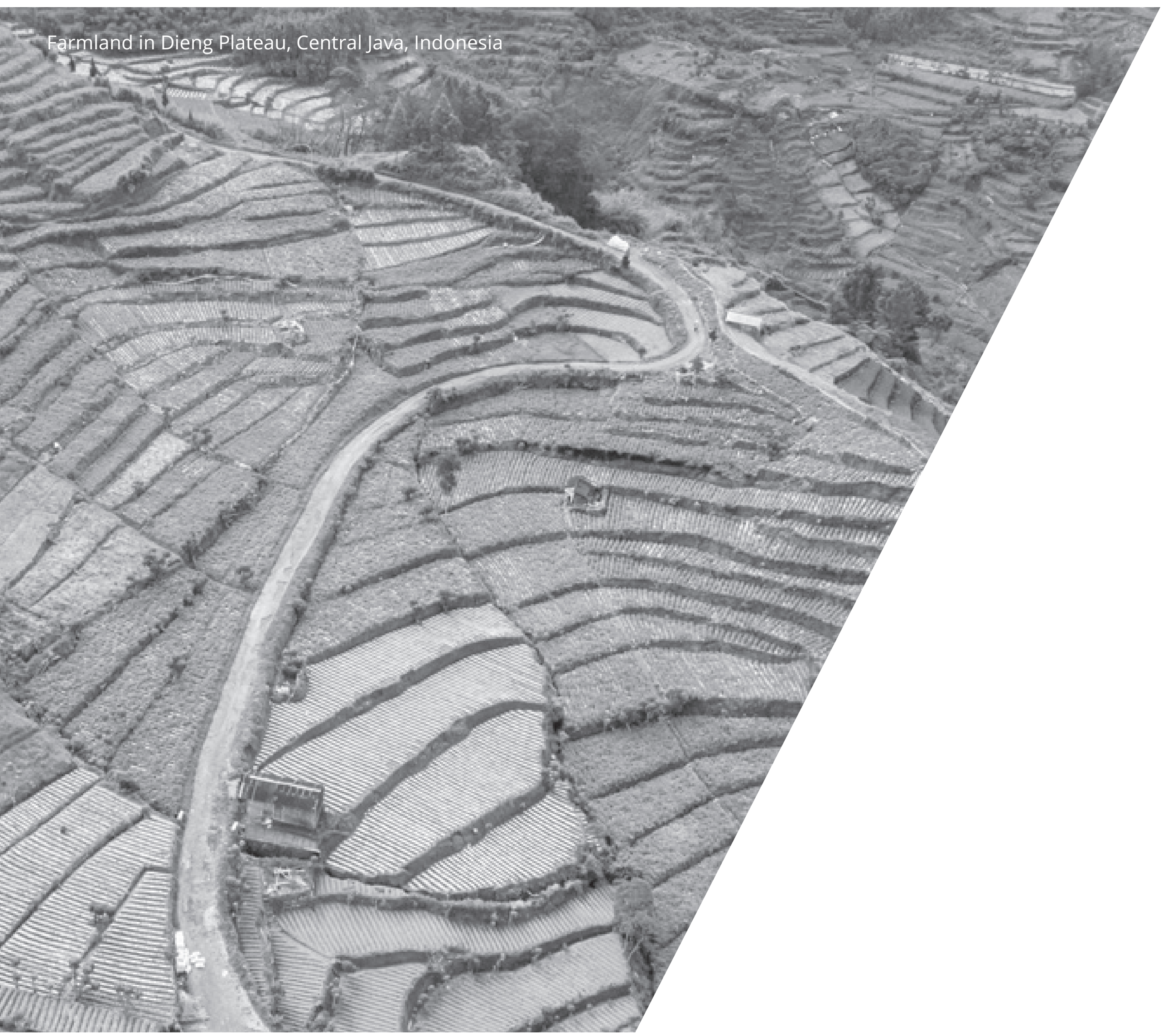
Aberdeen Standard Investments

Aberdeen Asia-Pacific Income Investment Company Limited (FAP)

Annual Report
October 31, 2018


Farmland in Dieng Plateau, Central Java, Indonesia

Aberdeen Asia-Pacific Income Investment Company Limited

Aberdeen Standard Investments

Annual Management Report of Fund Performance as at October 31, 2018 (unaudited)

This annual management report of fund performance contains financial highlights of Aberdeen Asia-Pacific Income Investment Company Limited (the "Company"). This report should be read in conjunction with the complete annual financial statements that are included on pages 14-36. You may request copies of the interim or annual financial statements at no cost, by calling 1-800-992-6341, by writing to us at Aberdeen Asset Management Inc. (name changed to Aberdeen Standard Investments Inc. effective January 1, 2019), 1735 Market Street, 32nd Floor, Philadelphia, PA 19103, USA or by visiting the website at http://www.aberdeenfap.com or SEDAR at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the Company's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance (unaudited)

Investment Objective and Strategies

The investment objective of the Company is to obtain current income and achieve incidental capital appreciation from investment in long-term debt securities. The Company may invest up to 80% of its total assets in Asia-Pacific debt securities.

Risks

The Company has multiple risks associated with investing in long-term debt securities and Asia-Pacific, Australasian and emerging market entities, including market, credit, currency, political and interest rate risks. Some or all of these factors may contribute to the day-to-day changes in the value of the securities held by the Company and in the net asset value ("NAV") of the Company. However, Aberdeen Standard Investments Asia Limited (formerly Aberdeen Asset Mangement Asia Limited), investment manager to the Company ("ASIAL"), does seek to mitigate some of these risks by diversifying the Company's holdings across different countries, currencies and industry sectors.

Interest Rate Risk Exposure

By virtue of its fixed-income investment strategy, substantially all of the Company's net assets are exposed to interest rate risk. Interest rate risk is the risk that either the fair value of the Company's financial instruments or cash flows relating to its financial instruments will be impacted by changes in market interest rates. Generally speaking, a rise in interest rates will have the effect of lowering the fair value of existing fixed-income securities, while a reduction in market interest rates will have the opposite effect. As at October 31, 2018, if the prevailing interest rates had been raised or lowered by 1%, net assets could possibly have decreased or increased, respectively, by approximately C$13.13 million.

The following table shows the maturity composition of the Company's investments as at October 31, 2018, as compared with the six months ended April 30, 2018 and the fiscal year ended October 31, 2017:

Date	Under 3 Years %	3 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2018	31.1%	17.7%	23.6%	27.6%
April 30, 2018	23.5	21.3	24.2	31.0
October 31, 2017	33.7	19.4	21.2	25.7

Exchange Value of the Canadian Dollar

Given that a substantial proportion of the Company's assets are invested in securities denominated in foreign currencies, changes in the value of the Canadian Dollar against these foreign currencies can have a significant impact on performance over time. As at October 31, 2018, investments in assets denominated in Australian and U.S. Dollars represented the largest currency holdings in the Company's assets. Generally speaking, a 1% rise or fall in the C$ exchange rate as of October 31, 2018 would result in a decrease or increase of the Company's NAV of approximately C$2.88 million respectively. For further information on the composition of the various currencies at the end of the period under review, please refer to the table on page 12 under "Currency Composition".

Being a closed-end investment fund, the Company's ordinary shares may trade at a premium or discount to the NAV. As a result, the return experienced by a holder of ordinary shares (market return) may often differ from the underlying performance of the Company (portfolio performance). The ordinary share price is established by competitive markets, which reflect the buying demand and the selling supply of ordinary shares. Factors which are thought to influence the Company's share price, and, therefore, discounts and premiums, include a fund's relative performance, the liquidity of a fund's shares, dividend yield, the use of a managed distribution policy, confidence in a fund's manager, investors' perceptions and expectations regarding the outlook of the countries/sectors/markets where a fund invests. Throughout the fiscal year ended October 31, 2018 (the "review period"), the Company's ordinary shares traded within a range of a discount of 8.7% to 25.0%, ending the period at a discount of 19.3%.

In addition, the Company faces the risk of illiquidity in its investments in lower-rated debt securities and local currency Asia-Pacific debt securities. The ability to hedge risk and transact at low costs in these markets is lower than the more developed markets and is subject to sudden shifts in market liquidity.

The Company also faces counterparty risk with regard to interest rate and foreign exchange derivative transactions in all markets.

Additional risk factors relating to the Company are included in the Company's Annual Information Form, which is filed on SEDAR at www.sedar.com.

Results of Operations

Net Asset Value Performance

With regard to the financial performance for the review period, the NAV return for the fiscal year ended October 31, 2018 was -9.9%, assuming reinvestment of dividends, and 6.8% per annum, assuming reinvestment of dividends, since the Company's inception. On October 31, 2018, the Company's ordinary share price was C$3.42, which represented a discount of 19.3% to the NAV per ordinary share of C$4.24. Please see the "Market Review" on page 3 for further information.

Distributions

During the fiscal year ended October 31, 2018, the Company paid a total of 0.39 cents per ordinary share in distributions. Based on the ordinary share price of C$3.42 on October 31, 2018, the Company's cash distribution rate for the twelve months ended October 31, 2018 was 11.4%.

On each of November 9, 2018 and December 11, 2018, the Company announced that it will pay on November 28, 2018 and January 10, 2019, respectively, a distribution of C$0.0325 per share to all holders of ordinary shares of record as of November 19, 2018 and December 31, 2018, respectively.

The Dividend Policy of the Board is to maintain a stable monthly distribution. To achieve a stable monthly distribution at an appropriate level, distributions are made out of net investment income and realised capital gains, supplemented with paid-in capital or par value capital as required. The full amount of the distribution, including the return of paid-in capital (other than a return of capital out of par value), is treated as foreign income for Canadian tax purposes. As reported in the Company's financial statements, for the years ended October 31, 2014, 2015, 2016, 2017 and 2018 the annual distributions included a return of paid-in capital of $0.14 (return of par), $0.09 (return of par), $0.01 (return of par), $0.00 and $0.10 (return of par), respectively. The Board does not believe that distributions that have included a return of paid-in capital have had a material negative impact on the ability of the Company to fulfill its investment objectives.

While a return of paid-in capital is treated as foreign income for Canadian tax purposes, a return of par is not treated as foreign income, but rather reduces an ordinary shareholder's adjusted cost base in his ordinary share (shareholders should consult their own tax advisers). At an extraordinary general meeting on August 26, 2013, holders of ordinary shares approved an amendment to the Company's Memorandum and Articles of Association to permit the directors of the Company from time to time to include as part of the regular monthly distributions a return of par up to the full amount of the par value per share. The par value per ordinary share as at October 31, 2018 was US$0.4683.

The Board intends to review the Dividend Policy and current monthly distribution rate on a quarterly basis, unless market conditions require an earlier evaluation. ASIAL will provide the Board with an analysis and recommendation to consider as part of the Board's review of the Dividend Policy.

Leverage Facility

The Company is party to a revolving credit loan facility ("facility") with The Bank of Nova Scotia with a termination date of November 17, 2021. As at October 31, 2018 the total amount of permitted borrowing on the facility was US$100,000,000. The outstanding balance on the facility as at October 31, 2017 was US$81,000,000. On June 1, 2018, July 17, 2018 and August 9, 2018 the Company decreased its leverage by US$3,750,000, US$3,750,000 and US$2,600,000, respectively. On October 31, 2018, the Company's outstanding balance on the revolving credit facility was US$70,900,000 (see Bank Loan on Statements of Financial Position). The outstanding balance on the facility at October 31, 2018 was US$70,900,000, which represented 43.1% of the NAV of the Company on October 31, 2018. The facility was the only source of investment leverage used by the Company during the reporting period covered by the financial statements. The Company used futures, forwards and swaps during the reporting period covered by the financial statements, but such derivative instruments were used for hedging purposes only. The leverage is currently used with the intent of enhancing returns by borrowing at interest rates that are lower than the current higher yields of the Asia-Pacific fixed income securities in which the Company invests. The Company is accruing the interest daily on this facility. The total accrued expense is included in the expense section of the Statement of Comprehensive Income (Loss) under "Interest expense."

The credit agreement governing the facility includes usual and customary covenants for this type of facility. These covenants impose on the Company asset coverage requirements, fund composition requirements and limits on certain investments. The covenants or guidelines could impede ASIAL or Aberdeen Standard Investment Australia Limited (formerly Aberdeen Asset Management Limited), investment adviser to the Company ("ASI Aus Ltd"), from fully managing the Company's portfolio in accordance with the Company's investment objective and by-laws. As of October 31, 2018, the Company was in compliance with all covenants under the facility.

These covenants also include limits on the Company's ability to (i) issue preferred ordinary shares or forms of indebtedness, (ii) incur liens, (iii) change its investment objective or fundamental investment restrictions without the approval of the lender, (iv) amend the Company's organisational documents in a manner which could adversely affect the rights and remedies of the lender, or (v) create, incur, assume or permit to exist certain debt except for certain specified types of debt. In addition, the credit agreement does not permit the Company's asset coverage ratio (as defined in the agreement) to fall below 300% at any time. Furthermore, non-compliance with such covenants or the occurrence of other events could lead to the cancellation of the facility. These other events include, but are not limited to:

- non-payment by the Company of certain obligations to the lender and other parties;
- involuntary or voluntary liquidation, reorganisation or other debt relief proceedings commenced against or by the Company;
- ASIAL or an affiliate ceases to be the investment manager to the Company; ASI Aus Ltd or an affiliate ceases to be the investment adviser to the Company; State Street Trust Company Canada ceases to be the Company's custodian; or Aberdeen Asset Management Inc. or an affiliate ceases to be the Company's administrator; and
- ASIAL ceases to be owned or controlled by Aberdeen Asset Management PLC or Standard Life Aberdeen plc.

The credit agreement permits, in certain circumstances, the Company to cure non-compliance or seek waivers or approvals from the lender. However, in the event that the facility were cancelled or were not available for renewal, the Company may not be able to find other financing on acceptable terms, if at all. Should the Company be unable to find other sources for financing it would be forced to "de-leverage" by making significant sales of its portfolio investments. De-leveraging could involve the sales of some securities under unfavorable market conditions in order to repay the lender. This could result in the portfolio's securities being sold for less than their expected value. Furthermore, these sales may realise capital gains.

Interest Rate Swaps

The Company enters into interest rate swaps to efficiently manage or hedge interest rate or currency risk. On April 12, 2018, a swap with a notional amount of US$37.5 million was terminated and a new swap with the same notional amount was entered into. On May 23, 2018, the Company terminated a swap agreement with a notional value of US$3.75 million maturing on April 16, 2028, on July 16, 2018, the Company terminated a swap agreement with the notional value of US$3.75 million maturing on April 16, 2028, and on August 7, 2018, the Company terminated a swap agreement with a notional value of US$2.6 million maturing on April 16, 2028. As at October 31, 2018, the Company held interest rate swap agreements with an aggregate notional amount of US$70,900,000 which represented 100% of the US$70,900,000 outstanding under the facility at such time. Under the terms of the interest rate swap agreements currently in effect, the Company 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 at October 31, 2018	Amount (in US$ million)	Fixed Rate Payable (%)
114 months	27.4	2.84
94 months	14.5	1.42
93 months	1.5	2.23
91 months	8.5	1.70
90 months	19.0	1.75

Recent Developments

Market Review

Asia-Pacific bonds endured significant bouts of volatility during the 12-month reporting period ended October 31, 2018, as capital outflows from emerging markets quickened due to the U.S. Federal

Reserve's ongoing rate-hike cycle and rising U.S. Treasury yields. As monetary policy normalization accelerated in the West, the easing cycle also came to an end in most parts of Asia. Indonesia's central bank led the charge, raising its benchmark interest rate five times over the reporting period in a bid to stem the falling rupiah as most emerging-market currencies succumbed to broad U.S.-dollar strength. Central banks in the Philippines and India also hiked interest rates but more in response to rising inflation, given the threat posed by higher global oil prices after U.S. President Donald Trump reimposed sanctions on Iran. Weakness in the Indonesian rupiah, Philippine peso and Indian rupee weighed on total returns in their respective local-currency government bond markets, although Indian bonds recouped losses after oil prices stabilized, inflationary pressures moderated and the central bank announced more bond-buying through open-market operations. In Sri Lanka, bond markets were hampered by volatile foreign-exchange movements, concerns over the country's large borrowing needs, and a constitutional crisis after Prime Minister Ranil Wickremesinghe was ousted.

Asian credit markets also declined on a total-return basis over the reporting period due to wider spreads and higher U.S. Treasury yields. High-yield credits underperformed their investment-grade[1] counterparts as risk-aversion spiked and liquidity tightened amid worsening global trade tensions. Investor sentiment was further dampened by looming Chinese debt maturities due for refinancing, as well as alleged fraud and rare defaults in the Indian banking sector. All this overshadowed a generally buoyant primary bond market, which saw regional borrowers step up debt sales to avoid higher funding costs expected in a rising-rate environment.

In emerging markets excluding Asia, government bond yields ended mixed over the reporting period. Several central banks were forced to raise interest rates in an effort to halt the run in their currencies due to contagion fears stemming from Argentina and Turkey, where bond yields rose sharply. In Turkey, investors were equally unnerved by President Recep Tayyip Erdogan's increasing interference in monetary policy. Mexico's central bank also raised interest rates in a bid to stem the peso's decline, while investor sentiment was further dented by fears the government would default on the bonds it had issued to finance the Mexico City airport construction, after a referendum voted to cancel the project. Conversely, Brazilian bond yields generally moved lower over the period as investors welcomed Jair Bolsonaro's sweeping presidential victory and his market-friendly pledges, which offset initial anxiety over rising inflationary pressures.

Australian bond yields were mixed over the reporting period, with the long end of the yield curve falling and the front end rising. The Australian market remained relatively defensive, outperforming comparable-duration[2] U.S. Treasuries as benign domestic inflation diminished the prospect of policy rate hikes. Nonetheless, the Australian dollar's depreciation against both the U.S. and Canadian dollars weighed on the market's performance.

Performance review

The Company returned -9.9% on a net asset value basis for the 12-month period ended October 31, 2018, and underperformed the -7.6% return of its blended benchmark.[3]

In Asian local-currency bonds, the underweight to Philippine bonds was a key positive contributor to the Company's relative performance as yields rose across the curve. Conversely, the overweights to the Indian and Sri Lankan rupees detracted from relative performance as both currencies declined against the Canadian dollar, although losses were mitigated by the positioning in high-yielding Indian and Sri Lankan bonds.

In emerging-market debt, the Company's underweight allocation to the Turkish lira was the largest positive contributor to relative performance as the currency fell sharply against the Canadian dollar over the reporting period. In Mexico the underweight positions in local bonds and the peso benefited the Fund's relative performance. The Fund's overweight to Brazilian bonds also had a positive impact on relative performance as yields in that market fell during the period.

The Company's holdings in Asian U.S.-dollar credit enhanced relative performance mainly because of the underweight to investment-grade sovereign bonds and security selection in high-yield industrial

[1] Companies whose bonds are rated as "investment grade" are considered by credit rating agencies to have a lower chance of defaulting on their debt than those rated as "non-investment grade." Generally, these bonds are issued by long-established companies with strong balance sheets. Bonds rated BBB- or above are known as investment-grade bonds. Standard & Poor's credit ratings 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-.

[2] Duration is an estimate of bond price sensitivity to changes in interest rates. The higher the duration, the greater the change (i.e., higher risk) in relation to interest-rate movements.

[3] The Company's blended benchmark comprises 25% Bloomberg Ausbond Composite Index; 20% J.P. Morgan Asian Credit Diversified Index; 15% Markit iBoxx Indonesia Index; 10% Market iBoxx Philippines Index; 10% Markit iBoxx India Index; 7% J.P. Morgan Government Bond-Brazil Index; 7% J.P. Morgan Government Bond-Turkey Index; and 6% J.P. Morgan Government Bond-Mexico Index.

bonds. This was counterbalanced by negative security selection in investment-grade financial bonds.

Finally, the Company's holdings in Australian bonds enhanced relative performance, but weakness in the Australian dollar pared the gains.

Over the reporting period, the Company's use of derivatives had an overall positive impact on performance for the period, adding about 132 basis points to its return, primarily due to the use of interest rates swaps that hedge out the increasing cost of leverage as US interest rates increases.

The investment objective of the Company is to obtain current income and achieve incidental capital appreciation from investments in long-term Asia-Pacific and emerging-market debt securities. Over the 12-month period, the Fund issued total distributions of C$0.39 per share.

Outlook

Global events continue to unfold. We now see the possibility of the U.S. Federal Reserve taking a breather in its policy normalization cycle in the second half of 2019. Following its meeting in December 2018, the U.S. Federal Reserve (Fed) raised its benchmark interest rate for the ninth time in the past three years. However, the central bank projected only two more rate hikes in 2019, down from its previous estimate of three increases. The Fed had signaled a slightly more dovish stance in November, when the governors discussed revising their policy statement to allow some flexibility in considering the most recent economic data when making decisions on rate-setting in 2019. In China, we are mindful of the slowdown in the domestic economy but are encouraged that the authorities appear committed to providing support for the private sector, which may not halt the slowdown but should diminish its magnitude. Furthermore, we would not rule out the possibility of the U.S. and China finding ways to temper the ongoing trade dispute. This could occur this year, as the Democratic Party, now has a majority in the U.S. House of Representatives following the midterm elections held in early November 2018.

In Australia, we believe that the central bank likely will keep interest rates steady well into 2019 as good gross domestic product (GDP) growth, supported by consumer spending, is being offset by housing-sector weakness and tightening credit conditions. We think that employment growth will add a positive countervailing force to housing weakness, but we do not expect labor conditions to tighten before the end of 2018.

While we think that we may see further pressure on emerging-market currencies and capital flows, we believe that the backdrop for emerging markets began to turn more positive at the end of 2018, with the Fed switching to a more cautious tone on monetary policy tightening and China slowly implementing its stimulus agenda. Going into 2019, we think that the lack of certainty on Fed interest-rate hikes could weigh on the U.S. dollar, boding well for emerging-market currencies. Furthermore, we believe that investors have priced in the risks to a large degree, with trade friction and higher oil prices dominating discussions. The overall market's positioning has also shifted from a short-U.S. dollar stance to one that is long U.S. dollar. At this stage, what investors are not positioned for is a de-escalation of risks, in our view. Some investors already have been forced to unwind their long speculative positions in oil as the demand outlook softens, inventories increase and countries negotiate waivers to the U.S. sanctions on Iran. The resultant sharp correction in the oil price has reduced one of the key risks for many Asian economies, while providing support for oil-importing nations such as India and Indonesia. This backdrop, along with the prospect of a high-level meeting between U.S. President Trump and his Chinese counterpart Xi Jinping, have allowed regional currencies to stabilize somewhat. Nevertheless, key risks remain around the trade dispute, with little evidence indicating a compromise is near, while political risks in emerging markets stem from upcoming elections in Indonesia and India.

Asia-Pacific economies generally have healthy external trade balances and solid foreign-currency reserves, while institutional frameworks are noticeably more robust than a decade ago. Elsewhere, we think that increasing International Monetary Fund (IMF) support for Argentina, monetary policy tightening in Turkey, and the agreement of a new trade deal between the U.S., Mexico and Canada also bode well for sentiment. We expect volatility to persist, but we intend to take advantage of opportunities to add exposure to the Fund where we believe that valuations look compelling, particularly issuers that we feel will cope well in a lower-growth environment.

Brexit

The ongoing negotiations surrounding the United Kingdom's ("UK") exit from the European Union ("EU") ("Brexit") have yet to provide clarity on what the outcome will be for the UK, the EU or the rest of Europe. The UK remains a member of the EU until the legally established departure date of March 29, 2019 and, until such date, all existing EU-derived laws and regulations continue to apply in the UK. Those laws may continue to apply for a transitional period,

[4] An interest rate overlay is use to modify both the interest-rate sensitivity (duration) and the term structure of the fixed income assets in a portfolio.

depending on whether a deal is struck and, if so, what that deal is. In any event, the UK's on-shoring of EU legislation currently envisages no policy changes to EU law. However, the EU has not yet provided any material cushion from the effects of Brexit for financial services as a matter of EU law. Whether or not a Company invests in securities of issuers located in Europe (whether the EU, Eurozone or UK) or with significant exposure to European, EU, Eurozone or UK issuers or countries, the unavoidable uncertainties and events related to Brexit could negatively affect the value and liquidity of the Company's investments, increase taxes and costs of business and cause volatility in currency exchange rates and interest rates. Brexit could adversely affect the performance of contracts in existence at the date of Brexit and European, UK or worldwide political, regulatory, economic or market conditions and could contribute to instability in political institutions, regulatory agencies and financial markets. Brexit could also lead to legal uncertainty and politically divergent national laws and regulations as a new relationship between the UK and EU is defined and the UK determines which EU laws to replace or replicate. Any of these effects of Brexit, and others that cannot be anticipated, could adversely affect the Company's business, results of operations and financial condition. In addition, the risk that Standard Life Aberdeen plc, the parent of the companies that provide investment advisory and administration services to the Company and which is headquartered in the UK, fails to adequately prepare for Brexit could have significant customer, reputation and capital impacts for Standard Life Aberdeen plc and its subsidiaries, including those providing services to the Company; however, Standard Life Aberdeen plc and its subsidiaries have detailed contingency planning in place to seek to manage the consequences of Brexit on the Company and to avoid any disruption on the Company and to the services provided to the Company. Given the fluidity and complexity of the situation, however, the Company cannot assure that it will not be adversely impacted despite the contingency planning.

Director Updates

Share Ownership Policy

Under the Company's Director's Share Ownership Policy independent Directors of the Company are required to own at least 4,000 shares of the Company no later than the end of the calendar year following the year in which he or she becomes a Director.

The below chart summarizes each Independent Director share ownership as at October 31, 2018.

Independent Director	Shares Owned (by public flings)
Radhika Ajmera*	4,000
William J. Braithwaite	14,000
P. Gerald Malone*	4,500
Richard H. McCoy*	5,656
Warren C. Smith	12,500

* Member of the Company's Independent Review Committee.

Related Party Transactions

The Company has an agreement (the "Management Agreement") with ASIAL to provide professional investment services. ASI Aus Ltd and Aberdeen Asset Managers Limited ("AAML"), each a related company of ASIAL, has been engaged to provide advice to ASIAL with respect to ASIAL's services to the Company. ASIAL pays fees to ASI Aus Ltd and AAML for services rendered. In addition, the Company has a further agreement (the "Administration Agreement") with Aberdeen Asset Management Inc. ("AAMI") to provide general fund management and administrative services including record keeping, accounting and office services. Finally, the Company has an agreement with AAMI to provide investor relations services.

Forward-Looking Information

Information in this annual management report of fund performance that is not current or historically factual information may constitute forward-looking information within the meaning of securities laws. Such forward-looking information reflects ASIAL's beliefs, estimates and opinion regarding the Company's future financial performance, projects and opportunities and market conditions at the time of preparation. 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. Holders of ordinary shares are cautioned that actual results are subject to a number of risks and uncertainties, including general economic and market factors, 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.

All amounts in Canadian Dollars ("C$") unless otherwise stated.

Financial Highlights

The following table shows selected key financial information about the Company, which is intended to help you understand the Company's financial performance for the past five years.

The Company's Net Assets per Ordinary Share:[a]	**2018**	**2017**	**2016**	**2015**	**2014**
Net assets, beginning of year	C$ 5.18	C$ 5.52	C$ 5.11	C$ 5.65	C$ 5.71
Increase/(decrease) from operations:[b]					
Total revenue	0.46	0.53	0.53	0.56	0.53
Total expenses	(0.17)	(0.15)	(0.14)	(0.14)	(0.12)
Realised gains/(losses) for the year	(0.46)	(0.02)	0.10	(0.19)	(0.09)
Unrealised gains/(losses) for the year	(0.39)	(0.31)	0.37	(0.29)	0.18
Total increase/(decrease) from operations	**(0.56)**	**0.05**	**0.86**	**(0.06)**	**0.50**
Distributions:					
From income to holders of ordinary shareholders	(0.29)	(0.37)	(0.40)	(0.39)	(0.42)
Realized gains	–	(0.02)	(0.04)	–	–
Return of par	(0.10)	–	(0.01)	(0.09)	(0.14)
Total annual distributions[c]	(0.39)	(0.39)	(0.45)	(0.48)	(0.56)
Impact of normal course issuer bid	C$ 0.01	C$ –	C$ –	C$ –	C$ –
Net assets, end of year	C$ 4.24	C$ 5.18	C$ 5.52	C$ 5.11	C$ 5.65
Ratios/Supplemental Data:					
Total net asset value end of year (C$000)	215,899	267,410	287,617	267,714	298,429
Number of ordinary shares outstanding – end of year	50,961,616	51,647,616	52,060,616	52,369,716	52,820,516
Management expense ratio[d]	2.11%	1.71%	1.59%	1.53%	1.49%
Trading expense ratio[e]	–	–	–	–	–
Management expense ratio excluding interest expense[f]	1.15%	1.09%	1.13%	1.11%	1.10%
Portfolio turnover rate[g]	39%	30%	24%	22%	26%
Net asset value per ordinary share	C$ 4.24	C$ 5.18	C$ 5.52	C$ 5.11	C$ 5.65
Closing market price	C$ 3.42	C$ 4.64	C$ 4.90	C$ 4.65	C$ 5.23

(a) This information is derived from the Company's audited annual financial statements. The net assets per ordinary shares of the Company presented in the financial statements may differ from the net asset value calculated for fund pricing purposes.
(b) Net assets are based on the actual number of ordinary shares outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of ordinary shares outstanding over the applicable period.
(c) Distributions per share are paid in cash and based on the number of ordinary shares outstanding on the dates of such distributions.
(d) Management expense ratio is the ratio of total expenses of the Company (excluding commissions, other portfolio transaction costs and withholding tax) divided by the daily average assets of the Company during the period, which includes the revolving credit facility. Ratios of the total expenses of the Company divided by the average net assets of the Company are 2.96%, 2.36%, 2.20%, 2.16% and 2.09% for the periods ended October 31, 2018, October 31, 2017, October 31, 2016, October 31, 2015 and October 31, 2014, respectively.
(e) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value per ordinary shares during the applicable period. The Company is charged commission only on futures contract transactions. During the review period the trading expense ratio was less than 0.005%.
(f) Ratio represents expenses excluding the interest expense and withholding tax on the revolving credit facility divided by the average assets of the Company during the year, which includes the revolving credit facility. Ratios of the total expenses of the Company divided by the average net assets of the Company are 1.62%, 1.51%, 1.56%, 1.58% and 1.54%, for the periods ended October 31, 2018, October 31, 2017, October 31, 2016, October 31, 2015 and October 31, 2014 , respectively.
(g) Portfolio turnover rate is a measure of portfolio trading activity and is computed by dividing the lesser of the cost of investments purchased and the proceeds on sales of investments by the average market value of the investments portfolio for the applicable period. A portfolio turnover rate of 100% is equivalent to the Company buying and selling all of the securities in its portfolio once in the course of the year. The higher the Company's portfolio turnover rate in a period, the greater the trading costs payable by the Company in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a company.

Amounts listed as "–" are $0 or round to $0.

The accompanying notes are an integral part of these financial statements.

Management Fees (unaudited)

The Management Agreement provides for a monthly fee at the annual rate of 0.65% of the Company's average weekly Managed Assets up to and including C$250 million, at the annual rate of 0.55% of the Company's average weekly Managed Assets in excess of C$250 million and including C$450 million, and at the annual rate of 0.50% of the Company's average weekly Managed Assets in excess of C$450 million, payable monthly. "Managed Assets" are defined in the Management Agreement as net assets plus the amount of any borrowings for investment purposes. For the fiscal year ended October 31, 2018, ASIAL earned gross fees of C$2,157,701, which were used by ASIAL to pay its costs for managing the Company's investments and making investment decisions on behalf of the Company.

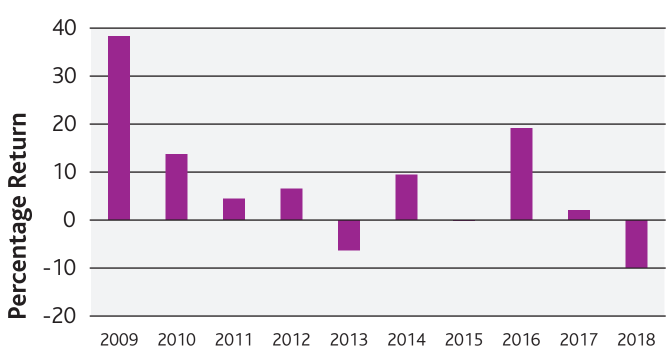
Past Performance (unaudited)

Historical performance is not indicative of future performance.

Year-by-Year Returns

The following bar chart shows the Company's NAV performance for each of the fiscal years shown and illustrates how the NAV performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each period would have grown or decreased by the last day of each period, assuming reinvestment of dividends and distributions. In considering the Company's compound total returns, it should be noted that the payment of distributions has often included a return of paid-in capital, so that the Company's distributions have exceeded the performance of the Company. An investor can buy and sell shares at the market price on the Toronto Stock Exchange ("TSX") and not at NAV.

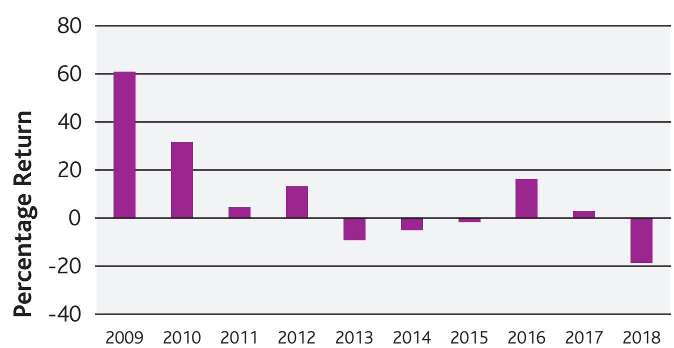
Total Return – NAV



* Total Return – NAV as at October 31, 2015 was -0.2%.

The following chart shows the performance of the Company's ordinary shares on the TSX for each of the fiscal years shown and assumes reinvestment of dividends and distributions.

Total Return – Market Value



Annual Compound Returns

The table below shows the Company's annual compound total returns, based on the Company's NAV and market value for the ten, five, three and one year periods ended on October 31, 2018, compared with the JP Morgan Asian Credit Index (the "Index") and the Company's benchmark (described below). The Company's NAV performance is net of management fees and all other fund expenses and includes the impact of the leverage facility whereas the returns of the benchmark and the Index are calculated without deductions for fees, expenses or leverage. It is not expected that the Company's performance will mirror that of the benchmark or Index.

From April 1, 2003 to October 31, 2006, the benchmark was comprised of 45% CBBI and 55% CABI. From October 31, 2006 to August 1, 2009, other than the two benchmark changes noted herein, the benchmark was comprised of 45% UBS Composite Index, 35.75% Asian Dollar Bonds and 19.25% IBoxx Asia excluding China. Since August 1, 2009, the benchmark has been comprised of 25% Bloomberg Ausbond Composite Index, 20% Merrill Lynch Asia USD

Past Performance (unaudited) (concluded)

Bond Index (effective December 31, 2011, this index was replaced by the JP Morgan Asian Credit Index; which, effective October 1, 2017, was subsequently replaced by the JP Morgan Asian Credit Diversified Index), 35% IBoxx indices and 20% JPMorgan Government Emerging Markets Indices. The IBoxx indices are made up of 15% IBoxx Indonesia, 10% IBoxx Philippines and 10% IBoxx India. The JPMorgan Government Emerging Market Indices are made up of 6% JPMorgan Government Bond-Mexico, 7% JPMorgan Government Bond-Brazil and 7% JPMorgan Government Bond-Turkey. New benchmark weighting of China is reduced which is more in line with the Investment Manager's view of a diversified portfolio.

	1 Year	3 Years	5 Years	10 Years
Aberdeen Asia-Pacific Income Investment Company Limited NAV	-9.9%	3.0%	3.6%	6.9%
Aberdeen Asia-Pacific Income Investment Company Limited-Market Value	-18.9%	-1.0%	-2.1%	7.3%
Benchmark	-7.6%	1.6%	4.3%	6.8%
JP Morgan Asian Credit Index (JACI)	0.7%	2.9%	8.7%	9.3%

The JACI is a broad-based securities market index which consists of liquid US dollar-denominated debt securities issued out of the Asia ex-Japan region.

Summary of Investment Portfolio Information (unaudited)

As at October 31, 2018

The following summary of the investment portfolio may change due to ongoing transactions of the Company. You may obtain quarterly updates by calling 1-800-992-6341, by writing Aberdeen Asset Management Inc., 1735 Market St., 32nd Floor, Philadelphia, PA 19103, USA attn: Investor Services or visiting the Company's website at http://www.aberdeenfap.com

Country Allocation

The table below shows the Company's investment by country allocation as a percentage of net assets as at October 31, 2018 and October 31, 2017:

Country	Percentage of Net Asset Value As at October 31, 2018	Percentage of Net Asset Value As at October 31, 2017
India	27.0%	26.4%
Indonesia	26.3%	22.8%
Australia	23.8%	20.3%
Brazil	12.9%	15.3%
China	12.2%	8.4%
Sri Lanka	5.8%	10.0%
Philippines	4.2%	1.5%
Supranational	4.1%	4.4%
Republic of South Korea	2.7%	1.9%
Thailand	2.6%	2.4%
Malaysia	2.0%	2.1%
Singapore	1.5%	1.3%
Hong Kong	1.5%	2.5%
United Kingdom	1.4%	1.2%
Germany	1.2%	1.8%
United Arab Emirates	0.8%	0.9%
Mongolia	0.8%	0.2%
Netherlands	0.4%	0.3%
Israel	0.3%	0.0%
Macau	0.3%	0.1%
Norway	0.2%	0.2%
Papua New Guinea	0.2%	0.0%
Kuwait	0.2%	0.2%
Turkey	0.0%	6.4%
Mexico	0.0%	3.1%
Saudi Arabia	0.0%	0.4%
Baharain	0.0%	0.2%
Bank Loan, Other Assets & Liabilities	(32.4)%	(34.3)%
	100.0%	100.0%

Top 25 Investments

The following table shows the top 25 investments held by the Company as at October 31, 2018:

Currency	Principal Amount (000)	Description	Net Asset Value %	Value (C$)
BRL	48,000	Brazil Notas do Tesouro Nacional Series F, 10.00%, 01/01/2025	8.0	17,254,699
IDR	114,000,000	Indonesia Government Bond, JP Morgan Credit Linked Note, 10.50%, 08/19/2030	5.1	11,041,554
USD	17,245	Indonesia Government Bond, Standard Chartered Credit Linked Note, 10.50%, 08/19/2030	5.1	11,001,064
BRL	29,200	Brazil Notas do Tesouro Nacional Series F, 10.00%, 01/01/2023	4.9	10,602,214

Summary of Investment Portfolio Information (unaudited) (continued)

Currency	Principal Amount (000)	Description	Net Asset Value %	Value (C$)
AUD	8,700	Australia Government Bond, 3.75%, 04/21/2037	4.2	9,010,217
INR	480,000	India Government Bond, 8.28%, 09/21/2027	4.0	8,694,178
AUD	8,500	Australia Government Bond, 5.25%, 03/15/2019	3.7	8,024,759
IDR	69,700,000	Indonesia Treasury Bond, 10.50%, 08/15/2030	3.1	6,756,397
INR	335,000	India Government Bond, 8.30%, 07/02/2040	2.8	6,006,800
INR	328,000	India Government Bond, 8.12%, 12/10/2020	2.7	5,892,554
LKR	810,000	Sri Lanka Government Bond, 9.45%, 10/15/2021	2.7	5,816,910
AUD	5,900	Australia Government Bond, 3.25%, 06/21/2039	2.6	5,686,886
IDR	76,000,000	Indonesia Treasury Bond, 7.50%, 05/15/2038	2.6	5,659,804
INR	250,000	Adani Transmission Ltd., 10.25%, 04/15/2021	2.1	4,572,694
INR	250,000	Indiabulls Housing Finance Ltd., 8.90%, 09/26/2021	2.0	4,362,943
AUD	4,040	Queensland Treasury Corp., 6.00%, 06/14/2021	1.9	4,136,227
IDR	55,500,000	Indonesia Treasury Bond, 6.13%, 05/15/2028	1.9	4,037,027
INR	220,000	Axis Bank Ltd., 8.85%, 12/05/2024	1.8	3,937,209
AUD	3,900	Queensland Treasury Corp., 6.25%, 06/14/2019	1.7	3,733,736
INR	200,000	Power Finance Corp. Ltd., 8.70%, 05/14/2020	1.7	3,591,319
AUD	3,350	Treasury Corp. of Victoria, 6.00%, 06/15/2020	1.5	3,317,113
INR	180,000	Rural Electrification Corp. Ltd., 9.35%, 06/15/2022	1.5	3,271,920
INR	180,000	Power Finance Corp. Ltd., 8.70%, 07/15/2020	1.5	3,234,812
PHP	140,000	Philippine Government Bond, 5.75%, 04/12/2025	1.5	3,140,440
IDR	32,000,000	Indonesia Treasury Bond, 12.80%, 06/15/2021	1.4	3,081,533

Top 25 Investments

The following table shows the top 25 investments held by the Company as at October 31, 2017:

Currency	Principal Amount (000)	Description	Net Asset Value %	Value (C$)
BRL	73,500	Brazil Notas do Tesouro Nacional Series F, 10.00%, 01/01/2018	10.9	29,095,906
AUD	15,000	Australia Government Bond, 3.75%, 04/21/2037	6.0	16,085,200
IDR	114,000,000	Indonesia Government Bond, JP Morgan Credit Linked Note, 10.50%, 08/19/2030	5.1	13,636,298
USD	17,244	Indonesia Government Bond, Standard Chartered Credit Linked Note, 10.50%, 08/19/2030	5.1	13,593,717
INR	620,000	India Government Bond, 8.28%, 09/21/2027	5.0	13,273,971
BRL	29,200	Brazil Notas do Tesouro Nacional Series F, 10.00%, 01/01/2023	4.4	11,705,992
INR	535,000	India Government Bond, 7.80%, 05/03/2020	4.1	10,965,179
TRY	26,850	Turkey Government Bond, 10.50%, 01/15/2020	3.3	8,800,072
LKR	1,044,000	Sri Lanka Government Bond, 8.00%, 11/15/2018	3.2	8,637,703
TRY	26,000	Turkey Government Bond, 10.60%, 02/11/2026	3.1	8,417,592
IDR	69,700,000	Indonesia Treasury Bond, 10.50%, 08/15/2030	3.1	8,346,748
LKR	930,000	Sri Lanka Government Bond, 10.60%, 09/15/2019	3.0	7,915,432
MXN	98,500	Mexican Bonos, 8.50%, 05/31/2029	2.7	7,231,404
INR	328,000	India Government Bond, 8.12%, 12/10/2020	2.5	6,815,262
LKR	810,000	Sri Lanka Government Bond, 9.45%, 10/15/2021	2.5	6,671,220

Summary of Investment Portfolio Information (unaudited) (concluded)

Currency	Principal Amount (000)	Description	Net Asset Value %	Value (C$)
INR	220,000	Axis Bank Ltd., 8.85%, 12/05/2024	1.8	4,700,430
AUD	4,040	Queensland Treasury Corp., 6.00%, 06/14/2021	1.7	4,527,203
AUD	4,300	Australia Government Bond, 3.25%, 06/21/2039	1.6	4,237,165
AUD	3,900	Queensland Treasury Corp., 6.25%, 06/14/2019	1.5	4,123,639
INR	200,000	Power Finance Corp. Ltd., 8.70%, 05/14/2020	1.5	4,111,557
INR	180,000	Rural Electrification Corp. Ltd., 9.35%, 06/15/2022	1.4	3,864,794
INR	180,000	Power Finance Corp. Ltd., 8.70%, 07/15/2020	1.4	3,706,127
IDR	32,000,000	Indonesia Treasury Bond, 12.80%, 06/15/2021	1.4	3,686,029
AUD	3,350	Treasury Corp. of Victoria, 6.00%, 06/15/2020	1.4	3,641,266
INR	150,000	Adani Transmission Ltd., 10.25%, 04/15/2021	1.2	3,180,693

Other Investment Portfolio Information (unaudited)

As at October 31, 2018

Geographic Composition

The table below shows the geographical composition of the Company's total investments as at October 31, 2018, compared with April 30, 2018 and October 31, 2017:

Date	Asia (Including NZ) %	Australia %	Latin America %	United States %	Europe %	Middle East %	Canada %
October 31, 2018	63.1	20.8	9.2	4.3	2.3	0.2	0.1
April 30, 2018	59.1	19.7	13.2	1.1	6.6	0.2	0.1
October 31, 2017	59.2	19.6	13.5	0.2	7.3	0.0	0.0

Currency Composition

The table below shows the currency composition of the Company's total investments as at October 31, 2018, compared with April 30, 2018 and October 31, 2017:

Date	US Dollar*** %	Asian Currencies** %	Australian Dollar %	Latin American Currencies %	Eastern European Currencies %	Canadian Dollar %
October 31, 2018	38.1	37.9	21.3	2.6	0.0	0.1
April 30, 2018	22.1	39.7	20.4	13.2	4.5	0.1
October 31, 2017	24.0	37.4	20.4	13.5	4.7	0.0

** Includes New Zealand Dollar

*** Includes U.S. dollar denominated bonds of Asian Issuers: 31.5% on October 31, 2018, 22.1% on April 30, 2018, 24.0% on October 31, 2017.

Other Investment Portfolio Information (unaudited) (concluded)

Maturity Composition

The average maturity of the Company's investments was 8.4 years as at October 31, 2018, a decrease from 8.9 years as at April 30, 2018, an increase from 7.9 years at October 31, 2017. The extension in duration over the reporting period has been in response to the volatility in markets and its impact on valuations and yield curves particularly over the first few months of 2018. The following table shows the maturity composition of the Company's investments as at October 31, 2018, compared with April 30, 2018 and October 31, 2017:

Date	Under 3 Years %	3 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2018	31.1	17.7	23.6	27.6
April 30, 2018	23.5	21.3	24.2	31.0
October 31, 2017	33.7	19.4	21.2	25.7

Quality of Investments

As at October 31, 2018, 24.9% of the Company's investments were 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, was judged to be of equivalent quality by the Investment Manager. The following table shows the ratings of securities held by the Company as at October 31, 2018, compared with April 30, 2018 and October 31, 2017:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba** %	B** %	CCC** %	NR*** %
October 31, 2018	19.4	2.9	2.6	39.2	14.4	5.3	0.0	16.2
April 30, 2018	16.6	2.7	4.7	37.1	14.6	4.8	0.0	19.5
October 31, 2017	16.7	3.7	6.6	36.4	14.9	5.1	0.1	16.5

** Below investment grade

*** Not rated

Statements of Financial Position

	Note	October 31, 2018 C$	October 31, 2017 C$
Current Assets			
Investments, at fair value, (Cost: C$321,986,570; 2017: C$371,524,840)		287,728,869	359,072,375
Short-term investments (Cost: C$-; 2017: C$712,872)		–	713,425
Foreign cash (Cost: C$18,194,042; 2017: C$7,092,183)		18,259,186	7,143,430
Cash		412,372	75,915
Cash at broker for futures contracts (Cost: C$369,481; 2017: C$105,923)		369,481	108,413
Interest receivable		5,209,508	6,700,847
Unrealised appreciation on interest rate swaps		7,084,049	2,945,391
Unsettled sales trades		–	1,497,879
Due from broker – Futures variation margin		75,318	154,008
Sundry debtors and prepayments		54,370	62,691
Total current assets		**C$319,193,153**	**C$378,474,374**
Current Liabilities			
Bank loan	9	93,109,425	104,417,100
Unsettled purchases trades		2,553,461	1,734,289
Unrealised depreciation on forward foreign currency exchange contracts		516,010	–
Due to broker – Futures variation margin		355,167	130,769
Deferred foreign capital gains tax	6	278,406	933,982
Investment management fees payable	7	181,019	204,410
Administration fees payable	7	35,848	41,320
Interest payable on bank loan	9	15,689	202,599
Director fees payable		2,494	–
Unrealised depreciation on interest rate swaps		–	3,004
Cash from broker on interest rate swap agreements		6,001,371	3,080,772
Investor relations fees payable	7	7,974	7,538
Accrued expenses and other liabilities		236,828	308,712
Total current liabilities		**103,293,692**	**111,064,495**
Shareholders' Equity			
Share capital at par (par value US$0.4683, US$0.5430 per share respectively)	8	33,981,773	39,376,881
Paid-in surplus		478,340,045	480,656,054
Deficit	10	(244,220,971)	(220,388,517)
Unrealised appreciation/(depreciation) on investments, interest rate swaps, futures and foreign currency transactions		(52,201,386)	(32,234,539)
Total Equity		**C$215,899,461**	**C$267,409,879**
(50,961,616 ordinary shares outstanding as at October 31, 2018) (51,647,616 ordinary shares outstanding as at October 31, 2017)		**C$4.24**	**C$5.18**

Approved by the Board of Directors

/s/ Richard H. McCoy

Richard H. McCoy
Chairman

/s/ P. Gerald Malone

P. Gerald Malone
Chairman of Audit Committee

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income (Loss)

	Note	Twelve Months Ended October 31, 2018 C$	Twelve Months Ended October 31, 2017 C$
Income			
Interest income		23,733,714	27,223,212
Realised gains/(losses) on investments and foreign currency transactions		(24,258,651)	(631,529)
Realised gains/(losses) on interest rate swap contracts		426,197	(217,212)
Realised gains/(losses) on futures contracts		259,342	(13,912)
Change in unrealised appreciation/(depreciation) on investments		(21,805,789)	(23,138,395)
Change in unrealised appreciation/(depreciation) on futures contracts		(303,088)	40,750
Change in unrealised appreciation/(depreciation) on interest rate swap contracts		4,141,662	2,691,338
Change in unrealised appreciation/(depreciation) on translation of foreign currency denominated assets and liabilities		(1,999,632)	3,905,715
		(19,806,245)	9,859,967
Expenses			
Investment management fees	7	2,157,701	2,327,520
Administration fees	7	433,568	472,164
Director fees and expenses		297,513	329,112
Custodian fees and expenses		182,936	176,215
Legal and professional fees and expenses		158,209	153,582
Independent auditor fees and expenses		117,887	109,779
Insurance		114,405	104,416
Transfer agent fees and expenses		107,993	105,429
Miscellaneous		103,738	76,275
Bank loan amendment fees		101,048	49,635
Investor relations fees and expenses	7	93,077	93,989
Reports to shareholders		86,315	79,819
Registration, listing and depositary fees		25,608	25,143
Independent review committee fees		21,395	21,508
Total operating expenses		4,001,393	4,124,586
Interest expense	9	3,311,579	2,326,242
Withholding taxes		1,593,233	1,509,100
Total expenses		8,906,205	7,959,928
Profit/ (Loss) for the Period		**C$(28,712,450)**	**C$ 1,900,039**
Earnings (Loss) per ordinary share C$(28,712,450) / 51,375,306 weighted average number of ordinary shares outstanding (October 31, 2017-C$1,900,039 / 51,780,520)		**C$(0.5589)**	**C$0.0367**

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

	Twelve Months Ended October 31, 2018 C$	Twelve Months Ended October 31, 2017 C$
Profit/(Loss) for the Year	**(28,712,450)**	**1,900,039**
Dividends to holders of ordinary shares:		
Ordinary share dividends	(15,086,851)	(20,193,303)
Ordinary share dividends – return of par	(4,947,348)	–
Repurchase of ordinary share due to normal course issuer bid (686,000 and 413,000 ordinary shares, respectively)	(2,763,769)	(1,914,075)
	(22,797,968)	(22,107,378)
Decrease in Shareholders' equity	(51,510,418)	(20,207,339)
Shareholders' Equity		
Beginning of year	267,409,879	287,617,218
End of year	**C$215,899,461**	**C$267,409,879**

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

	Twelve Months Ended October 31, 2018 C$	Twelve Months Ended October 31, 2017 C$
Increase / (Decrease) in Cash (Including Foreign Currency)		
Cash flows provided from (used for) operating activities:		
Interest received	23,541,176	26,385,958
Operating expenses paid	(7,589,378)	(6,225,866)
Net payments received from broker for collateral on interest rate swaps	2,717,514	3,166,752
Purchases and sales of short-term portfolio investments, net	712,872	713,425
Purchases of investments at fair value	(152,603,527)	(126,217,699)
Proceeds from sales of investments at fair value	204,025,922	119,752,619
Realised gains (losses) on forward foreign currency exchange contracts closed	(23,822,079)	23,793
Realised gains (losses) on interest rate swap transactions	426,197	(217,212)
Payments received from (paid to) broker for futures contracts	(1,726)	(20,305)
Other assets	0	10,557
Net cash provided from operating activities	C$ 47,406,971	C$ 17,372,022
Cash flows provided from (used for) financing activities:		
Bank Loan	(13,170,687)	1,950,591
Dividends paid to holders of ordinary shares, net of reinvested dividends	(20,034,199)	(20,193,303)
Repurchase of ordinary shares	(2,763,769)	(1,914,075)
Net cash used for financing activities	(35,968,655)	(20,156,787)
Effect of exchange rate on cash	13,897	(2,879,167)
Net increase (decrease) in cash	11,452,213	(5,663,932)
Cash at beginning of year*	7,219,345	12,883,277
Cash at end of year*	C$ 18,671,558	C$ 7,219,345

* For purposes of the Statement of Cash Flows, cash includes Cash and Foreign Cash, as shown within the Statement of Financial Position, but does not include cash at broker for financial futures contracts or cash at broker for interest swap agreements because it is designated as collateral.

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

As of October 31, 2018

Principal Amount (000)		Description	Cost (C$)	Carrying Value (C$)
BANK LOANS—0.9%				
AUSTRALIA—0.9%				
AUD	2,100	Brickworks Ltd. Term Loan C, 4.11%, 02/20/2026 (a)(b)	2,082,123	1,958,699
			2,082,123	**1,958,699**
CORPORATE BONDS—54.6%				
AUSTRALIA—1.6%				
AUD	500	APT Pipelines Ltd., 7.75%, 07/22/2020 (c)	448,737	502,605
USD	550	Australia and New Zealand Banking Group Ltd., 6.75%, 12/29/2049	747,344	743,054
AUD	326	Brisbane Square Finance Pty Ltd., Zero Coupon, 11/25/2025 (a)(d)(f)	347,712	329,800
AUD	682	CF Asia Pacific Group Pty Ltd., 8.35%, 11/30/2018 (a)(c)(d)(g)	673,646	649,666
AUD	690	NEXTDC Ltd., 6.25%, 06/09/2019 (a)(g)	697,868	659,002
AUD	600	Qantas Airways Ltd., 7.50%, 06/11/2021	637,623	618,571
			3,552,930	**3,502,698**
CHINA—11.9%				
USD	460	Agile Group Holdings Ltd., 8.50%, 07/18/2020 (c)(g)	601,276	592,245
USD	700	Agile Group Holdings Ltd., 10.22%, 01/18/2019 (c)(e)(g)(h)	924,243	916,907
USD	600	Beijing Environment Bvi Co. Ltd., 5.30%, 10/18/2021 (c)	781,935	788,222
USD	570	Bluestar Finance Holdings Ltd., 1.00%, 12/31/2099	746,037	747,855
USD	1,000	Central China Real Estate Ltd., 8.00%, 11/30/2018 (c)(g)	1,318,719	1,301,083
USD	500	China Aoyuan Property Group Ltd., 6.35%, 01/11/2020 (c)	661,733	643,735
USD	706	China Aoyuan Property Group Ltd., 7.95%, 09/07/2020 (c)(g)	914,341	898,179
USD	300	China Evergrande Group, 8.25%, 03/23/2020 (c)(g)	373,866	347,555
USD	250	China Resources Gas Group Ltd., 4.50%, 04/05/2022 (c)	244,655	331,951
USD	400	Chinalco Capital Holdings Ltd., 4.25%, 04/21/2022 (c)	530,202	502,574
USD	1,150	CIFI Holdings Group Co. Ltd., 6.38%, 05/02/2020 (c)	1,496,261	1,471,464
USD	500	CNAC HK Finbridge Co. Ltd., 4.88%, 03/14/2025 (c)	664,884	653,025
USD	600	CNOOC Curtis Funding No 1 Pty Ltd., 4.50%, 10/03/2023 (c)	838,926	802,059
USD	500	CNOOC Nexen Finance 2014 ULC, 4.25%, 04/30/2024	674,012	660,033
USD	1,100	Country Garden Holdings Co. Ltd., 8.00%, 09/27/2021 (c)(g)	1,423,678	1,332,116
USD	400	Fufeng Group Ltd., 5.88%, 08/28/2021 (c)	521,325	526,692
USD	400	Geely Automobile Holdings Ltd., 3.63%, 01/25/2023 (c)	485,753	508,582
USD	314	Health and Happiness H&H International Holdings Ltd., 7.25%, 12/03/2018 (c)(g)	450,238	419,550
USD	1,000	Hilong Holding Ltd., 7.25%, 06/22/2020 (c)	1,285,553	1,287,412
USD	400	KWG Group Holdings Ltd., 8.98%, 11/30/2018 (c)(g)	533,698	529,177
USD	600	Logan Property Holdings Co. Ltd., 7.50%, 08/27/2020 (c)(g)	777,729	743,261
USD	700	New Metro Global Ltd., 5.00%, 08/08/2020 (c)(g)	838,751	785,553
USD	200	Poly Real Estate Finance Ltd., 3.95%, 02/05/2023 (c)	245,224	250,173
USD	500	Postal Savings Bank of China Co. Ltd., 4.50%, 09/27/2022 (c)(e)(g)(h)	617,150	613,795
USD	500	Proven Honour Capital Ltd., 4.13%, 05/19/2025 (c)	677,905	609,707
USD	200	Scenery Journey Ltd., 11.00%, 11/06/2020	262,670	261,442
USD	393	Semiconductor Manufacturing International Corp., 4.13%, 10/07/2019 (c)	431,240	516,186
USD	360	SF Holding Investment Ltd., 4.13%, 07/26/2023 (c)	476,046	470,314
USD	1,100	Shimao Property Holdings Ltd., 8.38%, 02/10/2019 (c)(g)	1,559,545	1,468,212
USD	300	Shougang Group Co. Ltd., 3.95%, 04/04/2019 (c)	386,625	394,935
USD	300	Sunny Optical Technology Group Co. Ltd., 3.75%, 01/23/2023 (c)	370,777	377,191
USD	300	Tencent Holdings Ltd., 3.80%, 02/11/2025 (c)	414,980	380,262
USD	400	Tianqi Finco Co. Ltd., 3.75%, 11/28/2022 (c)	509,558	450,487
USD	1,300	Times China Holdings Ltd., 6.60%, 11/30/2020 (c)(g)	1,497,805	1,441,818
USD	600	Vanke Real Estate Hong Kong Co. Ltd., 3.98%, 11/09/2027 (c)	766,374	697,762
USD	570	Yankuang Group Cayman Ltd., 4.75%, 11/30/2020 (c)	720,384	727,469
USD	208	Yingde Gases Investment Ltd., 6.25%, 01/19/2021 (c)(g)	260,217	255,859
			26,284,315	**25,704,842**

See Notes to Financial Statements.

Schedule of Investment Portfolio (continued)

As of October 31, 2018

Principal Amount (000)		Description	Cost (C$)	Carrying Value (C$)
CORPORATE BONDS (continued)				
GERMANY—1.2%				
AUD	1,080	KfW, 6.25%, 12/04/2019 (i)	1,129,152	1,050,642
AUD	1,500	KfW, 6.25%, 05/19/2021 (i)	1,809,801	1,532,148
			2,938,953	**2,582,790**
HONG KONG—1.5%				
USD	206	CK Hutchison Capital Securities 17 Ltd., 4.00%, 05/12/2022 (c)(e)(g)(h)	282,292	259,114
USD	360	CK Hutchison International 17 Ltd., 2.88%, 04/05/2022 (c)	478,072	459,433
USD	600	Far East Consortium International Ltd., 3.75%, 09/08/2021 (c)	772,410	757,879
USD	200	FPC Treasury Ltd., 4.50%, 04/16/2023 (c)	264,892	258,822
USD	600	Hutchison Whampoa Finance CI Ltd., 7.50%, 08/01/2027 (c)	1,075,472	966,505
USD	250	Hutchison Whampoa International 03/33 Ltd., 7.45%, 11/24/2033 (c)	288,535	428,400
			3,161,673	**3,130,153**
INDIA—17.0%				
USD	510	Adani Ports & Special Economic Zone Ltd., 4.00%, 06/30/2027 (c)(g)	668,695	598,811
INR	250,000	Adani Transmission Ltd., 10.25%, 04/15/2021	5,472,142	4,572,694
INR	220,000	Axis Bank Ltd., 8.85%, 12/05/2024	4,300,600	3,937,209
INR	100,000	Axis Bank Ltd., 9.15%, 12/31/2022	1,991,433	1,788,577
USD	300	Bharti Airtel International Netherlands BV, 5.13%, 03/11/2023 (c)	400,599	383,081
INR	140,000	GAIL India Ltd., 8.30%, 02/23/2022	2,650,459	2,479,219
INR	100,000	ICICI Bank Ltd., 7.60%, 10/07/2023	2,054,246	1,719,891
USD	600	ICICI Bank Ltd/Dubai, 4.00%, 03/18/2026 (c)	742,546	731,049
INR	250,000	Indiabulls Housing Finance Ltd., 8.90%, 09/26/2021	5,023,519	4,362,943
INR	50,000	Indiabulls Housing Finance Ltd., 9.00%, 04/29/2026	971,374	881,428
USD	267	Neerg Energy Ltd., 6.00%, 02/13/2020 (c)(g)	350,331	330,041
USD	800	Power Finance Corp. Ltd., 5.25%, 08/10/2028 (c)	1,034,328	1,010,855
INR	200,000	Power Finance Corp. Ltd., 8.70%, 05/14/2020	4,492,808	3,591,319
INR	180,000	Power Finance Corp. Ltd., 8.70%, 07/15/2020	4,069,256	3,234,812
USD	290	Reliance Industries Ltd., 4.13%, 01/28/2025 (c)	386,869	366,955
INR	100,000	Reliance Jio Infocomm Ltd., 8.95%, 10/04/2020	2,191,117	1,796,137
INR	180,000	Rural Electrification Corp. Ltd., 9.35%, 06/15/2022	3,630,281	3,271,920
USD	639	Vedanta Resources PLC, 6.13%, 08/09/2021 (c)(g)	785,971	742,238
USD	800	Yes Bank Ifsc Banking Unit Branch, 3.75%, 02/06/2023 (c)	983,176	973,943
			42,199,750	**36,773,122**
INDONESIA—3.0%				
USD	494	Bank Rakyat Indonesia Persero Tbk PT, 4.63%, 07/20/2023 (c)	646,552	647,887
USD	480	Chandra Asri Petrochemical Tbk PT, 4.95%, 11/08/2021 (c)(g)	610,672	552,989
USD	200	Jababeka International BV, 6.50%, 10/05/2020 (c)(g)	260,290	210,770
USD	500	Lembaga Pembiayaan Ekspor Indonesia, 3.88%, 04/06/2024 (c)	663,590	625,630
IDR	30,000,000	Lembaga Pembiayaan Ekspor Indonesia, 9.50%, 03/13/2020	2,902,657	2,634,199
USD	250	Medco Platinum Road Pte Ltd., 6.75%, 01/30/2022 (c)(g)	306,990	300,256
USD	613	Perusahaan Listrik Negara PT, 6.15%, 05/21/2048 (c)	784,533	785,190
USD	600	TBG Global Pte Ltd., 5.25%, 02/10/2019 (c)(g)	768,310	769,635
			6,943,594	**6,526,556**
ISRAEL—0.3%				
USD	500	Teva Pharmaceutical Finance Netherlands III BV, 6.00%, 01/15/2024 (g)	**627,949**	**653,518**
KUWAIT—0.2%				
USD	300	Al Ahli Bank of Kuwait KSCP, 7.25%, 09/26/2023 (c)(e)(g)(h)	**388,815**	**392,921**

See Notes to Financial Statements.

Schedule of Investment Portfolio (continued)

As of October 31, 2018

Principal Amount (000)		Description	Cost (C$)	Carrying Value (C$)
CORPORATE BONDS (continued)				
MACAU—0.3%				
USD	600	Sands China Ltd., 5.40%, 05/08/2028 (c)(g)	**779,814**	**754,828**
MALAYSIA—2.0%				
USD	1,552	Gohl Capital Ltd., 4.25%, 01/24/2027 (c)	2,007,390	1,910,486
USD	800	Press Metal Labuan Ltd., 4.80%, 10/30/2020 (c)(g)	1,011,600	989,311
USD	264	RHB Bank Bhd, 2.50%, 10/06/2021 (c)	337,773	333,800
USD	450	TNB Global Ventures Capital Bhd, 3.24%, 10/19/2026 (c)	597,330	538,476
USD	450	TNB Global Ventures Capital Bhd, 4.85%, 11/01/2028 (c)	589,860	592,695
			4,543,953	**4,364,768**
NETHERLANDS—0.4%				
USD	600	Samvardhana Motherson Automotive Systems Group BV, 4.88%, 06/16/2019 (c)(g)	**761,220**	**785,865**
NORWAY—0.2%				
AUD	500	Kommunalbanken AS, 6.50%, 04/12/2021	**494,246**	**511,527**
PHILIPPINES—1.9%				
USD	459	International Container Terminal Services, Inc., 7.38%, 03/17/2020 (c)	689,659	628,994
USD	900	Megaworld Corp., 4.25%, 04/17/2023 (c)	1,178,884	1,164,685
USD	750	Royal Capital BV, 4.88%, 05/05/2024 (c)(e)(g)(h)(j)	943,133	917,429
USD	700	Security Bank Corp., 4.50%, 09/25/2023 (c)	908,307	920,290
USD	390	Union Bank of the Philippines, 3.37%, 11/29/2022 (c)	497,757	487,970
			4,217,740	**4,119,368**
SINGAPORE—1.5%				
USD	200	DBS Group Holdings Ltd., 3.60%, 09/07/2021 (c)(e)(g)(h)(j)	256,387	252,495
USD	200	DBS Group Holdings Ltd., 4.52%, 12/11/2023 (c)(e)(g)	258,560	266,162
USD	547	Marble II Pte Ltd., 5.30%, 06/20/2019 (c)(g)	723,325	697,326
USD	300	Parkway Pantai Ltd., 4.25%, 07/27/2022 (c)(e)(g)(h)	376,530	372,819
USD	800	United Overseas Bank Ltd., 3.50%, 09/16/2021 (c)(e)(g)	1,024,818	1,036,425
USD	420	United Overseas Bank Ltd., 3.88%, 10/19/2023 (c)(e)(g)(h)	525,651	513,134
			3,165,271	**3,138,361**
SOUTH KOREA—2.7%				
USD	1,000	Busan Bank Co. Ltd., 3.63%, 07/25/2026 (c)	1,285,458	1,195,940
USD	390	Hankook Tire Co. Ltd., 3.50%, 01/30/2023 (c)	480,176	499,793
USD	889	Korea Development Bank (The), 2.63%, 02/27/2022	1,161,867	1,131,778
USD	580	Korea Hydro & Nuclear Power Co. Ltd., 3.00%, 09/19/2022 (c)	767,936	741,146
USD	200	Korea Western Power Co. Ltd., 3.75%, 06/07/2023 (c)	258,690	261,104
USD	310	Shinhan Bank Co. Ltd., 2.88%, 03/28/2022 (c)	411,134	395,409
USD	1,000	Shinhan Financial Group Co. Ltd., 5.88%, 08/13/2023 (c)(e)(g)(h)	1,306,588	1,306,589
USD	267	Woori Bank, 5.13%, 08/06/2028 (c)	345,773	350,006
			6,017,622	**5,881,765**
SUPRANATIONAL—4.0%				
AUD	2,000	Asian Development Bank, 5.00%, 03/09/2022	2,259,091	2,016,817
AUD	600	Asian Development Bank, 6.25%, 03/05/2020	650,980	588,830
AUD	2,000	Inter-American Development Bank, 6.00%, 02/26/2021	2,193,296	2,018,103
AUD	800	Inter-American Development Bank, 6.50%, 08/20/2019	803,470	771,337
AUD	800	International Bank for Reconstruction & Development, 5.75%, 10/21/2019	842,755	771,190
AUD	2,600	International Finance Corp., 5.75%, 07/28/2020	2,727,745	2,568,150
			9,477,337	**8,734,427**

See Notes to Financial Statements.

Schedule of Investment Portfolio (continued)

As of October 31, 2018

Principal Amount (000)		Description	Cost (C$)	Carrying Value (C$)
CORPORATE BONDS (continued)				
THAILAND—2.6%				
USD	1,300	Bangkok Bank PCL, 9.03%, 03/15/2029 (c)	1,708,656	2,221,742
USD	200	Bangkok Bank PCL, 9.03%, 03/15/2029 (c)	365,382	341,807
USD	1,300	Krung Thai Bank PCL, 5.20%, 12/26/2019 (c)(e)(g)	1,455,371	1,725,617
USD	409	PTTEP Treasury Center Co. Ltd., 4.60%, 07/17/2022 (c)(e)(g)(h)	524,461	516,490
USD	543	RH International Singapore Corp. Pte Ltd., 4.50%, 03/27/2028 (c)	710,399	715,021
			4,764,269	**5,520,677**
UNITED ARAB EMIRATES—0.9%				
USD	576	Abu Dhabi National Energy Co. PJSC, 4.88%, 04/23/2030 (c)	723,908	752,452
USD	500	MAF Global Securities Ltd., 5.50%, 09/07/2022 (c)(e)(g)(h)(j)	689,650	624,695
USD	360	Zahidi Ltd., 4.50%, 03/22/2028 (c)(d)	468,065	459,738
			1,881,623	**1,836,885**
UNITED KINGDOM—1.4%				
USD	1,352	HSBC Holdings PLC, 6.38%, 03/30/2025 (e)(g)(h)(j)	1,758,367	1,728,670
USD	500	Standard Chartered PLC, 3.95%, 01/11/2023 (c)	658,117	645,779
USD	300	Standard Chartered PLC, 4.05%, 04/12/2026 (c)	383,187	376,619
USD	200	Standard Chartered PLC, 7.75%, 04/02/2023 (c)(e)(g)(h)	272,462	265,923
			3,072,133	**3,016,991**
		Total Corporate Bonds	**125,273,207**	**117,932,062**
GOVERNMENT BONDS—77.8%				
AUSTRALIA—22.2%				
AUD	5,900	Australia Government Bond, 3.25%, 06/21/2039 (c)	5,820,552	5,686,886
AUD	8,700	Australia Government Bond, 3.75%, 04/21/2037 (c)	9,034,229	9,010,217
AUD	1,900	Australia Government Bond, 4.50%, 04/21/2033 (c)	2,102,036	2,129,307
AUD	8,500	Australia Government Bond, 5.25%, 03/15/2019 (c)	8,064,446	8,024,759
AUD	1,000	Australia Government Bond, 5.50%, 04/21/2023 (c)	1,130,568	1,063,812
AUD	1,200	New South Wales Treasury Corp., 3.00%, 02/20/2030 (c)	1,157,654	1,099,538
AUD	1,000	New South Wales Treasury Corp., 6.00%, 05/01/2020 (c)	1,183,956	986,303
AUD	2,000	Queensland Treasury Corp., 5.75%, 07/22/2024 (c)	2,252,503	2,170,449
AUD	4,040	Queensland Treasury Corp., 6.00%, 06/14/2021 (c)(i)	4,160,426	4,136,227
AUD	3,900	Queensland Treasury Corp., 6.25%, 06/14/2019 (i)	4,547,238	3,733,736
AUD	2,485	Queensland Treasury Corp., 6.25%, 02/21/2020 (c)	2,681,477	2,439,964
AUD	3,350	Treasury Corp. of Victoria, 6.00%, 06/15/2020	3,678,499	3,317,113
AUD	2,400	Treasury Corp. of Victoria, 6.00%, 10/17/2022	2,658,865	2,546,705
AUD	1,480	Western Australian Treasury Corp., 7.00%, 07/15/2021	1,631,198	1,550,131
			50,103,647	**47,895,147**
BRAZIL—12.9%				
BRL	29,200	Brazil Notas do Tesouro Nacional Series F, 10.00%, 01/01/2023	10,665,859	10,602,214
BRL	48,000	Brazil Notas do Tesouro Nacional Series F, 10.00%, 01/01/2025	18,641,527	17,254,699
			29,307,386	**27,856,913**
CHINA—0.3%				
USD	511	China Government International Bond, 4.00%, 10/19/2048 (c)	**660,672**	**638,776**
INDIA—10.0%				
INR	328,000	India Government Bond, 8.12%, 12/10/2020	5,992,290	5,892,555
INR	480,000	India Government Bond, 8.28%, 09/21/2027	8,350,493	8,694,178

See Notes to Financial Statements.

Schedule of Investment Portfolio (continued)

As of October 31, 2018

Principal Amount (000)		Description	Cost (C$)	Carrying Value (C$)
GOVERNMENT BONDS (continued)				
INDIA (continued)				
INR	335,000	India Government Bond, 8.30%, 07/02/2040	7,119,699	6,006,800
INR	43,660	India Government Bond, 8.40%, 07/28/2024	872,375	795,238
INR	6,210	India Government Bond, 9.20%, 09/30/2030	134,862	119,372
			22,469,719	**21,508,143**
INDONESIA—23.3%				
IDR	114,000,000	Indonesia Government Bond, JP Morgan Credit Linked Note, 10.50%, 08/19/2030 (c)	16,776,394	11,041,554
USD	17,245	Indonesia Government Bond, Standard Chartered Credit Linked Note, 10.50%, 08/19/2030	16,452,107	11,001,064
IDR	55,500,000	Indonesia Treasury Bond, 6.13%, 05/15/2028	4,953,988	4,037,027
IDR	19,000,000	Indonesia Treasury Bond, 6.63%, 05/15/2033	1,506,565	1,355,720
IDR	76,000,000	Indonesia Treasury Bond, 7.50%, 05/15/2038	7,300,699	5,659,804
IDR	28,200,000	Indonesia Treasury Bond, 8.25%, 06/15/2032	3,558,166	2,316,934
IDR	10,000,000	Indonesia Treasury Bond, 8.38%, 09/15/2026	1,008,129	853,168
IDR	5,000,000	Indonesia Treasury Bond, 8.75%, 05/15/2031	533,050	430,542
IDR	23,208,000	Indonesia Treasury Bond, 9.00%, 03/15/2029	2,176,756	2,050,371
IDR	69,700,000	Indonesia Treasury Bond, 10.50%, 08/15/2030	9,426,628	6,756,397
IDR	32,000,000	Indonesia Treasury Bond, 12.80%, 06/15/2021	4,728,379	3,081,533
USD	400	Perusahaan Penerbit SBSN Indonesia III, 3.40%, 03/29/2022 (c)	533,880	513,152
USD	850	Perusahaan Penerbit SBSN Indonesia III, 4.35%, 09/10/2024 (c)	1,130,231	1,102,198
USD	100	Perusahaan Penerbit SBSN Indonesia III, 4.55%, 03/29/2026 (c)	136,558	127,531
			70,221,530	**50,326,995**
MONGOLIA—0.8%				
USD	200	Development Bank of Mongolia, 7.25%, 10/23/2023	256,043	257,037
USD	1,150	Mongolia Government International Bond, 5.63%, 05/01/2023 (c)	1,471,709	1,441,266
			1,727,752	**1,698,303**
PAPUA NEW GUINEA—0.2%				
USD	285	Papua New Guinea Government International Bond, 8.38%, 10/04/2028 (c)	**372,367**	**371,905**
PHILIPPINES—2.3%				
PHP	140,000	Philippine Government Bond, 5.75%, 04/12/2025	3,368,445	3,140,440
PHP	80,000	Philippine Government Bond, 6.25%, 03/22/2028	1,941,187	1,749,956
			5,309,632	**4,890,396**
SRI LANKA—5.8%				
LKR	810,000	Sri Lanka Government Bond, 9.45%, 10/15/2021	6,436,901	5,816,909
LKR	220,000	Sri Lanka Government Bond, 10.75%, 01/15/2019	1,852,188	1,651,803
LKR	110,000	Sri Lanka Government Bond, 11.20%, 07/01/2022	1,174,710	821,603
LKR	68,000	Sri Lanka Government Bond, 11.40%, 01/01/2024	775,623	506,883
LKR	270,000	Sri Lanka Government Bonds, 11.00%, 08/01/2021	2,258,757	2,018,165
USD	253	Sri Lanka Government International Bond, 5.75%, 04/18/2023 (c)	318,059	299,365
LKR	220,000	Sri Lanka Treasury Bills, Zero Coupon, 07/26/2019 (k)	1,642,297	1,536,802
			14,458,535	**12,651,530**
		Total Government Bonds	**194,631,240**	**167,838,108**
		Total Investments—133.3% (l)	321,986,570	287,728,869
		Liabilities in Excess of Other Assets—(33.3)%		(71,829,408)
		Net Assets—100.0%		**215,899,461**

See Notes to Financial Statements.

Schedule of Investment Portfolio (continued)

As of October 31, 2018

AUD—Australian Dollar
BRL—Brazilian Real
IDR—Indonesian Rupiah
INR—Indian Rupee
LKR—Sri Lanka Rupee
PHP—Philippine Peso
USD—U.S. Dollar

(a) Illiquid security.
(b) Level 3 security. See Note 2(a) of the accompanying Notes to Financial Statements.
(c) Indicates a security that may be restricted in certain markets.
(d) Sinkable security.
(e) Variable or Floating Rate Security. Rate disclosed is as of October 31, 2018.
(f) The annuity payments increase by 3.25% every year, until the asset amortizes to zero.
(g) The maturity date presented for these instruments represents the next call/put date.
(h) Perpetual bond. This is a bond that has no maturity date, is redeemable and pays a steady stream of interest indefinitely. The maturity date presented for these instruments represents the next call/put date.
(i) This security is government guaranteed.
(j) 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.
(k) Issued with a zero coupon.
(l) See accompanying Notes to Financial Statements for tax unrealized appreciation/(depreciation) of securities.

At October 31, 2018, the Company held the following futures contracts:

Futures Contracts	Number of Contracts Long/(Short)	Expiration Date	Notional Amount (C$)	Market Value (C$)	Unrealized Appreciation/ (Depreciation) (C$)
Long Contract Positions					
United States Treasury Note 6%—2 year	43	12/31/2018	11,965,509	11,924,692	(40,817)
United States Treasury Note 6%—Ultra Long	22	12/19/2018	4,636,009	4,321,659	(314,350)
					(355,167)
Short Contract Positions					
United States Treasury Note 6%—10 year	(14)	12/19/2018	(2,218,791)	(2,182,838)	35,953
United States Treasury Note 6%—5 year	(28)	12/31/2018	(4,181,863)	(4,142,498)	39,365
					75,318
					(279,849)

At October 31, 2018, the Company held the following over-the-counter interest rate swaps:

Currency	Notional Amount	Expiration Date	Counterparty	Receive (Pay) Floating Rate	Floating Rate Index	Fixed Rate	Premium Paid (Received) (C$)	Unrealised Appreciation (C$)	Value (C$)
Buy Protection:									
USD	19,000,000	04/27/2026	Deutsche	Receive	3-month LIBOR Index	1.75%	–	2,399,968	2,399,968
USD	8,500,000	05/06/2026	Citibank	Receive	3-month LIBOR Index	1.70%	–	1,086,269	1,086,269
USD	1,500,000	07/07/2026	Citibank	Receive	3-month LIBOR Index	2.23%	–	117,506	117,506
USD	14,500,000	08/23/2026	Deutsche	Receive	3-month LIBOR Index	1.42%	–	2,375,157	2,375,157
USD	27,400,000	04/16/2028	BNP Paribas	Receive	3-month LIBOR Index	2.84%	–	1,105,149	1,105,149
							–	**7,084,049**	**7,084,049**

See Notes to Financial Statements.

Schedule of Investment Portfolio (continued)

As of October 31, 2018

At October 31, 2018, the Company's open forward foreign currency exchange contracts were as follows:

Purchase Contracts Settlement Date	Counterparty		Amount Purchased		Amount Sold	Contract Value (C$)	Fair Value (C$)	Unrealized Depreciation (C$)
United States Dollar / Brazilian Real								
12/18/2018	Citibank	USD	15,000,000	BRL	57,495,000	19,814,250	19,298,240	(516,010)
							$19,298,240	**$(516,010)**

See Notes to Financial Statements.

Notes to Financial Statements

October 31, 2018

Note 1—Organisation

Aberdeen Asia-Pacific Income Investment Company Limited (the "Company") is a closed-end investment company established under the laws of the Cook Islands. The address of the Company's principal office is 1st Floor, BCI House, Avarua, Rarotonga, Cook Islands. The island country is in free association with New Zealand. The Company commenced operations on June 13, 1986 and the Company's ordinary shares are listed on the Toronto Stock Exchange.

The financial statements of the Company include the Statements of Financial Position as at October 31, 2018 and October 31, 2017 and the Statements of Comprehensive Income (Loss), Statements of Changes in Shareholders' Equity and Statements of Cash Flows for the twelve months ended October 31, 2018 and October 31, 2017.

The investment objective of the Company is to obtain current income and achieve incidental capital appreciation from investment in long-term debt securities.

Note 2—Basis of Presentation and Adoption of IFRS

a) Statement of Compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") applicable to the preparation of annual financial statements. The Company adopted this basis of accounting in 2015 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA of Canada Handbook ("Canadian GAAP"). The Company has one operating segment.

The financial statements were authorized for issue by the Board of Directors on January 15, 2019.

b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Note 3—Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(1) Judgments

Determination of functional currency

The functional currency is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Company's transactions, including investor subscriptions and redemptions, are denominated in Canadian dollars. Accordingly, management has determined that the functional currency of the Company is Canadian dollars.

(2) Assumptions and estimates

Measurement of fair values

Information about assumptions and estimates that have a significant risk of resulting in a material adjustment in the twelve months ending October 31, 2018 is included in Note 4 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

Note 4—Accounting Policies

The following is a summary of the significant accounting policies followed by the Company in the preparation of its financial statements:

(1) Financial instruments are required to be classified into one of the following categories: held-for-trading, fair value through profit or loss ("FVTPL"), available for sale, loans and receivables, assets held-to-maturity, and other financial liabilities. The Company measures financial instruments at fair value on initial recognition. Measurement in subsequent periods depend on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or FVTPL, in which case transaction costs are expensed as incurred. The Company's accounting policies for measuring the fair value of its investments are identical to those used in measuring its net asset value ("NAV") for transactions with shareholders.

The Company's derivative financial assets and derivative financial liabilities are classified as held-for-trading. The Company's investments at fair value are designated as FVTPL at origination. Financial assets and financial liabilities held for trading or designated at FVTPL are recognized initially on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. Financial assets are de-recognised when the rights to receive cash flows from the investments that expired or the Company has transferred substantially all of the risks and rewards of ownership. Upon disposal, the difference between the amount received and the average cost to acquire the financial asset is included in "realized gains (losses) on investments" in the Statements of Comprehensive Income (Loss). Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Gains and losses arising from change in fair value, futures contracts and interest rate swaps are presented separately in the Statements of Comprehensive Income (Loss) in "change in unrealized appreciation / (depreciation)" in the period in which they arise.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets, such as publicly traded derivatives, is based on quoted market prices at the close of trading on the reporting date. The fair value of fixed income securities are based on the last bid price on the reporting date. Pricing services generally price debt securities assuring orderly transactions of an institutional "round lot" size, and the strategies employed by the Company's investment adviser generally trade in round lot sizes. In certain circumstances, some trades may occur in smaller, "odd lot" sizes, which may be effected at lower or higher prices than institutional round lot trades.

The fair value of financial assets and liabilities that are not traded in an active market, including the Company's interest rate swaps, is determined using various valuation techniques and observable market inputs where possible. These techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and broker quotes. Foreign currency forward contracts are recorded in the statement of financial position according to the gain or loss that would be realized if the contracts were closed out on the valuation date.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost using the effective interest method, less any impairment losses. The Company classifies cash, cash at broker, unsettled trades, and interest receivables as loans and receivables. At each reporting date, the Company assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Company recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's other financial liabilities are comprised of due to broker, unsettled trades, bank loans, taxes payable, and accrued liabilities.

IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable. There is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following tables illustrate the classification of the Company's assets and liabilities measured at fair value within the fair value hierarchy as at October 31, 2018 and October 31, 2017.

	As at October 31, 2018			
	Quoted prices in active markets for identical assets (Level 1) C$	**Significant other observable inputs (Level 2) C$**	**Significant unobservable inputs (Level 3) C$**	**Total C$**
Government bonds	–	167,838,108	–	167,838,108
Corporate bonds	–	117,932,062	–	117,932,062
Senior Loans	–	–	1,958,699	1,958,699
Total Investments	–	285,770,170	1,958,699	287,728,869
Derivative assets				
Futures contracts	75,318	–	–	75,318
Interest rate swaps	–	7,084,049	–	7,084,049
Derivative liabilities				
Forward Foreign Currency Exchange Contracts	–	(516,010)	–	(516,010)
Futures contracts	(355,167)	–	–	(355,167)
Total Derivatives	**(279,849)**	**6,568,039**	**–**	**6,288,190**

* For the fiscal year ended October 31, 2018, there had been no significant transfers between fair value measurement levels.

There were no Level 3 investments held at the beginning of the year. Level 3 investments held during and at the end of the fiscal year ended October 31, 2018 in relation to net assets were not significant (less than 0.91% of net assets) and accordingly, a reconciliation of Level 3 assets for the fiscal year ended October 31, 2018 is not presented. The valuation technique used at October 31, 2018 was a single unadjusted broker quote of which inputs were note readily available.

	As at October 31, 2017			
	Quoted prices in active markets for identical assets (Level 1) C$	**Significant other observable inputs (Level 2) C$**	**Significant unobservable inputs (Level 3) C$**	**Total C$**
Government bonds	–	233,072,779	–	233,072,779
Corporate bonds	–	125,999,596	–	125,999,596
Short Term	–	713,425	–	713,425
Total Investments	–	359,785,800	–	359,785,800
Derivative assets				
Futures contracts	154,008	–	–	154,008
Interest rate swaps	–	2,945,391	–	2,945,391
Derivative liabilities				
Futures contracts	(130,769)	–	–	(130,769)
Interest rate swaps	–	(3,004)	–	(3,004)
Total Derivatives	**23,239**	**2,942,387**	**–**	**2,965,626**

A reconciliation of the gross amounts on the Statement of Financial Position as at October 31, 2018 and October 31, 2017 to the net amounts by broker and derivative type, including collateral received or pledged, is included in the following tables.

	As at October 31, 2018				
	Gross Amounts Not Offset in the Statement of Financial Position				
Counterparty/Derivative Type	**Gross Assets C$**	**Gross Liabilities C$**	**Collateral Received C$**	**Collateral Pledged C$**	**Net Amount C$**
BNP Paribas					
Interest Rate Swaps	1,105,149	–	(868,857)	–	236,292
Deutsche Bank					
Interest Rate Swaps	4,775,125	–	(4,278,463)	–	496,662
Citibank					
Forwards	–	(516,010)	–	–	(516,010)
Interest Rate Swaps	1,203,775	–	(434,429)	–	769,346
Total	7,084,049	(516,010)	(5,581,749)	–	986,290

	As at October 31, 2017				
	Gross Amounts Not Offset in the Statement of Financial Position				
Counterparty/Derivative Type	**Gross Assets C$**	**Gross Liabilities C$**	**Collateral Received C$**	**Collateral Pledged C$**	**Net Amount C$**
Credit Suisse					
Interest Rate Swaps	147,273	–	(147,273)	–	–
Deutsche Bank					
Interest Rate Swaps	2,349,262	–	(2,268,816)	–	80,446
Citibank					
Interest Rate Swaps	448,856	(3,004)	(445,852)	–	–
Total	2,945,391	(3,004)	(2,861,941)	–	80,446

(2) Repurchase Agreements: In connection with transactions in repurchase agreements with financial institutions, it is the Company's policy that its custodian/counterparty segregates 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 Company 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, realisation of the collateral by the Company may be delayed or limited.

(3) Investment Income, Expenses and Dividends: Interest income is recorded on an accrual basis as earned. Expenses are recorded on an accrual basis. Bond premium and discount, as applicable, are recognised at disposition as realised gains or losses. Gains and losses on the disposal of investments are determined using the identified cost basis. It is the Company's current policy to pay dividends to holders of ordinary shares from net investment income supplemented by net realised foreign exchange gains, net realised capital gains and return of capital or return of par distributions, if necessary, on a monthly basis. Dividends to holders of ordinary shares are recorded on the ex-dividend date.

(4) Interest Rate Swaps: During the fiscal year ended October 31, 2018, the Company used U.S. Dollar interest rate swaps to hedge the U.S. Dollar revolving credit facility, helping to manage the overall mixture of fixed rate and floating rate liabilities. 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 Company will enter into swaps only on a net basis, which means that the two payment streams are netted out, with the Company 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 Company, and/or the termination value at the end of the contract. Therefore, the Company 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 Company records, on a daily basis, unrealised gains or losses which represent 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 realised gains or losses. Fluctuations in the value of swap contracts are recorded for financial statement purposes as unrealised appreciation or depreciation of swap contracts. Realised gains and losses from terminated swaps are included in net realised gains/losses on swap contracts transactions.

The Company 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 Company 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.

(5) 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 Company'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. Their use allows the separation of decision making between markets and currencies. The forward contract is marked-to-market daily and the change in market value is recorded by the Company as unrealised appreciation or depreciation. Forwards prices are received daily from an independent pricing provider. When the forward contract is closed, the Company records a realised 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 unrealised and realised gains and losses are reported on the Statement of Operations.

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

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

(6) Futures Contracts: The Company may invest in financial futures contracts ("futures contracts") for the purpose of hedging its existing portfolio securities or securities that the Company 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 Company's positions may not exceed 5% of the Company net asset value after taking into account unrealised profits and unrealised losses on any such contract it has entered into.

Upon entering into a futures contract, the Company is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This payment is known as "initial margin." Subsequent payments, known as "variation margin," are calculated each day, depending on the daily fluctuations in the fair value/market value of the underlying assets. An unrealised gain or loss equal to the variation margin is recognised on a daily basis. When the contract expires or is closed the gain (loss) is realised and is presented in the Statement of Operations as a realised gain (loss) on futures contracts. Futures contracts are valued daily at their last quoted sale price on the exchange they are traded.

A "sale" of a futures contract means a contractual obligation to deliver the securities or foreign currency called for by the contract at a fixed price at a specified time in the future. A "purchase" of a futures contract means a contractual obligation to acquire the securities or foreign currency at a fixed price at a specified time in the future.

During the fiscal year ended October 31, 2018, the use of U.S. Treasury futures contracts was primarily to manage interest rate exposure in the Company's overlay portion of the portfolio.

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

(7) Foreign Currency Translation: The books and records of the Company are maintained in Canadian Dollars. Foreign currency amounts are translated into Canadian Dollars at the closing market rate quoted on the following bases:

a. Market value of investments, other assets, and liabilities are translated at the closing rate of the New York Stock Exchange at the rate of exchange ruling at the period end; the resultant unrealised exchange appreciation and depreciation are included in the Statement of Operations as part of the unrealised movement in the appreciation/(depreciation) of investments and as unrealised exchange appreciation/(depreciation) on translation of the foreign currency denominated assets and liabilities.

b. Purchases and sales of investments are translated at the bid London close rate of exchange ruling on the date of the transaction; the resultant exchange gains and losses on settlement are included in the Statement of Operations as realised gains/(losses) on investments and foreign currency transactions.

c. Income and expenses are translated at the London close rate of exchange ruling on the date of the transaction; the resultant exchange gains and losses arising on settlement are taken into account in determining net investment income.

(8) New Standards and Interpretations Not Yet Adopted: A number of new standards, amendments to standards and interpretations are not yet effective for the fiscal year ended October 31, 2018, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of the Company, with the possible exception of IFRS 9, Financial Instruments. IFRS 9 deals with recognition, derecognition, classification and measurement of financial instruments and its requirements represent a significant change from the existing requirements in IAS 39 Financial Instruments: Recognition and Measurement, in respect of financial assets. IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale, and loans and receivables.

The effective date of this standard is for fiscal years beginning on or after January 1, 2018. The Company is currently in the process of evaluating the potential effect of this standard. The Company does not believe that the adoption of IFRS 9 will have a material effect on the measurement basis of the Company's financial instruments and consequently, the Company does not expect adoption to have an impact to the Company's net assets. The Company has preliminarily performed an assessment of the business model and contractual cash flows and the Company does not expect the implementation of the standard to have a significant impact on its statement of financial position once the Company applies the classification and measurement requirements of IFRS 9.

Note 5—Financial Instruments by Category

Derivatives, short sales, repurchase agreements, reverse repurchase agreements, and sale-buyback transactions, if any, are classified as held for trading and all other investments have been designated at FVTPL. All other financial assets and liabilities are categorised as loans and receivables or financial liabilities and are carried at amortised cost.

The following tables present the carrying amounts of the Company's financial instruments by category as at October 31, 2018 and October 31, 2017:

	Fair Value Through Profit or Loss				
As at October 31, 2018 Financial Assets	**Held for Trading C$**	**Designated at Inception C$**	**Total C$**	**Amortised Cost C$**	**Grand Total C$**
Investments, at fair value	–	287,728,869	287,728,869	–	287,728,869
Unrealised appreciation on interest rate swaps	7,084,049	–	7,084,049	–	7,084,049
Cash and Foreign currency	–	–	–	19,041,039	19,041,039
Interest Receivables	–	–	–	5,209,508	5,209,508
Due from broker, Sundry debtors and prepayments, and Unsettled sales trades	75,318	–	75,318	54,370	129,688
Total Assets	**7,159,367**	**287,728,869**	**294,888,236**	**24,304,917**	**319,193,153**

	Fair Value Through Profit or Loss				
As at October 31, 2018 Financial Liabilities	**Held for Trading C$**	**Designated at Inception C$**	**Total C$**	**Amortised Cost C$**	**Grand Total C$**
Unrealised depreciation on forward currency contracts	516,010	–	516,010	–	516,010
Deferred foreign capital gains tax, Due to broker, Cash from broker and Unsettled purchases trades	355,167	–	355,167	8,833,238	9,188,405
Investment management fees payable, Administration fees payable, Investor relations fees payable, and Accrued expenses and other liabilities	–	–	–	464,163	464,163
Bank loan and interest payable on bank loan	–	–	–	93,125,114	93,125,114
Total Liabilities	**871,177**	**–**	**871,177**	**102,422,515**	**103,293,692**

	Fair Value Through Profit or Loss				
As at October 31, 2017 Financial Assets	**Held for Trading C$**	**Designated at Inception C$**	**Total C$**	**Amortised Cost C$**	**Grand Total C$**
Investments, at fair value	–	359,072,375	359,072,375	–	359,072,375
Short-term investments	713,425	–	713,425	–	713,425
Unrealised appreciation on interest rate swaps	2,945,391	–	2,945,391	–	2,945,391
Cash and Foreign currency	–	–	–	7,327,758	7,327,758
Interest Receivables	–	–	–	6,700,847	6,700,847
Due from broker, Sundry debtors and prepayments, and Unsettled trades	154,008	–	154,008	1,560,570	1,714,578
Total Assets	**3,812,824**	**359,072,375**	**362,885,199**	**15,589,175**	**378,474,374**

Notes to Financial Statements (continued)

October 31, 2018

As at October 31, 2017 Financial Liabilities	Fair Value Through Profit or Loss: Held for Trading C$	Fair Value Through Profit or Loss: Designated at Inception C$	Fair Value Through Profit or Loss: Total C$	Amortised Cost C$	Grand Total C$
Unrealised depreciation on interest rate swaps	3,004	–	3,004	–	3,004
Deferred foreign capital gains tax, Due to broker, Cash from broker and Unsettled purchases trades	130,769	–	130,769	5,749,043	5,879,812
Investment management fees payable, Administration fees payable, Investor relations fees payable, and Accrued expenses and other liabilities	–	–	–	561,980	561,980
Bank loan and interest payable on bank loan	–	–	–	104,619,699	104,619,699
Total Liabilities	**133,773**	**–**	**133,773**	**110,930,722**	**111,064,495**

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the periods ended October 31, 2018 and October 31, 2017:

Category	Net realized gains (losses) and change in Unrealized gain/(loss): Year Ended October 31, 2018	Net realized gains (losses) and change in Unrealized gain/(loss): Year Ended October 31, 2017
Financial instruments at FVTPL:		
Held for trading	C$ 4,524,113	C$ 2,500,964
Designated at inception	(46,064,440)	(23,769,924)
Total	**C$(41,540,327)**	**C$(21,268,960)**

Note 6—Taxation

The operations of the Company are not subject to any form of taxation in the Cook Islands, where the Company is registered, and no taxes are deductible from the distributions made by the Company. The Company is subject to withholding taxes in certain countries and on certain types of securities and forms of income.

Capital gains generated by the Company from securities held in foreign countries may be subject to capital gains taxes imposed by such countries. The Company accrues capital gains taxes on unrealised gains in an amount equal to what the Company would owe if the securities were sold on the valuation date as a liability and reduction of realised/unrealised gains.

Note 7—Agreements

The Company's administrator, investment manager, investment adviser, and investment sub-adviser are each a subsidiary of Aberdeen Asset Management PLC ("Aberdeen PLC"). Aberdeen PLC is a direct subsidiary of Standard Life Aberdeen plc. The Company's administrator, investment manager, investment adviser and investment sub-adviser are each an indirect wholly-owned subsidiary of Standard Life Aberdeen plc.

(a) The Company has an agreement (the "Management Agreement") with ASIAL to provide professional investment services. The Management Agreement provides for a monthly fee at the annual rate of 0.65% of the Company's average weekly Managed Assets up to and including C$250 million, at the annual rate of 0.55% of the Company's average weekly Managed Assets in excess of C$250 million up to and including C$450 million, and at the annual rate of 0.50% of the Company's average weekly Managed Assets in excess of C$450 million, payable monthly. Managed Assets are defined in the Management Agreement as net assets plus the amount of any borrowings for investment purposes.

(b) The Company has an agreement (the "Administration Agreement") with Aberdeen Asset Management Inc. ("AAMI"), an affiliate of ASIAL, to provide general fund management and administrative services including record keeping, accounting and office services. The Administration Agreement provides for a monthly fee at an annual rate of 0.125% of the Company's average weekly Managed Assets up to and including C$1 billion, 0.10% of the Company's average weekly Managed Assets in excess of C$1 billion up to and including C$2 billion, and

0.075% of the Company's average weekly Managed Assets in excess of C$2 billion, payable monthly.

(c) The Company has an agreement (the "Investor Relations Services Agreement") with AAMI to provide investor relations services.

Pursuant to the terms of the Investor Relations Services Agreement, AAMI provides, among other things, objective and timely information to holders of ordinary shares based on publicly-available information; provides information efficiently through the use of technology while offering holders of ordinary shares immediate access to knowledgeable investor relations representatives; creates and maintains investor relations communication materials such as Company manager interviews, films and webcasts and other relevant materials discussing the Company's investment results, portfolio positioning and outlook; responds to specific holder of ordinary shares questions; and reports activities and results to the Company's Board of Directors and management detailing insight into general holder of ordinary shares sentiment. Investor relations fees and expenses in the Statements of Comprehensive Income (Loss) include certain out-of-pocket expenses.

(d) The Company owed, in respect of the above services:

	As at October 31, 2018 C$	As at October 31, 2017 C$
Investment Manager	181,019	204,410
Administrator	35,848	41,320
Investor Relations	7,974	7,538

(e) During the fiscal year, the Company paid, in respect of the above services:

	Fiscal Year ended October 31, 2018 C$	Fiscal year ended October 31, 2017 C$
Investment Manager	2,157,701	2,327,520
Administrator	433,568	472,164
Investor Relations	93,077	93,989

Note 8—Capital

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Company's ordinary shares do not contain a redemption feature, are therefore not puttable and are classified as equity under IAS 32, *Financial Instruments*.

Year Ended October 31, 2018	No. of Ordinary Shares	C$ Par
At November 1, 2017	51,647,616	39,376,881
Ordinary shares issued	–	–
Ordinary shares repurchased	(686,000)	(447,760)
Return of Par	–	(4,947,348)
At October 31, 2018	50,961,616	33,981,773

Year Ended October 31, 2017	No. of Ordinary Shares	C$ Par
At November 1, 2016	52,060,616	39,675,906
Ordinary shares issued	–	–
Ordinary shares repurchased	(413,000)	(299,025)
Return of Par	–	–
At October 31, 2017	51,647,616	39,376,881

There are 100 million ordinary shares authorised.

On August 26, 2013, Shareholders approved an amendment to the Memorandum and Articles of Association of the Company to permit the Board of Directors to effect distributions to the holders of ordinary shares from time to time, as part of the regular monthly distributions, of up to the full amount of the par value per share. Shareholders will be notified annually as to how much of their annual distributions are made up of a return of par value. Canadian Holders are urged to consult their own tax advisors with respect to the consequences under the Income Tax Act (Canada) of acquiring, holding and disposing of ordinary shares, including the consequences of receiving distributions on such ordinary shares having regard to their own particular circumstances.

Director's Share Ownership Policy

Under the Company's Director's Share Ownership Policy Independent Directors of the Company are required to own at least 4,000 shares of the Company no later than the end of the calendar year following the year in which he or she becomes a Director. The below chart summarizes Independent Directors' share ownership as at October 31, 2018.

Independent Director	Shares Owned (by public filings)
Radhika Ajmera	4,000
William J. Braithwaite	14,000
P. Gerald Malone	4,500
Richard H. McCoy	5,656
Warren C. Smith	12,500

Normal Course Issuer Bid

On July 18, 2018, the Company announced that the TSX had accepted notice of its intention to make a normal course issuer bid, through which the Company would make open market purchases on the TSX or other Canadian alternative trading systems. During the bid, which commenced July 20, 2018 and will end no later than July 19, 2019, the Company may purchase up to 2,562,780 ordinary shares, which is 5% of the total of the Company's 51,255,616 ordinary shares issued and outstanding as at July 13, 2018. The Company will not purchase in any 30 day period more than 1,025,112 ordinary shares, being 2% of the 51,255,616 issued and outstanding ordinary shares as at July 13, 2018. The Company will cancel shares purchased under the bid.

During the fiscal years ended October 31, 2018 and October 31, 2017, the Company repurchased 686,000 and 413,000, outstanding ordinary shares, respectively, pursuant to the normal course issuer bid.

Note 9—Revolving Credit Facility

The Company is party to a revolving credit loan facility with The Bank of Nova Scotia with a termination date of November 17, 2021. As at October 31, 2018, the amount of the facility was US$100,000,000. On October 31, 2017, the Company's outstanding balance on the revolving credit facility was US$81,000,000. On June 1, 2018, July 17, 2018 and August 9, 2018 the Company decreased its leverage by US$3,750,000, US$3,750,000 and US$2,600,000, respectively. On October 31, 2018, the Company's outstanding balance on the revolving credit facility was US$70,900,000 (see Bank Loan on Statements of Financial Position). For the fiscal year ended October 31, 2018, the average balance of the facility was US$77,730,411 and average interest rate was 3.25%. The interest expense is accrued on a daily basis and is payable to The Bank of Nova Scotia on a monthly basis. For the fiscal year ended October 31, 2018, the Company incurred $3,311,579 in interest to The Bank of Nova Scotia.

The credit agreement governing the loan facility includes usual and customary covenants for this type of facility. These covenants impose on the Company asset coverage requirements, Company composition requirements and limits on certain investments. The covenants or guidelines could impede ASIAL or ASI Aus Ltd from fully managing the Company's portfolio in accordance with the Company's investment objective and by-laws.

These covenants also include limits on the Company's ability to (i) issue preferred shares or forms of indebtedness, (ii) incur liens, (iii) change its investment objective or fundamental investment restrictions without the approval of the lender, (iv) amend the Company's organisational documents in a manner which could adversely affect the rights and remedies of the lender, or (v) create, incur, assume or permit to exist certain debt except for certain specified types of debt. In addition, the credit agreement does not permit the Company's asset coverage ratio (as defined in the agreement) to fall below 300% at any time.

Furthermore, non-compliance with such covenants or the occurrence of other events could lead to the cancellation of the loan facility. These other events include, but are not limited to:

- non-payment by the Company of certain obligations to the lender and other parties;
- involuntary or voluntary liquidation, reorganisation or other debt relief proceedings are commenced against or by the Company;
- ASIAL or an affiliate ceases to be the Investment Manager to the Company; ASI Aus Ltd or an affiliate ceases to be the Investment Adviser to the Company; State Street Bank and Trust Company Canada ceases to be the Company's custodian; or AAMI or an affiliate ceases to be the Company's administrator; and
- ASIAL ceases to be owned or controlled by Aberdeen Asset Management PLC or Standard Life Aberdeen plc.

The credit agreement permits, in certain circumstances, the Company to cure non-compliance or seek waivers or approvals from the lenders. The revolving credit facility has a limited term and is not a perpetual form of leverage; there can be no assurance that the revolving credit facility will be available for renewal on acceptable terms, if at all. However, in the event that the loan facility were cancelled or were not available for renewal, the Company may not be able to find other financing on acceptable terms, if at all. Should the Company be unable to find other sources for financing, it would be forced to "de-leverage" by making significant sales of its portfolio investments. De-leveraging could involve the sale of some securities under unfavorable market conditions in order to repay the lender. This could result in the portfolio's securities being sold for less than their expected value. Furthermore, these sales may realise capital gains.

The estimated fair value of the revolving credit facility was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, the spread between the U.S. insurance and financial debt rate and the U.S. Treasury rate. The following table shows the maturity date, interest rate, notional/carrying amount and estimated fair value outstanding as at October 31, 2018.

Maturity Date	Interest Rate	Notional/Carrying Amount	Estimated Fair Value
November 17, 2021	3.75%	US$70,900,000	US$70,027,693

Note 10—Statement of Deficit

	Fiscal Year Ended October 31, 2018 C$	Fiscal Year Ended October 31, 2017 C$
Deficit, beginning of period	(220,388,517)	(218,595,845)
Add:		
Net investment income	15,086,851	19,249,372
Net realised investment and exchange gains / (losses)	(23,832,454)	(862,653)
Deduct:		
Dividend to holders of redeemable units	(15,086,851)	(20,193,303)
Deficit, end of period	(244,220,971)	(220,388,517)

Note 11—Risk Management

The Company has multiple risks associated with investing in long-term Asia-Pacific and emerging market debt securities, including market, credit and liquidity risk, which could have an impact on the capacity to reach its strategic growth objectives. The Company strives to control and mitigate the risks through management practices that require the identification and analysis of the risks related to the operations. Periodic monitoring and review of these risks are performed based upon market conditions and the Company's level of activities. No changes affecting the overall level of risk of investing in the Company were made during the reporting period.

(a) Market Risk

Interest Rate Risk Exposure

By virtue of its fixed-income investment strategy, substantially all of the Company's net assets are exposed to interest rate risk. Interest rate risk is the risk that either the fair value of the Company's financial instruments or cash flows relating to its financial instruments will be impacted by changes in market interest rates. Generally speaking, a rise in interest rates will have the effect of lowering the fair value of existing fixed-income securities, while a reduction in market interest rates will have the opposite effect. As at October 31, 2018, if the prevailing interest rates had been raised or lowered by 1%, net assets could possibly have decreased or increased, respectively by approximately C$13.13 million.

The following table shows the maturity composition of the Company's investments as at October 31, 2018, as compared with the six months ended April 30, 2018 and the fiscal year ended October 31, 2017:

Date	Under 3 Years %	3 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2018	31.1	17.7	23.6	27.6
April 30, 2018*	23.5	21.3	24.2	31.0
October 31, 2017	33.7	19.4	21.2	25.7

* Unaudited

Exchange Value of the Canadian Dollar

Given a substantial proportion of the Company's assets are invested in securities denominated in foreign currencies, changes in the value of the Canadian Dollar against these foreign currencies can have a significant impact on performance over time. As at October 31, 2018 and October 31, 2017, investments in assets denominated in Australian and U.S. Dollars represented the largest currency holdings in the Company's assets. Generally speaking, 1% rise/fall in the C$ exchange rate would result in a decrease or increase of approximately C$2.88 million and C$3.60 million, respectively. For further information on the composition of the various currencies at the end of the period under review please refer to the table on page 11; "Currency Composition".

(b) Credit Risk

The Company continues to hold a weighting in sub-investment grade debt, primarily in local currency sovereign debt issued by the governments of Indonesia, Australia and Mexico, and the U.S. Dollar denominated bonds issued by sub-investment grade Asia-Pacific sovereigns and corporations. Should market participants' perception of the credit quality of these sub-investment grade issuers, or of any market in which the Company invests decrease, then the value of the respective securities may fall. The fair value of forward foreign currency exchange contracts and futures contracts includes consideration of the creditworthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the

Notes to Financial Statements (concluded)

October 31, 2018

Company's unrealised gain or loss of the contractual obligations with the counterparty as at the reporting date.

The following table shows the ratings of securities, where either the issue or the issuer was rated A or better by Standard & Poor's or Moody's Investors Services, Inc, held by the Company as at October 31, 2018, as compared with the six months ended April 30, 2018 and the fiscal year ended October 31, 2017:

Date	AAA/ Aaa %	AA/ Aa %	A %	BBB/ Baa %	BB/ Ba* %	B* %	CCC* %	NR** %
October 31, 2018	19.4	2.9	2.6	39.2	14.4	5.3	0.0	16.2
April 30, 2018***	16.6	2.7	4.7	37.1	14.6	4.8	0.0	19.5
October 31, 2017	16.7	3.7	6.6	36.4	14.9	5.1	0.1	16.5

* Below investment grade

** Not rated

*** Unaudited

(c) Liquidity Risk

The Company faces the risk of illiquidity in its investments in lower rated debt securities and local currency Asia-Pacific and emerging market debt securities. The ability to hedge risk and transact at low costs is less likely with respect to these securities and such securities are subject to sudden shifts in market liquidity. The Company invests a portion of its assets in securities that are neither listed on a securities exchange nor traded in an active over-the-counter market. Furthermore, the Company's securities also include investments in countries or regions that are less developed than major markets such as the United States. These factors along with other social, economic or political developments, may create a lack of liquidity such that the Company would not be in a position to convert sufficient amounts of its investments to cash to cover its obligations under its debt agreements or to meet its objectives in paying a stable monthly dividend to holders of ordinary shares.

(d) Risks Associated with Foreign Securities and Currencies:

Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of Canadian and U.S. issuers.

These risks include future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, and political or social instability or diplomatic developments, which could adversely affect investments in those countries.

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

Note 12—Subsequent Events

On November 9, 2018 and December 11, 2018, the Company announced that it will pay on November 28, 2018 and January 10, 2019, respectively, a dividend of C$0.0325 cents per share to all holders of ordinary shares of record as of November 19, 2018 and December 31, 2018, respectively.

Subsequent to October 31, 2018 through January 17, 2019 the Company did not repurchase any ordinary shares, pursuant to the normal course issuer bid.

Independent Auditor's Report to the Shareholders

Shareholders of
Aberdeen Asia-Pacific Income Investment Company Limited:

We have audited the accompanying financial statements of Aberdeen Asia-Pacific Income Investment Company Limited as at October 31, 2018, on pages 14 to 36 which comprise the statements of financial position as at October 31, 2018 and October 31, 2017, the statements of comprehensive income (loss), changes in shareholders' equity and cash flows for the years ended October 31, 2018 and October 31, 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements on pages 14 to 36 present fairly, in all material respects, the financial position of Aberdeen Asia-Pacific Income Investment Company Limited as at October 31, 2018 and October 31, 2017, and its financial performance and its cash flows for the years ended October 31, 2018 and October 31, 2017 in accordance with International Financial Reporting Standards.

January 17, 2019
Auckland, New Zealand

Corporate Information

Directors
Richard H. McCoy, *Chairman*
Radhika Ajmera
William J. Braithwaite
Martin J. Gilbert
P. Gerald Malone
Jennifer Nichols
Warren C. Smith

Officers
Christian Pittard, *Managing Director*
Jeffrey Cotton, *Chief Compliance Officer*
Andrea Melia, *Treasurer and Chief Financial Officer*
Megan Kennedy, *Vice President and Joint Secretary*
Kenneth Akintewe, *Vice President*
Nicholas Bishop, *Vice President*
Siddharth Dahiya, *Vice President*
Thomas Drissner, *Vice President*
Martin J. Gilbert, *Vice President*
Alan Goodson, *Vice President*
Bev Hendry, *Vice President*
Lin-Jing Leong, *Vice President*
Paul Lukaszewski, *Vice President*
Adam McCabe, *Vice President*
Jennifer Nichols, *Vice President*
Penrhyn Secretaries Limited, *Joint Secretary*
Lucia Sitar, *Vice President*
Joseph Andolina, *Vice President - Compliance*
Sharon Ferrari, *Assistant Treasurer*
Matthew Keener, *Assistant Secretary*

Investment Manager
Aberdeen Standard Investment Asia Limited
(formerly Aberdeen Asset Management Asia Limited)
21 Church Street
#01-01 Capital Square Two
Singapore 049480

Investment Adviser
Aberdeen Standard Investments Ausrtralia Limited
(formerly known as Aberdeen Asset Management Limited)
Level 10 255 George Street
Sydney, NSW 2000, Australia

Investment Sub-Adviser
Aberdeen Asset Managers Limited
Bow Bells House, 1 Bread Street
London United Kingdom
EC4M 9HH

Administrator
Aberdeen Asset Management Inc.
1735 Market Street, 32nd Floor
Philadelphia, PA 19103

Custodian
State Street Trust Company Canada
30 Adelaide Street East
Toronto, Ontario, M5C 3G6

Independent Registered Public Accounting Firm
KPMG
18 Viaduct Harbour Avenue
Auckland 1010,
Auckland, New Zealand

Investor Relations
Aberdeen Asset Management Inc.
1735 Market Street, 32nd Floor
Philadelphia, PA 19103
1-800-992-6341
InvestorRelations@aberdeenstandard.com

Transfer Agent, Registrar, Dividend Disbursing and Reinvestment Agent
Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario M5J2Y1

Legal Counsel
Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street,
Toronto, Ontario M5L 1B9

AberdeenStandard
Investments

Aberdeen Standard Investments Asia Limited (formerly Aberdeen Asset Management Asia Limited)

This report, including the audited financial statements, is transmitted to the shareholders of Aberdeen Asia-Pacific Income Investment Company Limited for their information. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Company or any securities mentioned in this report.

The ordinary shares of Aberdeen Asia-Pacific Income Investment Company Limited are traded on the Toronto Stock Exchange. Information about the net asset value is available on the Company's website on a daily basis (www.aberdeenfap.com).

Computershare Trust Company of Canada operates an information line on behalf of Aberdeen Asia-Pacific Income Investment Company Limited which can be reached by dialing toll-free in Canada and the United States 1-800-564-6253. Shareholders in Toronto or outside Canada and the United States should telephone (514) 982-7555.

Aberdeen Asset Management Inc.
1735 Market Street, 32nd Floor, Philadelphia, PA 19103
Telephone: 800-992-6341
http://www.aberdeenfap.com

Aberdeen Standard Investments