

ABERDEEN ASIA-PACIFIC INCOME FUND INC
Form N-Q
September 29, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS

OF REGISTERED MANAGEMENT INVESTMENT COMPANY

| | |
|---|---|
| Investment Company Act file number: | 811-04611 |
| Exact name of registrant as specified in charter: | Aberdeen Asia-Pacific Income Fund, Inc. |
| Address of principal executive offices: | 1735 Market Street, 32 nd Floor Philadelphia, PA 19103 |
| Name and address of agent for service: | Ms. Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street, 32 nd Floor Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | 1-800-522-5465 |
| Date of fiscal year end: | October 31 |
| Date of reporting period: | July 31, 2010 |

Item 1 Schedule of Investments

Portfolio of Investments

As of July 31, 2010 (unaudited)

| Principal Amount (000) | Description | Value (US\$) |
|--|---|-----------------|
| LONG-TERM FIXED INCOME INVESTMENTS - 125.1% | | |
| AUSTRALIA - 52.7% | | |
| | AMP Group Finance Services Ltd., | |
| AUD 8,000 | 9.00%, 5/16/11 | \$ 7,370,763 |
| | APT Pipelines Ltd., | |
| AUD 2,500 | 7.75%, 7/22/20 | 2,209,865 |
| | Asian Development Bank, | |
| AUD 10,000 | 6.25%, 3/05/20 | 9,176,606 |
| | Asian Development Bank, | |
| AUD 17,000 | 7.125%, 3/19/13 | 16,145,662 |
| | Australia & New Zealand Banking Group Ltd., | |
| AUD 7,000 | 6.25%, 5/23/11(a)(b) | 6,323,019 |
| | Australia & New Zealand Banking Group Ltd., | |
| AUD 7,000 | 6.75%, 11/10/14 | 6,473,223 |
| | Australia & New Zealand Banking Group Ltd., | |
| AUD 22,500 | 8.50%, 4/22/13 | 21,743,743 |
| | Australian Prime Pty Fund Retail, | |
| AUD 4,000 | 8.25%, 7/30/12 | 3,663,021 |
| | AXA SA, | |
| AUD 8,000 | 6.22%, 10/26/16(a)(b) | 5,347,145 |
| | AXA SA, | |
| AUD 9,000 | 7.50%, 10/26/16(a)(b) | 6,425,128 |
| | Barclays Bank PLC, | |
| AUD 3,200 | 6.75%, 8/13/12 | 2,920,357 |
| | Caisse d Amortissement de la Dette Sociale, | |
| AUD 21,460 | 7.50%, 2/28/13 | 20,405,210 |
| | CFS Retail Property Trust, | |
| AUD 4,000 | 6.25%, 12/22/14 | 3,485,975 |
| | Cie de Financement Foncier, | |
| AUD 15,000 | 6.25%, 1/30/17 | 13,197,499 |
| | Commonwealth Bank of Australia, | |
| AUD 28,400 | 8.50%, 6/24/11 | 26,408,653 |
| | Council Of Europe Development Bank, | |
| AUD 9,300 | 6.25%, 1/23/12 | 8,549,994 |
| | Crusade Global Trust, | |
| AUD 3,858 | 5.11%, 1/16/35(a) | 3,451,562 |
| | Deutsche Bank AG, | |
| AUD 2,400 | 7.50%, 10/19/12 | 2,225,195 |
| | ELM BV for Swiss Reinsurance Co., | |
| AUD 3,600 | 7.635%, 5/25/17(a)(b) | 2,422,790 |
| | Eurofima, | |
| AUD 12,500 | 6.50%, 8/22/11 | 11,465,295 |
| | European Investment Bank, | |
| AUD 35,000 | 6.50%, 8/07/19 | 32,463,706 |
| | General Electric Capital Australia Funding Pty Ltd., | |
| AUD 8,700 | 6.00%, 8/17/12 | 7,780,184 |
| | General Electric Capital Australia Funding Pty Ltd., | |
| AUD 6,600 | 6.00%, 5/15/13 | 5,858,602 |
| | Goldman Sachs Group, Inc., | |
| AUD 2,500 | 6.35%, 4/12/16 | 2,081,857 |
| | GPT RE Ltd., | |

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| | | | |
|-----|--------|--|------------|
| AUD | 3,500 | 6.50%, 8/22/13 | 3,130,846 |
| | | HBOS PLC, | |
| AUD | 4,000 | 6.75%, 5/01/12(a)(b) | 2,839,925 |
| | | Heritage Building Society Ltd., | |
| AUD | 5,000 | 5.375%, 12/04/16(a) | 4,164,514 |
| | | Hypo Real Estate Bank International AG, | |
| AUD | 5,000 | 5.00%, 2/22/11(a) | 4,278,927 |
| | | Hypo Real Estate Bank International AG, | |
| AUD | 24,500 | 6.25%, 8/16/11 | 22,035,280 |
| | | ING Bank Australia Ltd., | |
| AUD | 1,300 | 5.75%, 8/28/13 | 1,192,618 |
| | | ING Bank Australia Ltd., | |
| AUD | 10,000 | 7.00%, 4/24/12 | 9,155,047 |
| | | JPMorgan Chase & Co., | |
| AUD | 6,300 | 7.00%, 6/21/12 | 5,801,843 |
| | | Kreditanstalt fuer Wiederaufbau, | |
| AUD | 6,751 | 6.25%, 12/04/19 | 6,124,317 |
| | | Kreditanstalt fuer Wiederaufbau, | |
| AUD | 20,000 | 7.50%, 8/26/11 | 18,576,364 |
| | | Landwirtschaftliche Rentenbank, | |
| AUD | 17,100 | 6.00%, 5/30/13 | 15,736,550 |
| | | Leighton Finance Ltd., | |
| AUD | 8,500 | 9.50%, 7/28/14 | 7,945,163 |
| | | Macquarie Bank Ltd., | |
| AUD | 4,000 | 5.2167%, 5/31/12(a)(b) | 3,387,051 |
| | | Macquarie Bank Ltd., | |
| AUD | 6,200 | 6.50%, 5/31/12(a)(b) | 5,344,393 |
| | | Merrill Lynch & Co., Inc., | |
| AUD | 6,000 | 6.75%, 3/12/14 | 5,294,606 |
| | | Mirvac Group Funding Ltd., | |
| AUD | 2,250 | 6.75%, 9/15/10 | 2,035,051 |
| | | Monumental Global Funding Ltd., | |
| AUD | 11,500 | 6.50%, 11/08/11 | 10,208,754 |
| | | National Australia Bank Ltd., | |
| AUD | 15,000 | 8.25%, 5/20/13 | 14,421,815 |
| | | National Capital Trust III, | |
| AUD | 3,500 | 5.87%, 9/30/16(a)(b) | 2,629,416 |
| | | National Wealth Management Holdings Ltd., | |
| AUD | 2,500 | 6.75%, 6/16/16(a)(b) | 1,922,872 |
| | | Nederlandse Waterschapsbank NV, | |
| AUD | 2,300 | 6.25%, 8/08/13 | 2,118,639 |
| | | New South Wales Treasury Corp., | |
| AUD | 14,000 | 7.00%, 12/01/10 | 12,756,345 |
| | | Progress Trust, | |
| AUD | 5,921 | 4.89%, 8/25/36(a) | 5,191,901 |
| | | Puma Finance Ltd., | |
| AUD | 4,023 | 5.56%, 10/24/35(a) | 3,596,166 |
| | | QBE International Holdings PLC, | |
| AUD | 5,000 | 6.7216%, 8/02/20(a) | 4,523,499 |
| | | Queensland Treasury Corp., | |
| AUD | 77,800 | 5.75%, 11/21/14 | 72,063,711 |
| | | Queensland Treasury Corp., | |
| AUD | 81,950 | 6.00%, 10/14/15 | 76,473,267 |
| | | Queensland Treasury Corp., | |
| AUD | 58,790 | 6.00%, 6/14/21 | 54,079,626 |
| | | Queensland Treasury Corp., | |
| AUD | 12,480 | 6.25%, 2/21/20 | 11,638,180 |

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Principal Amount

| (000) | | Description | Value (US\$) |
|---|--------|---|-----------------|
| LONG-TERM FIXED INCOME INVESTMENTS (continued) | | | |
| AUSTRALIA (concluded) | | | |
| | | Rabobank Capital Funding Trust, | |
| AUD | 5,000 | 5.59%, 12/31/14(a)(b)(c) | \$ 3,737,509 |
| | | Rabobank Capital Funding Trust, | |
| AUD | 5,000 | 6.415%, 12/31/14(a)(b)(c) | 3,992,685 |
| | | Royal Bank of Scotland NV, | |
| AUD | 15,000 | 6.50%, 5/17/13(a)(b) | 10,311,149 |
| | | Royal Bank of Scotland PLC, | |
| AUD | 5,000 | 5.69%, 10/27/14(a)(b) | 3,822,040 |
| | | Royal Womens Hospital Finance Pty Ltd., | |
| AUD | 4,800 | 6.20%, 3/26/17(a) | 3,835,644 |
| | | SNS Bank NV, | |
| AUD | 5,000 | 5.27%, 11/08/11(a)(b) | 3,532,256 |
| | | SPI Electricity & Gas Australia Holdings Pty Ltd., | |
| AUD | 15,000 | 6.50%, 11/03/11 | 13,639,395 |
| | | St. George Bank Ltd., | |
| AUD | 29,720 | 10.00%, 5/09/13(a)(b) | 28,914,203 |
| | | Stockland Trust Management Ltd., | |
| AUD | 8,500 | 8.50%, 2/18/15 | 7,958,297 |
| | | Suncorp Metway Insurance Ltd., | |
| AUD | 5,000 | 6.75%, 9/23/14(a)(b) | 3,860,978 |
| | | Suncorp Metway Insurance Ltd., | |
| AUD | 4,000 | 6.75%, 10/06/16(a)(b) | 2,829,829 |
| | | Suncorp Metway Insurance Ltd., | |
| AUD | 5,000 | 8.75%, 5/30/11 | 4,621,433 |
| | | Sydney Airport Finance Co. Pty Ltd., | |
| AUD | 3,500 | 6.25%, 11/21/11 | 3,106,771 |
| | | Telstra Corp. Ltd., | |
| AUD | 16,500 | 7.25%, 11/15/12 | 15,470,358 |
| | | Telstra Corp. Ltd., | |
| AUD | 2,000 | 8.75%, 1/20/15 | 1,977,757 |
| | | Transurban Finance Co. Pty Ltd., | |
| AUD | 5,000 | 6.50%, 9/15/11 | 4,530,750 |
| | | Transurban Finance Co. Pty Ltd., | |
| AUD | 3,000 | 7.25%, 3/24/14 | 2,738,130 |
| | | Treasury Corp. of Victoria, | |
| AUD | 21,000 | 5.75%, 11/15/16 | 19,244,634 |
| | | Treasury Corp. of Victoria, | |
| AUD | 5,150 | 6.00%, 10/17/22 | 4,689,577 |
| | | Treasury Corp. of Victoria, | |
| AUD | 26,440 | 6.25%, 10/15/12 | 24,599,527 |
| | | Vodafone Group PLC, | |
| AUD | 7,000 | 6.75%, 1/10/13 | 6,408,267 |
| | | Volkswagen Financial Services Australia Pty Ltd., | |
| AUD | 8,500 | 7.00%, 6/24/11 | 7,735,734 |
| | | Volkswagen Financial Services Australia Pty Ltd., | |
| AUD | 3,500 | 7.25%, 11/26/12 | 3,217,090 |
| | | Wesfarmers Ltd., | |
| AUD | 8,900 | 8.25%, 9/11/14 | 8,441,867 |
| | | Western Australia Treasury Corp., | |

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| | | | |
|-----|--------|--|--------------------|
| AUD | 7,000 | 7.00%, 4/15/11 | 6,430,438 |
| | | Western Australia Treasury Corp., | |
| AUD | 93,350 | 8.00%, 6/15/13 | 91,197,106 |
| | | Westpac Banking Corp., | |
| AUD | 4,600 | 7.25%, 9/24/12 | 4,297,151 |
| | | Westpac Banking Corp., | |
| AUD | 4,000 | 7.25%, 11/18/16 | 3,732,032 |
| | | Westpac Banking Corp., | |
| AUD | 9,000 | 8.25%, 4/18/11 | 8,311,186 |
| | | Westpac Securitisation Trust, | |
| AUD | 5,374 | 4.80%, 5/21/38(a) | 4,719,184 |
| | | Woolworths Ltd., | |
| AUD | 2,700 | 6.00%, 3/14/11 | 2,448,344 |
| | | WOT CMBS Pty Ltd., | |
| AUD | 2,000 | 5.26%, 5/16/13(a) | 1,731,541 |
| | | | |
| | | | 932,344,602 |

CHINA - 4.2%

| | | | |
|-----|--------|--|-------------------|
| | | Agile Property Holdings Ltd., | |
| USD | 15,450 | 10.00%, 11/14/13(b)(c) | 16,222,500 |
| | | CFG Investment SAC, | |
| USD | 15,940 | 9.25%, 12/19/10(b)(c) | 16,617,450 |
| | | Country Garden Holdings Co. Ltd., | |
| USD | 14,450 | 11.75%, 9/10/14(c) | 15,497,625 |
| | | Parkson Retail Group Ltd., | |
| USD | 7,750 | 7.125%, 5/30/10(b) | 7,980,748 |
| | | Xinao Gas Holdings Ltd., | |
| USD | 7,350 | 7.375%, 8/05/12 | 7,562,305 |
| | | Yanlord Land Group Ltd., | |
| USD | 10,090 | 9.50%, 5/04/17 | 9,960,545 |
| | | | |
| | | | 73,841,173 |

HONG KONG - 11.3%

| | | | |
|-----|---------|--|------------|
| | | Fita International Ltd., | |
| USD | 26,300 | 7.00%, 2/10/20 | 27,151,331 |
| | | Henson Finance Ltd., | |
| USD | 29,100 | 5.50%, 9/17/19 | 29,148,015 |
| | | Hong Kong Government Bond, | |
| HKD | 138,500 | 1.67%, 3/24/14 | 18,338,612 |
| | | Hong Kong Government Bond, | |
| HKD | 135,000 | 1.69%, 12/22/14 | 17,763,671 |
| | | Hong Kong Government Bond, | |
| HKD | 143,000 | 4.13%, 2/22/13 | 20,055,237 |
| | | Hong Kong Government Bond, | |
| HKD | 74,000 | 4.53%, 6/18/12 | 10,239,533 |
| | | Hutchison Whampoa International Ltd., | |
| USD | 1,600 | 4.625%, 9/11/15 | 1,694,080 |

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Principal Amount

| (000) | | Description | Value (US\$) |
|---|-------------|--|--------------------|
| LONG-TERM FIXED INCOME INVESTMENTS (continued) | | | |
| HONG KONG (concluded) | | | |
| | | Hutchison Whampoa International 03/33 Ltd., | |
| USD | 1,900 | 7.45%, 11/24/33(c) | \$ 2,352,044 |
| | | Hutchison Whampoa International 09 Ltd., | |
| USD | 28,800 | 7.625%, 4/09/19(c) | 35,069,126 |
| | | Swire Pacific MTN Financing Ltd., | |
| USD | 18,000 | 5.50%, 8/19/19 | 19,409,220 |
| | | Wing Hang Bank Ltd., | |
| USD | 20,350 | 6.00%, 4/20/17(a)(b) | 19,224,910 |
| | | | 200,445,779 |
| INDIA - 4.6% | | | |
| | | Deutsche Bank India Government Bond Credit Linked Note, | |
| USD | 8,000 | 5.865%, 7/22/19(a) | 7,600,571 |
| | | ICICI Bank Ltd., | |
| USD | 13,100 | 6.375%, 4/30/17(a)(b)(c) | 12,410,835 |
| | | ICICI Bank Ltd., | |
| USD | 7,750 | 6.625%, 10/03/12(c) | 8,213,419 |
| | | ICICI Bank UK PLC, | |
| USD | 8,900 | 1.7585%, 12/01/11(a)(b) | 7,680,006 |
| | | India Government Bond, | |
| INR | 1,638,700 | 7.02%, 8/17/16 | 34,393,102 |
| | | NTPC Ltd., | |
| USD | 9,600 | 5.875%, 3/02/16 | 10,213,987 |
| | | | 80,511,920 |
| INDONESIA - 11.9% | | | |
| | | Bank CIMB Niaga, | |
| USD | 15,750 | 7.375%, 11/22/11(a)(b) | 16,157,736 |
| | | Barclays Indonesia Government Bond Credit Linked Note, | |
| IDR | 167,000,001 | 9.50%, 6/17/15 | 20,118,009 |
| | | Indonesia Government International Bond, | |
| USD | 14,900 | 6.625%, 2/17/37(c) | 16,784,433 |
| | | Indonesia Government International Bond, | |
| USD | 16,500 | 11.625%, 3/04/19(c) | 24,832,500 |
| | | Indonesia Treasury Bill, Zero Coupon, | |
| IDR | 42,160,000 | 3/03/11 | 4,545,563 |
| | | Indonesia Treasury Bond, | |
| IDR | 49,850,000 | 10.00%, 10/15/11 | 5,811,830 |
| | | Indonesia Treasury Bond, | |
| IDR | 58,290,000 | 10.00%, 2/15/28 | 6,907,285 |
| | | Indonesia Treasury Bond, | |
| IDR | 24,285,000 | 10.50%, 8/15/30 | 2,995,073 |
| | | Indonesia Treasury Bond, | |
| IDR | 13,400,000 | 11.00%, 11/15/20 | 1,796,903 |
| | | Indonesia Treasury Bond, | |
| IDR | 50,500,000 | 12.90%, 6/15/22 | 7,515,598 |

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| | | | |
|-----|--------|--|--------------------|
| | | Indosat Finance Co. BV, | |
| USD | 6,950 | 7.75%, 11/05/10(c) | 7,061,763 |
| | | Indosat Palapa Co. BV, | |
| USD | 3,950 | 7.375%, 7/29/20 | 4,127,750 |
| | | Listrindo Capital BV, | |
| USD | 13,800 | 9.25%, 1/29/13(b)(c) | 15,165,648 |
| | | Majapahit Holding BV, | |
| USD | 2,600 | 7.25%, 6/28/17(c) | 2,896,639 |
| | | Majapahit Holding BV, | |
| USD | 2,150 | 7.875%, 6/29/37(c) | 2,408,000 |
| | | Majapahit Holding BV, | |
| USD | 2,500 | 8.00%, 8/07/19(c) | 2,912,500 |
| | | Matahari International Fin. Co. BV, | |
| USD | 12,550 | 10.75%, 8/07/10(b) | 13,212,878 |
| | | MGTI Finance Co. Ltd., | |
| USD | 12,700 | 8.375%, 9/15/10 | 12,692,240 |
| | | Perusahaan Penerbit SBSN, | |
| USD | 21,500 | 8.80%, 4/23/14(c) | 25,455,591 |
| | | Prime Dig Pte Ltd., | |
| USD | 16,700 | 11.75%, 11/03/12(b)(c) | 17,244,420 |
| | | | 210,642,359 |

MALAYSIA - 8.3%

| | | | |
|-----|--------|------------------------------------|--------------------|
| | | AMBB Capital L Ltd., | |
| USD | 16,700 | 6.77%, 1/27/16(a)(b) | 15,871,797 |
| | | Axiata SPV1 Labuan Ltd., | |
| USD | 8,650 | 5.375%, 4/28/20 | 9,017,625 |
| | | Malaysia Government Bond, | |
| MYR | 26,900 | 3.702%, 2/25/13 | 8,561,946 |
| | | Malaysia Government Bond, | |
| MYR | 36,800 | 3.718%, 6/15/12 | 11,701,718 |
| | | Malaysia Government Bond, | |
| MYR | 76,163 | 4.262%, 9/15/16 | 24,778,139 |
| | | Malaysia Government Bond, | |
| MYR | 16,900 | 4.378%, 11/29/19 | 5,500,336 |
| | | Malaysia Government Bond, | |
| MYR | 96,000 | 5.094%, 4/30/14 | 32,011,337 |
| | | Petronas Capital Ltd., | |
| USD | 7,150 | 5.25%, 8/12/19(c) | 7,661,089 |
| | | Petronas Global Sukuk Ltd., | |
| USD | 16,900 | 4.25%, 8/12/14(c) | 17,711,132 |
| | | Public Bank Bhd, | |
| USD | 4,450 | 6.84%, 8/22/16(a)(b) | 4,489,107 |
| | | TNB Capital (L) Ltd., | |
| USD | 7,900 | 5.25%, 5/05/15(c) | 8,525,799 |
| | | | 145,830,025 |

NEW ZEALAND - 0.2%

| | | | |
|-----|-------|--|-----------|
| | | Bank of America Corp., | |
| NZD | 2,000 | 7.53%, 3/08/12 | 1,479,078 |
| | | General Electric Capital Corp., | |
| NZD | 2,000 | 6.50%, 9/28/15 | 1,472,354 |

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

| Principal Amount (000) | Description | Value (US\$) |
|---|--|--------------------|
| LONG-TERM FIXED INCOME INVESTMENTS (continued) | | |
| NEW ZEALAND (concluded) | | |
| | Province of Quebec, | |
| NZD | 1,500 6.75%, 11/09/15 | \$ 1,159,936 |
| | | 4,111,368 |
| PHILIPPINES - 8.2% | | |
| | First Pacific Co. Ltd., | |
| USD | 5,700 7.375%, 7/24/17 | 5,970,830 |
| | National Power Corp., | |
| USD | 7,000 6.875%, 11/02/16(c) | 7,943,502 |
| | Philippine Government Bond, | |
| PHP | 487,000 6.25%, 1/27/14 | 10,913,943 |
| | Philippine Government Bond, | |
| PHP | 338,000 7.00%, 1/27/16 | 7,674,747 |
| | Philippine Government Bond, | |
| PHP | 977,000 9.125%, 9/04/16 | 24,033,502 |
| | Philippine Government International Bond, | |
| USD | 12,200 7.75%, 1/14/31 | 15,128,000 |
| | Philippine Government International Bond, | |
| USD | 6,950 8.875%, 3/17/15 | 8,687,500 |
| | Philippine Government International Bond, | |
| USD | 23,870 9.875%, 1/15/19 | 32,821,250 |
| | Philippine Government International Bond, | |
| USD | 15,879 10.625%, 3/16/25 | 24,175,777 |
| | Philippine Long Distance Telephone Co., | |
| USD | 6,250 8.35%, 3/06/17 | 7,328,125 |
| | | 144,677,176 |
| SINGAPORE - 4.5% | | |
| | CMT MTN Pte Ltd., | |
| USD | 5,750 4.321%, 4/08/15 | 5,904,963 |
| | DBS Bank Ltd., | |
| USD | 11,500 5.00%, 11/15/14(a)(b)(c) | 12,161,319 |
| | DBS Capital Funding Corp., | |
| USD | 6,650 7.657%, 3/15/11(a)(b)(c) | 6,766,375 |
| | Housing & Development Board Bond, | |
| SGD | 6,250 1.55%, 10/26/12 | 4,662,198 |
| | Singapore Airlines Ltd., | |
| SGD | 5,250 3.22%, 7/09/20 | 3,898,810 |
| | Singapore Government Bond, | |
| SGD | 31,001 2.375%, 4/01/17 | 24,670,054 |
| | Singapore Government Bond, | |
| SGD | 10,000 2.875%, 7/01/15 | 8,106,413 |
| | Singapore Government Bond, | |
| SGD | 6,170 3.25%, 9/01/20 | 5,056,850 |
| | STATS ChipPAC Ltd., | |
| USD | 3,900 6.75%, 11/15/10(b) | 3,924,375 |
| | Temasek Financial I Ltd., | |

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SGD 6,250 3.265%, 2/19/20 4,770,311

79,921,668

SOUTH KOREA - 16.6%

| | | | |
|-----|------------|--|------------|
| | | Busan Bank, | |
| USD | 12,600 | 5.50%, 3/14/12(a)(b) | 12,684,055 |
| | | Busan Bank, | |
| USD | 2,620 | 6.00%, 10/30/12(a)(b) | 2,668,530 |
| | | Hana Bank, | |
| USD | 7,800 | 4.50%, 10/30/15(c) | 7,983,378 |
| | | Hana Bank, | |
| USD | 7,400 | 5.375%, 4/12/12(a)(b) | 7,467,333 |
| | | Hana Bank, | |
| USD | 3,450 | 5.875%, 9/14/11(a)(b) | 3,485,228 |
| | | Hana Funding Ltd., | |
| USD | 1,950 | 8.748%, 12/17/12(a)(b) | 2,126,896 |
| | | Hyundai Capital Services, Inc., | |
| USD | 24,400 | 6.00%, 5/05/15(c) | 26,241,639 |
| | | Kookmin Bank, | |
| USD | 15,300 | 7.25%, 5/14/14(c) | 17,398,319 |
| | | Korea Expressway Corp., | |
| USD | 17,300 | 4.50%, 3/23/15(c) | 18,028,503 |
| | | Korea Expressway Corp., | |
| USD | 1,350 | 5.125%, 5/20/15(c) | 1,434,136 |
| | | Korea South-East Power Co. Ltd., | |
| USD | 7,900 | 4.75%, 6/26/13 | 8,259,300 |
| | | Korea South-East Power Co. Ltd., | |
| USD | 17,570 | 6.00%, 5/25/16(c) | 19,112,312 |
| | | Korea Southern Power Co. Ltd., | |
| USD | 7,590 | 5.375%, 4/18/13(c) | 8,040,368 |
| | | Korea Treasury Bond, | |
| KRW | 24,510,000 | 4.50%, 3/10/15 | 20,873,013 |
| | | Korea Treasury Bond, | |
| KRW | 18,500,000 | 5.00%, 6/10/20 | 15,784,597 |
| | | Korea Treasury Bond, | |
| KRW | 10,200,000 | 5.25%, 9/10/15 | 8,936,625 |
| | | Korea Treasury Bond, | |
| KRW | 5,100,000 | 5.50%, 9/10/17 | 4,536,691 |
| | | Korea Treasury Bond, | |
| KRW | 6,000,000 | 5.75%, 9/10/18 | 5,382,186 |
| | | Korea Treasury Bond, | |
| KRW | 26,674,000 | 6.91%, 7/18/11 | 23,342,058 |
| | | Korea Treasury Inflation Linked Bond, | |
| KRW | 3,500,000 | 2.75%, 6/10/20 | 3,095,535 |
| | | National Agricultural Cooperative Federation, | |
| USD | 3,450 | 4.25%, 1/28/16 | 3,448,137 |
| | | National Agricultural Cooperative Federation, | |
| USD | 12,500 | 6.125%, 6/15/11(a)(b) | 12,594,775 |
| | | Republic of Korea, | |
| USD | 10,500 | 7.125%, 4/16/19 | 12,717,600 |
| | | Shinhan Bank, | |
| USD | 7,400 | 4.375%, 9/15/15(c) | 7,504,562 |

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Principal Amount

| (000) | | Description | Value (US\$) |
|---|--------|--|--------------------|
| LONG-TERM FIXED INCOME INVESTMENTS (concluded) | | | |
| SOUTH KOREA (continued) | | | |
| | | Shinhan Bank, | |
| USD | 16,030 | 5.663%, 3/02/15(a)(b) | \$ 15,452,936 |
| | | Shinhan Bank, | |
| USD | 3,600 | 6.819%, 9/20/16(a)(b) | 3,513,301 |
| | | SK Broadband Co. Ltd., | |
| USD | 5,600 | 7.00%, 2/01/12 | 5,842,894 |
| | | Standard Chartered First Bank Korea Ltd., | |
| USD | 3,950 | 7.267%, 3/03/14(a)(b)(c) | 4,137,680 |
| | | Standard Chartered First Bank Korea Ltd., | |
| USD | 11,050 | 7.267%, 3/03/14(a)(b)(c) | 11,267,342 |
| | | | 293,359,929 |

THAILAND - 2.6%

| | | | |
|-----|---------|--|-------------------|
| | | Bangkok Bank PCL, | |
| USD | 900 | 9.025%, 3/15/29(c) | 1,069,852 |
| | | Bangkok Bank PCL, | |
| USD | 11,800 | 9.025%, 3/15/29 | 14,026,943 |
| | | Kasikornbank PCL, | |
| USD | 5,300 | 8.25%, 8/21/16(c) | 6,114,716 |
| | | Krung Thai Bank PCL, | |
| USD | 1,850 | 7.378%, 10/10/16(a)(b) | 1,751,430 |
| | | PTTEP Australia International Finance Pty Ltd., | |
| USD | 6,800 | 4.152%, 7/19/15 | 6,845,900 |
| | | Thailand Government Bond, | |
| THB | 73,000 | 3.625%, 5/22/15 | 2,319,213 |
| | | Thailand Government Bond, | |
| THB | 137,000 | 4.125%, 11/18/16 | 4,457,541 |
| | | Thailand Government Bond, | |
| THB | 264,000 | 5.25%, 5/12/14 | 8,861,672 |
| | | Thailand Government Bond, | |
| THB | 30,000 | 5.85%, 3/31/21 | 1,125,092 |
| | | | 46,572,359 |

Total Long-Term Fixed Income Investments

(cost \$2,049,305,064) 2,212,258,358

SHORT-TERM INVESTMENTS - 2.9%

AUSTRALIA -0.1%

| | | | |
|-----|-------|--------------------------------------|---------|
| | | National Australia Bank, | |
| AUD | 1,000 | 4.84% dated 7/01/10, due 9/08/10 (a) | 900,182 |

UNITED STATES - 2.8%

| | | | |
|-----|--------|---|------------|
| USD | 50,455 | Repurchase Agreement, State Street Bank & Trust Co., 0.12%, dated 07/30/10, due 08/02/10 in the amount of \$50,455,505, (collateralized by U.S. Treasury Bond, 2.375% due 8/31/14; value of \$51,470,419) | 50,455,000 |
|-----|--------|---|------------|

| | |
|--|-------------------------|
| Total Short-Term Investments | |
| (cost \$51,287,425) | 51,355,182 |
| Total Investments - 128.0% | |
| (cost \$2,100,592,489) | 2,263,613,540 |
| Liabilities in Excess of Other Assets - (28.0)% | (494,513,649) |
| Net Assets Applicable to Common Shareholders - 100.0% | \$ 1,769,099,891 |

AUD - Australian Dollar

CNY - Chinese Renminbi

HKD - Hong Kong Dollar

IDR - Indonesian Rupiah

INR - Indian Rupee

KRW - South Korean Won

MYR - Malaysian Ringgit

NZD - New Zealand Dollar

PHP - Philippine Peso

SGD - Singapore Dollar

THB - Thai Baht

TWD - New Taiwan Dollar

USD - U.S. Dollar

- (a) Indicates a variable rate security. The maturity date presented for these instruments is the later of the next date on which the security can be redeemed at par or the next date on which the rate of interest is adjusted. The interest rate shown reflects the rate in effect at July 31, 2010.
- (b) The maturity date presented for these instruments represents the next call/put date.
- (c) Security acquired in a transaction exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At July 31, 2010, the aggregate market value of these securities amounted to \$417,976,710 or 23.63% of net assets applicable to common shareholders.

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Interest Rate Swap Agreements

| Counterparty | Termination | Notional Amount (000) | Fixed Rate Paid by the Fund | Floating Rate Received by the Fund | Unrealized Depreciation |
|---------------|------------------|--------------------------|-----------------------------------|--|----------------------------|
| | Date | | | | |
| Deutsche Bank | April 21, 2011 | USD116,000 | 1.4700% | 3 month LIBOR | \$ (1,296,723) |
| Deutsche Bank | April 21, 2012 | USD130,000 | 1.8170 | 3 month LIBOR | (3,228,360) |
| Deutsche Bank | March 26, 2015 | HKD53,000 | 2.3250 | 3 month HIBOR | (239,946) |
| Deutsche Bank | June 30, 2014 | USD144,000 | 3.0125 | 3 month LIBOR | (9,255,238) |
| Merrill Lynch | June 30, 2014 | USD22,500 | 2.9600 | 3 month LIBOR | (1,399,821) |
| UBS | October 16, 2014 | HKD74,000 | 2.5050 | 3 month HIBOR | (429,343) |
| UBS | October 29, 2012 | THB695,000 | 3.2300 | 6 month Thai Baht | (553,435) |
| | | | | | \$ (16,402,866) |

Futures Contracts

| Description | Expiration | Contracts | Unrealized Appreciation/ (Depreciation) |
|--|----------------|-----------|---|
| Purchase Contracts: | | | |
| Australian Treasury Bond 6% - 10 year | September 2010 | 1,155 | \$ 1,128,292 |
| United States Treasury Note 6% - 2 year | September 2010 | 119 | 135,342 |
| United States Treasury Note 6% - 5 year | September 2010 | 58 | 167,918 |
| United States Treasury Bond 6% - 30 year | September 2010 | 9 | 38,783 |
| Sale Contracts: | | | |
| Australian Treasury Bond 6% - 3 year | September 2010 | 1,107 | (129,956) |
| United States Treasury Note 6% - 5 year | September 2010 | 373 | (504,716) |
| United States Treasury Note 6% - 10 year | September 2010 | 206 | (670,180) |
| | | | \$ 165,483 |

Forward Foreign Currency Exchange Contracts

| Purchase / Sale | Amount Purchased | Amount Sold | Market Value as of July 31, 2010 | Unrealized Appreciation/ (Depreciation) |
|---|---------------------|---------------|-------------------------------------|---|
| Australian Dollar/United States Dollar | | | | |
| settlement date 08/25/10 | AUD85,500,000 | USD72,521,100 | \$ 77,163,552 | \$ 4,642,452 |
| settlement date 09/07/10 | AUD27,000,000 | USD23,215,950 | 24,330,775 | 1,114,825 |
| settlement date 09/13/10 | AUD57,000,000 | USD49,868,160 | 51,326,389 | 1,458,229 |
| Chinese Renminbi/United States Dollar | | | | |
| settlement date 11/02/10 | CNY196,344,500 | USD29,000,000 | 29,014,463 | 14,463 |
| settlement date 01/28/11 | CNY51,367,000 | USD7,750,000 | 7,609,788 | (140,212) |
| settlement date 04/12/11 | CNY56,265,750 | USD8,500,000 | 8,364,591 | (135,409) |
| settlement date 05/18/11 | CNY25,999,350 | USD3,900,000 | 3,872,051 | (27,949) |
| settlement date 08/02/11 | CNY194,024,500 | USD29,000,000 | 29,013,622 | 13,622 |
| Indian Rupee/United States Dollar | | | | |
| settlement date 08/18/10 | INR623,820,675 | USD13,311,000 | 13,401,646 | 90,646 |

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| | | | | |
|--|-------------------|---------------|------------|-----------|
| settlement date 10/14/10 | INR625,889,800 | USD13,810,000 | 13,332,879 | (477,121) |
| Indonesian Rupiah/United States Dollar | | | | |
| settlement date 09/24/10 | IDR25,123,500,000 | USD2,700,000 | 2,813,788 | 113,788 |

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Forward Foreign Currency Exchange Contracts (continued)

| Purchase / Sale | Amount Purchased | Amount Sold | Market Value as of July 31, 2010 | Unrealized Appreciation/ (Depreciation) |
|---|-------------------|-------------------|----------------------------------|---|
| Indonesian Rupiah/United States Dollar (continued) | | | | |
| settlement date 01/24/11 | IDR35,321,000,000 | USD3,800,000 | \$ 3,899,097 | \$ 99,097 |
| Malaysian Ringgit/United States Dollar | | | | |
| settlement date 08/18/10 | MYR8,339,500 | USD2,600,000 | 2,618,696 | 18,696 |
| settlement date 10/12/10 | MYR9,916,875 | USD3,075,000 | 3,110,006 | 35,006 |
| settlement date 10/19/10 | MYR4,841,700 | USD1,500,000 | 1,517,893 | 17,893 |
| New Taiwan Dollar/United States Dollar | | | | |
| settlement date 10/12/10 | TWD1,243,518,750 | USD40,075,000 | 38,948,203 | (1,126,797) |
| Philippine Peso/United States Dollar | | | | |
| settlement date 09/07/10 | PHP202,087,100 | USD4,300,000 | 4,431,637 | 131,637 |
| settlement date 09/23/10 | PHP692,840,400 | USD14,700,000 | 15,175,232 | 475,232 |
| settlement date 10/12/10 | PHP78,319,000 | USD1,700,000 | 1,712,664 | 12,664 |
| Singapore Dollar/United States Dollar | | | | |
| settlement date 08/18/10 | SGD23,308,685 | USD16,700,000 | 17,142,236 | 442,236 |
| settlement date 10/12/10 | SGD21,656,057 | USD15,660,000 | 15,928,912 | 268,912 |
| South Korean Won/United States Dollar | | | | |
| settlement date 08/17/10 | KRW15,545,403,875 | USD13,253,000 | 13,156,826 | (96,174) |
| settlement date 09/30/10 | KRW35,205,120,000 | USD30,720,000 | 29,750,973 | (969,027) |
| settlement date 10/12/10 | KRW9,491,950,000 | USD8,500,000 | 8,017,888 | (482,112) |
| Thai Baht/United States Dollar | | | | |
| settlement date 09/30/10 | THB548,675,000 | USD17,000,000 | 16,978,957 | (21,043) |
| United States Dollar/Australian Dollar | | | | |
| settlement date 08/25/10 | USD74,092,020 | AUD85,500,000 | 77,163,552 | (3,071,532) |
| settlement date 09/07/10 | USD22,429,170 | AUD27,000,000 | 24,330,775 | (1,901,605) |
| settlement date 09/13/10 | USD49,360,860 | AUD57,000,000 | 51,326,389 | (1,965,529) |
| United States Dollar/Hong Kong Dollar | | | | |
| settlement date 10/12/10 | USD65,000,000 | HKD505,908,000 | 65,165,414 | (165,414) |
| United States Dollar/Indian Rupee | | | | |
| settlement date 08/18/10 | USD1,000,000 | INR46,800,000 | 1,005,412 | (5,412) |
| settlement date 10/14/10 | USD12,490,000 | INR575,670,700 | 12,263,098 | 226,902 |
| United States Dollar/Indonesian Rupiah | | | | |
| settlement date 08/31/10 | USD7,650,000 | IDR69,615,500,000 | 7,820,549 | (170,549) |
| settlement date 09/24/10 | USD9,400,000 | IDR85,463,600,000 | 9,571,775 | (171,775) |
| United States Dollar/Malaysian Ringgit | | | | |
| settlement date 10/12/10 | USD30,040,000 | MYR96,791,884 | 30,354,654 | (314,654) |
| settlement date 10/19/10 | USD4,450,000 | MYR14,280,050 | 4,476,856 | (26,856) |
| United States Dollar/New Taiwan Dollar | | | | |
| settlement date 02/08/11 | USD2,000,000 | TWD63,400,000 | 2,001,789 | (1,789) |
| United States Dollar/Philippine Peso | | | | |
| settlement date 09/23/10 | USD26,700,000 | PHP1,243,472,400 | 27,235,684 | (535,684) |
| United States Dollar/Singapore Dollar | | | | |
| settlement date 08/18/10 | USD5,380,000 | SGD7,627,226 | 5,609,399 | (229,399) |
| settlement date 08/23/10 | USD7,579,486 | SGD10,599,153 | 7,795,233 | (215,747) |
| settlement date 10/12/10 | USD900,000 | SGD1,228,473 | 903,592 | (3,592) |

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Forward Foreign Currency Exchange Contracts (concluded)

| Purchase / Sale | Amount Purchased | Amount Sold | Market Value as of July 31, 2010 | Unrealized Appreciation/ (Depreciation) |
|---------------------------------------|---------------------|----------------------|--|---|
| United States Dollar/South Korean Won | | | | |
| settlement date 08/17/10 | USD32,610,000 | KRW40,199,899,500 | 34,023,116 | (1,413,116) |
| settlement date 10/19/10 | USD8,900,000 | KRW10,752,980,000 | \$ 9,080,758 | \$ (180,758) |
| United States Dollar/Thai Baht | | | | |
| settlement date 08/18/10 | USD466,000 | THB15,096,070 | 466,000 | |
| settlement date 09/30/10 | USD9,390,000 | THB303,039,790 | 9,377,682 | 12,318 |
| | | Net USD Total | \$ 812,604,491 | \$ (4,660,637) |

Tax Cost of Investments

The United States federal income tax basis of the Registrant's investments and unrealized appreciation as of July 31, 2010 were as follows:

| Tax Cost Basis | Appreciation | Depreciation | Net Unrealized Appreciation |
|-----------------|----------------|---------------|--------------------------------|
| \$2,100,592,489 | \$ 174,505,042 | \$ 11,483,991 | \$ 163,021,051 |

Quality of Investments

As of July 31, 2010, 64.6% of the Registrant's total investments were invested in securities where either issue or the issuer was rated 'A' or better by Standard & Poor's Corporation or Moody's Investors Service, Inc. or, if unrated, judged to be of equivalent quality by the Investment Manager. The table below shows the asset quality of the Registrant's portfolio as of July 31, 2010.

| | % of total investments |
|---------|------------------------|
| AAA/Aaa | 24.70 |
| AA/Aa | 14.50 |
| A | 25.40 |
| BBB/Baa | 12.10 |
| BB/Ba* | 20.30 |
| B* | 3.00 |

* Below Investment Grade

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Notes to Portfolio of Investments

Securities Valuation

Securities for which market quotations are readily available are valued at current market value as of Valuation Time. Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Standard Time). Equity securities are valued at the last quoted sale price or, if there is no sale price, the last quoted bid price provided by an independent pricing service approved by the Board of Directors. Securities traded on NASDAQ are valued at the NASDAQ official closing price. Prices are taken from the primary market or exchange in which each security trades. Investment companies are valued at net asset value as reported by such company.

Most securities listed on a foreign exchange are valued either at fair value (see description below) or at the last sale price at the close of the exchange on which the security is principally traded. Foreign securities, currencies, and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rate of said currencies against the U.S. dollar, as of Valuation Time, as provided by an independent pricing service approved by the Board of Directors.

Debt and other fixed-income securities (other than short-term obligations) are valued at the last quoted bid price and/or by using a combination of daily quotes and matrix evaluations provided by an independent pricing service, the use of which has been approved by the Board of Directors. In the event such quotes are not available from such pricing agents, then the security may be priced based on bid quotations from broker-dealers. Short-term debt securities such as commercial paper and U.S. Treasury Bills having a remaining maturity of 60 days or less at the time of purchase, are valued at amortized cost, which approximates market value.

Securities for which market quotations are not readily available, or for which an independent pricing service does not provide a value or provides a value that does not represent fair value in the judgment of the Fund's investment adviser or designee, are valued at fair value under procedures approved by the Board of Directors. In addition, fair value determinations are required for securities whose value is affected by a significant event that materially affects the value of a domestic or foreign security which occurs subsequent to the time of the close of the principal market on which such domestic or foreign security trades and before the Valuation Time (i.e., a subsequent event). Typically, this will involve events occurring after the close of a foreign market on which a security trades and before the next Valuation Time.

For the period ended July 31, 2010, there have been no significant changes to the Procedures.

In accordance with Accounting Standards Codification 820 Fair Value Measurements and Disclosures (ASC 820), fair value is defined as the price that the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. The valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value. The inputs used for valuing the Fund's investments are summarized in the three broad levels listed below:

Level 1 quoted prices in active markets for identical securities

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risks, etc.)

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

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Notes to Portfolio of Investments (continued)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value each of the Fund's investments as of July 31, 2010.

| Assets | Level 1* | Level 2* | Level 3 |
|--|-----------------------|-------------------------|-----------|
| Fixed Income Investments | | | |
| Australia | \$ | \$ 932,344,602 | \$ |
| China | | 73,841,173 | |
| Hong Kong | | 200,445,779 | |
| India | | 80,511,920 | |
| Indonesia | | 210,642,359 | |
| Malaysia | | 145,830,025 | |
| New Zealand | | 4,111,368 | |
| Philippines | | 144,677,176 | |
| Singapore | | 79,921,668 | |
| South Korea | | 293,359,929 | |
| Thailand | | 46,572,359 | |
| Total Fixed Income Investments | | 2,212,258,358 | |
| Short-Term Investments | 900,182 | 50,455,000 | |
| Total Investments | \$ 900,182 | \$ 2,262,713,358 | \$ |
| Other Financial Investments | | | |
| Interest Rate Swap Agreements | \$ | \$ | \$ |
| Futures Contracts | 1,470,335 | | |
| Forward Foreign Currency Exchange Contracts | | 9,188,618 | |
| Total Other Financial Investments | \$ 1,470,335 | \$ 9,188,618 | \$ |
| Total Assets | \$ 2,370,517 | \$ 2,271,901,976 | |
| Liabilities | | | |
| Other Financial Investments | | | |
| Interest Rate Swap Agreements | \$ | \$ (16,402,866) | \$ |
| Futures Contracts | (1,304,852) | | |
| Forward Foreign Currency Exchange Contracts | | (13,849,255) | |
| Total Liabilities - Other Financial Investments | \$ (1,304,852) | \$ (30,252,121) | \$ |

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Notes to Portfolio of Investments (continued)

The following is a reconciliation of assets valued using significant unobservable inputs (Level 3):

| | Fixed Income Investments |
|---|---------------------------------|
| Beginning balance 10/31/09: | \$ 17,312,273 |
| Total realized gains/ losses: | 3,071 |
| Change in unrealized gains/losses: | 55,277 |
| Sales from Proceeds | (9,770,050) |
| Transfers in and/out of Level 3: | (7,600,571) |
| Ending balance 07/31/2010: | \$ |
| The amount of total gains or losses for the year included in earnings (or change in net assets) attributable to the change in unrealized gains or losses relating to assets still held at 07-31-10: | 55,277 |

* At July 31, 2010, there were no significant transfers in our out of Level 1 and Level 2 fair value measurements. For the period ended July 31, 2010, there have been no significant changes to the fair valuation methodologies.

(b) Repurchase Agreements:

The Fund may enter into repurchase agreements. It is the Fund's policy that its custodian/counterparty 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 a Fund plus interest negotiated on the basis of current short-term rates. To the extent that any repurchase transaction exceeds one business day, the collateral is valued on a daily basis to determine its adequacy. If the counterparty defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the counterparty of the security, realization of the collateral by the Fund may be delayed or limited.

(c) Foreign Currency Translation:

Foreign currency amounts are translated into United States dollars on the following basis:

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

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

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

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Notes to Portfolio of Investments (continued)

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

(d) Securities Transactions and Investment Income:

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

(e) Derivative Financial Instruments:

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

Swaps:

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

The Fund is a party to International Swap Dealers Association, Inc. Master Agreements (ISDA Master Agreements). These agreements are with select counterparties and they govern transactions, including certain over-the-counter derivative and foreign exchange contracts, entered into by the Fund and the counterparty.

The ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral, and events of default or termination. The occurrence of a specified event of termination may give a counterparty the right to terminate all of its contracts and affect settlement of all outstanding transactions under the applicable ISDA Master Agreement.

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. The Fund may enter into Forward Contracts in connection with security transactions or to hedge the U.S. dollar value of portfolio securities denominated in a particular currency. The Forward Contract is marked-to-market daily and the change in market value is recorded by the Fund as unrealized appreciation or depreciation. When the Forward Contract is

Portfolio of Investments (continued)

As of July 31, 2010 (unaudited)

Notes to Portfolio of Investments (continued)

closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. These unrealized and realized gains and losses are reported on the Statement of Operations. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts and from unanticipated movements in exchange rates.

Futures Contracts:

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

Upon entering into a Futures Contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount (initial margin deposit). Subsequent payments, known as variation margins, are made each day, depending on the daily fluctuations in the fair value/market value of the underlying assets. A gain or loss equal to the variation margin is recognized on a daily basis. Futures Contracts are valued daily at their last quoted sale price.

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

Should market conditions change unexpectedly, the Fund may not achieve the anticipated benefits of the Futures Contracts and may realize a loss. The use of futures transactions for hedging purposes involves the risk of imperfect correlation in movements in the price of Futures Contracts, interest rates and the value/market value of the underlying hedged assets.

(f) Credit-Linked Notes

The Fund invests in credit linked securities, which are unstructured, unleveraged pass-through vehicles to an underlying security denominated in a local currency, used for the purposes of efficiently managing access to the market and interest rate risk. For instance, the Fund may invest in credit linked securities as a cash management tool in order to gain exposure to a certain market and/or to remain fully invested when more traditional income producing securities are not available. Like an investment in a bond, investments in credit linked securities represent the right to receive periodic income payments (in the form of distributions) and payment of principal at the end of the term of the security. However, these payments are conditioned on the issuer s receipt of payments from, and the issuer s potential obligations to, the counterparties to the derivative instruments and other securities in which the issuer invests. For instance, the issuer may sell one or more credit default swaps, under which the issuer would receive a stream of payments over the term of the swap agreements provided that no event of default has occurred with respect to the referenced debt obligation upon which the swap is based. If a default occurs, the stream of payments may stop and the issuer would be obligated to pay the counterparty the par value (or other agreed upon value) of the referenced debt obligation. This, in turn, would reduce the amount of income and principal that the Fund would receive. The Fund s investments in these instruments are indirectly subject to the risks associated with derivative instruments, including, among others, credit risk, default or similar event risk, counterparty risk, interest rate risk, leverage risk and management risk. It is also expected that the securities will be exempt from registration under the Securities Act of 1933. Accordingly, there may be no established trading market for the securities and they may constitute illiquid investments.

Portfolio of Investments (concluded)

As of July 31, 2010 (unaudited)

Notes to Portfolio of Investments (concluded)

(g) Distributions:

It is the Fund's current policy to pay distributions from net investment income supplemented by net realized foreign exchange gains, net realized short-term capital gains and return of capital distributions if necessary, on a monthly basis. The Fund will also declare and pay distributions at least annually from net realized gains on investment transactions and net realized foreign exchange gains, if any. Distributions to common shareholders are recorded on the ex-dividend date.

Income distributions and capital and currency gains distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments for foreign currencies, loss deferrals and recognition of market discount and premium.

(h) Recent Accounting Pronouncements:

In January 2010, Financial Accounting Standards Board issued Accounting Standards Update 2010-06 (ASU 2010-06) to ASC 820-10, Fair Value Measurements and Disclosures Overall. The amendment requires the disclosure of input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements for Level 2 and Level 3 positions. In addition, transfers between all levels must be disclosed on a gross basis including the reason(s) for the transfer(s). Purchases, sales, issuances, and settlements in the Level 3 rollforward must be disclosed on a gross basis. The amendment is effective for interim and annual reporting periods beginning after December 15, 2009, while disclosures about purchases, sales, issuances, and settlements in the Level 3 rollforward of activity is effective for interim and fiscal periods beginning after December 15, 2010. The Fund has adopted a policy of recognizing significant transfers between Level 1 and Level 2 at the reporting period end. A significant transfer is a transfer, in aggregate, whose value is greater than 5% of the net assets of the Fund on the recognition date.

(i) Federal Income Taxes:

For Federal income and excise tax purposes, substantially all of the Fund's transactions are accounted for using the Australian dollar as the functional currency. Accordingly, only realized currency gains/ (losses) resulting from the repatriation of Australian dollars into U.S. dollars are recognized for U.S. tax purposes.

The Fund intends to qualify or continue to qualify as a regulated investment company by complying with the provisions available to certain investment companies, as defined in Subchapter M of the Internal Revenue Code, and to make distributions of net investment income and net realized capital gains sufficient to relieve the Fund from all, or substantially all, federal income taxes. Therefore, no federal income tax provision is required.

Management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Since tax authorities can examine previously filed tax returns, the Fund's tax returns for each of the four years in the period ended October 31, 2009 are subject to such review.

(j) Subsequent Event Note

At a meeting of the Fund's Board held on May 5, 2010, the Board of Directors approved the change of the Fund's Transfer Agent. Effective September 24, 2010, Computershare Trust Company, N.A. will replace the Bank of New York Mellon Corporation as the Transfer Agent.

Item 2 Controls and Procedures

- (a) It is the conclusion of the Registrant's principal executive officer and principal financial officer that the effectiveness of the Registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the Registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the Registrant has been accumulated and communicated to the Registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

- (b) There have been no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) that occurred during the Registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3 Exhibits.

- (a) Certifications required pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are filed as Exhibit 99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Aberdeen Asia-Pacific Income Fund, Inc.

By: */s/ Christian Pittard*
Christian Pittard
President of Aberdeen Asia-Pacific Income Fund,
Inc.

Date: September 29, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: */s/ Christian Pittard*
Christian Pittard,
President of Aberdeen Asia-Pacific Income Fund,
Inc.

Date: September 29, 2010

By: */s/ Andrea Melia*
Andrea Melia,
Treasurer of Aberdeen Asia-Pacific Income Fund,
Inc.

Date: September 29, 2010