

Aberdeen Asia-Pacific Income Investment Company (FAP)

During the market turmoil in Q1, within the Company's investment portfolio, the exposure to the US dollar offered some protection as the tight liquidity conditions saw the US dollar benefit from its reserve currency status and safe haven flows. As at May 31, 2020 the Company's exposure to the USD dollar within its investment portfolio was in excess of 55%.

Since then, specifically, in late June through to early July, Management has hedged a significant portion of its US dollar exposure, reducing the USD exposure of the Company by in excess of 20%. In doing so, the exposure to a number of Asian currencies, such as the Chinese yuan, Korean won, Malaysian ringgit and Thai baht has increased. Meanwhile, the leverage used by the Company remains denominated in US dollars.

The provision of liquidity to markets/rapidly expanded money supply as well improved economic conditions in some economies, such as China, has begun to weigh on the US dollar. Although lagging the moves in the Euro, the currencies of the Asia Pacific region have benefited during this move, and will likely continue to do so should monetary conditions prevail.

Total return as of June 30, 2020¹ (%)

NAV	Cumulative	Annualized
Since Inception (June 1986)	818.7	6.7
Ten years	47.2	3.9
Five years	17.5	3.3
Three years	-1.8	-0.6
One year		-5.2

Market Price	Cumulative	Annualized
Since Inception	539.5	5.6
Ten years	15.1	1.4
Five years	-4.7	-1.0
Three years	-18.9	-6.8
One year		-10.2

¹ PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Investment returns and principal value will fluctuate and shares, when sold, may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. NAV return data includes investment management fees, custodial charges, bank loan expenses and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions. The Company is subject to investment risk, including the possible loss of principal. Returns for periods less than one year are not annualized. Total return based on net asset value reflects changes in the Company's net asset value during each period. Total return based on market price reflects changes in market value.

Top ten holdings as of June 30, 2020²

Holding	%
Indonesia Treasury Bond	3.1
Malaysia Government Bond	2.1
Vena Energy Capital Pte. Ltd.	1.8
HDFC Ltd.	1.8
Nigeria Government International Bond	1.8
Ivory Coast Government International Bond	1.8
Axis Bank Ltd.	1.7
Sri Lanka Government International Bond	1.6
Indiabulls Housing Finance Ltd.	1.6
Malaysia Government Bond	1.5
Total	18.8

² Holdings are subject to change and are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities shown.

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Effective November 1, 2019 the Company's blended benchmark changed to 50% Markit iBoxx Asian Local Bond Index, 25% J.P. Morgan Asia Credit Diversified Index, 15% JP Morgan GBI Emerging Market Global Diversified Index and 10% Bloomberg Ausbond Composite Index. The benchmark change was due to the change in investment policy that was announced on June 28, 2019. The Investment Manager believed that the changes in the investment policy would enable the Company to deliver higher earnings and stronger risk adjusted returns over the medium to longer term through the re-orientation of the Company's portfolio to higher yielding markets, while also providing greater portfolio diversification by country and company exposures.

Markit iBoxx Asian Local Bond Index is designed to reflect the performance of USD denominated bonds from Asian based issuers. The index offers a broad coverage of the universe of Asian USD bonds across all ratings and sectors.

J.P. Morgan Asia Credit Diversified Index tracks total returns for actively traded US-dollar denominated debt instruments in the Asia ex-Japan region.

JP Morgan GBI Emerging Market Global Diversified Index is a comprehensive emerging market debt benchmark that tracks local currency bonds issued by Emerging market governments.

Bloomberg Ausbond Composite Index measures the Australian debt market and is a composite of Treasury, Semi-Govt, Supra/Sov, and Credit indices.

IMPORTANT INFORMATION

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's portfolio. The net asset value (NAV) is the value of an entity's assets less the value of its liabilities. The market price is the current price at which an asset can be bought or sold. There is no assurance that the Company will achieve its investment objective. Past performance does not guarantee future results.

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).

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 Fund to more volatility and greater risk of loss than geographically diverse funds.

The above is for informational purposes only and should not be considered as an offer, or solicitation, to deal in any of the investments mentioned herein.

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