number of countries or regions subject to foreign securities or currencies risks. Such concentrations 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 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

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (continued)

October 31, 2012

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.

8. 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.

9. Tax Information

The U.S. federal income tax basis of the Fund's investments and the net unrealized appreciation as of October 31, 2012 were as follows:

Tax Basis of Investments	Appreciation	Depreciation	Net
			Unrealized Appreciation
\$2,454,021,748	\$ 152,187,680	\$ (2,881,541)	\$ 149,306,139

The tax character of distributions paid during the fiscal years ended October 31, 2012 and October 31, 2011 was as follows:

	October 31, 2012	October 31, 2011
Distributions paid from:		
Ordinary Income	\$ 109,721,108	\$ 109,609,812
Net long-term capital gains		
Total tax character of distributions	\$ 109,721,108	\$ 109,609,812

As of October 31, 2012, the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income - net	\$ 4,267,438
Undistributed long-term capital gains - net	

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Total undistributed earnings		\$ 4,267,438
Capital loss carryforward		(155,701,887)*
Other currency gains		377,011,635
Other Temporary Differences		(26,155,509)
Unrealized appreciation/(depreciation) securities		149,306,139**
Unrealized appreciation/(depreciation) currency		41,355,718**
Total accumulated earnings/(losses) net		\$ 390,083,534

* On October 31, 2012, the Fund had a net capital loss carryforward of \$155,701,887 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 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.

Aberdeen Asia-Pacific Income Fund, Inc.

Notes to Financial Statements (concluded)

October 31, 2012

Capital loss carryforwards expire as follows:

2013	2014	2015	2016	2017	2019	Unlimited (Short-Term)	Unlimited (Long-Term)
\$4,985,477	\$ 11,980,826	\$ 18,942,725	\$ 38,887,790	\$ 17,991,164	\$ 60,657,380	\$	\$ 2,256,525

** 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, 169,251,206 has been reclassified from distributions in excess of net investment income to accumulated net realized gain from investments, interest rate swaps and futures contracts and 50,680,039 has been reclassified from distributions in excess of net investment income to accumulated net realized foreign exchange gains. These reclassifications have no effect on net assets or net asset values per share.

Additionally included in the amounts above, in order to segregate accumulated realized foreign currency gains/losses, the Fund reclassified certain prior and current year amounts between the components of net assets from a GAAP to tax basis as of October 31, 2012. Accumulated net realized foreign exchange gains/losses will be recognized for Federal income tax purposes upon repatriation of Australian Dollars to U.S. Dollars.

10. 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