Press Release

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ABERDEEN ASIA-PACIFIC INCOME INVESTMENT COMPANY LIMITED ANNOUNCES CHANGE IN INVESTMENT POLICIES

(Toronto, June 28, 2019) -- Aberdeen Asia-Pacific Income Investment Company Limited **(TSX: FAP)** (the "Company"), a closed-end investment company trading on the Toronto Stock Exchange, announced today that its Board of Directors (the "Board") has, upon the recommendation of Aberdeen Standard Investments (Asia) Limited, the Company's investment manager (the "Investment Manager"), adopted changes to certain of the Company's investment policies.

The investment objective of the Company is to obtain current income. The Company may also achieve incidental capital appreciation. The Investment Manager believes these amendments will afford it increased flexibility in managing the Company's portfolio and the ability to optimize the risk adjusted returns of the Asia-Pacific and emerging market region holdings providing the potential to enhance earnings over time.

Lower yields in Australia and reduced positions in certain higher yielding countries due to increasing risks have resulted in a reduced earnings forecast. The Investment Manager believes that the approved changes, as set out below, will enable the Company to deliver higher earnings and stronger risk adjusted returns through the re-orientation of the Company's portfolio to higher yielding markets, while also providing greater portfolio diversification by country and company exposures. While the average credit rating of the Company's portfolio will move lower, the Investment Manager believes that the Company would be adequately compensated by higher yields and greater diversification.

The changes adopted by the Board are summarized in the table below.

Current Policy	Amended or New Policy
The Company may invest up to 80% of total assets in "Asia Pacific" debt securities.	The Company may invest up to 100% of total assets in "Asia Pacific" debt securities.
"Asia Pacific Countries" means countries either forming part of the Asian continent or in the Pacific region, including Bangladesh, Brunei Darussalam, Chile, China, Hong Kong, India, Indonesia, Japan, Kazakhstan, Macau, Malaysia, Mexico, Mongolia, Pakistan, Papua New Guinea, Peru, the Philippines, Russia, Singapore, South Korea, Sri Lanka, Taiwan, Thailand and Vietnam.	"Asia Pacific Countries" means countries included in "Asia" and "Oceania" in the United Nations geographic regions used by the United Nations Statistics Division.
At least 20% of the Company's total assets will be invested in "Australian debt securities."	Policy removed.

The Company may invest a maximum of 35% in "New Zealand debt securities."	Policy removed.
Not a current policy.	The maximum country exposure to any one Other Country is limited to 10% of the Company's total assets.
Not a current policy.	The maximum currency exposure to any one Other Country currency (other than U.S. or Canadian dollars) is limited to 10% of the Company's total assets.
Not a current policy.	The maximum issuer exposure to entities which are located in any one Other Country other than governmental entities of such Other Country is limited to 3% of the Company's total assets.

THE INVESTMENT MANAGER'S MARKET OUTLOOK

Today, Asia stands on the right side of global imbalances. A greater proportion of global GDP has shifted to Asia over the last two decades since the Asian Financial Crisis in the late 1990s. Balance of payments are mostly in surplus, foreign exchange reserves are large and banking systems are better capitalised, with deposits in excess of loans, while consumers are savings-rich with low levels of debt, especially low levels of mortgage and credit card debt. This contrasts with the considerations faced by the indebted G8 countries. Countries such as Indonesia, Philippines and China, which had S&P foreign currency ratings of CCC, BB and BBB+, respectively, in the early 2000s, today are rated BBB, BBB+, and A+, respectively, with Indonesia and Philippines specifically having seen further ratings upgrades in recent months. In the broader emerging markets, countries like Mexico and Russia have seen improvements from BB+ and B- to BBB+ and BBB-, respectively. In contrast, the ratings of countries such as Italy, France, the UK and even the U.S. are rated the same or lower in many cases. As a result, diversifying into these countries today does not necessitate the same deterioration in ratings risk as it once did.

In a very similar fashion to Canada, in the last two decades, while Australia's sovereign rating improved by one notch to the maximum AAA rating, Australia's government bond yields have conversely declined from approximately 6% to multi-year lows recently of 1.5% on the 10-year government bond. Like many developed markets, growth pressures are mounting, the central bank has already eased rates and the market is anticipating further rate cuts. With its yields having sat below U.S. Treasuries for the last year or more and indeed beginning to edge below those of Canada very recently, Australia's ability to provide compelling rates of return and diversification in the manner that the broader Asian and emerging market bond markets do has been significantly curtailed. While it will remain an investible country, until such a time that valuations warrant it, there exist far better opportunities for investors in broader Asian and emerging bond markets.

Notwithstanding certain recent headwinds, the fundamentals of broader emerging market economies have also improved strongly over the past 30 years. In many cases, authorities have tightened regulatory and financial controls and adopted orthodox monetary policies allied to fiscal reform. Emerging market bond issuers have delivered consistently lower default rates than developed market peers. The JP Morgan GBI Emerging Market Global Diversified Index, which tracks local currency government bonds across 19 developing nations, has an average yield to maturity of 6.2% with an average credit rating of BBB. That's comfortably higher than the comparative yield of developed market equivalents. It makes emerging market debt the only mainstream asset class to offer investors both strong relative yield and investment grade credit quality, with diversified exposure to the investment universe serving to minimise specific country risk factors and manage volatility.

Beyond fundamentals and valuations, policy makers have also focused on improving capital market conditions, which have seen significant improvements in terms of the depth, liquidity and sophistication in Asia. This has opened up a wider range of potential investment opportunities for the Company, such as onshore access to bonds in China and India and even some of the frontier bond markets. It has also meant that global participation in regional markets has increased, particularly as countries such as Indonesia and, more recently, China have joined emerging and/or developed market bond indices, raising foreign demand but also pushing down yields.

Today we also find ourselves in a relatively unusual environment, as global policy makers struggle to stimulate growth and the percentage of negatively yielding bonds rises once again towards 20%, while global yields remain suppressed, particularly as the U.S. Federal Reserve's normalization cycle comes to an earlier end than previously expected.

In such an environment, the Investment Manager believes that exposure to Asia's higher quality debt markets and some select, diversified exposure to emerging market debt plays an increasingly important role in helping investors pursue their investment objectives. While yields have declined, driven by the factors discussed above, and, in the opinion of the Investment Manager, will likely continue to remain lower than historical levels as fundamentals continue to improve, the level of yields versus developed markets, including U.S. Treasuries, has widened since the 2008 Global Financial Crisis and are expected to continue to remain a source of better value.

Information in this press release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Such forward-looking information reflects the Investment Manager's beliefs, estimates and opinion regarding the Company's future financial performance, projects and opportunities and market conditions as at today's date. Implicit in this information, particularly in respect of future financial performance and condition of the Company, are factors and assumptions which, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Shareholders are cautioned that actual results are subject to a number of risks and uncertainties, including general economic and market factors, including credit, currency, political and interest-rate risks and could differ materially from what is currently expected. The Company has no specific intention of updating any forward-looking information whether as a result of new information, future events or otherwise, except as required by law.

Aberdeen Standard Investments ("ASI") is the marketing name in Canada for the following affiliated entities: Aberdeen Standard Investments Inc. and Aberdeen Standard Investments (Canada) Limited. Aberdeen Standard Investments Inc. is registered as a Portfolio Manager in the Canadian provinces of Ontario, New Brunswick, and Nova Scotia and as an Investment Fund Manager in the provinces of Ontario, Quebec, and Newfoundland and Labrador. Aberdeen Standard Investments (Canada) Limited, is registered as a Portfolio Manager and Exempt Market Dealer in all provinces and territories of Canada as well as an Investment Fund Manager in the provinces of Ontario, Quebec, and Newfoundland and Labrador. Both entities are indirect wholly owned subsidiaries of Standard Life Aberdeen PLC.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Company's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the Company. There is no assurance that the Company will achieve its investment objective. Past performance does not guarantee future results.

S&P Global Ratings credit ratings are expressed as letter grades that range from “AAA” to “D” to communicate the agency’s opinion of relative level of credit risk. Ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The investment grade category is a rating from AAA to BBB-. In determining average credit rating, ratings from Moody’s, S&P, or Fitch will apply. Every security in the representative account is assigned an average credit rating. The higher rating will apply for split rated securities. The average credit quality is a market-weighted average of all the securities in the representative account.

International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods; these risks are generally heightened for emerging market investments. Concentrating investments in the Asia-Pacific region subjects the Company to more volatility and greater risk of loss than geographically diverse funds. Fixed income securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in the market value of an investment), credit (changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral), prepayment (debt issuers may repay or refinance their loans or obligations earlier than anticipated), and extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase).Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

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