



abrdn Asia-Pacific Income Fund VCC (FAP)

Annual Report
October 31, 2024

abrdn.com

Annual Management Report of Fund Performance

As at October 31, 2024

This annual management report of fund performance contains financial highlights of abrdn Asia-Pacific Income Fund VCC (the "Company"). This report should be read in conjunction with the complete annual financial statements that are included on pages 15-37. 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 c/o abrdn Inc., 1900 Market Street, Suite 200, Philadelphia, PA 19103, USA or by visiting the Company's website at

<http://www.abrdnfap.com> or under the Company's profile on SEDAR+ at www.sedarplus.ca.

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

Investment Objective and Strategies

The investment objective of the Company is to obtain current income. The Company may also achieve incidental capital appreciation. The Company seeks to obtain these objectives primarily from investment in long-term debt securities. The Company may invest up to 100% of its total assets in Asia-Pacific debt securities.

Risks

The Company has multiple risks associated with investing in long-term debt securities of Asia-Pacific and emerging market entities, including market, credit, currency, political and interest rate risks. Some or all of these risks 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, abrdn Asia Limited ("abrdn Asia"), investment manager to the Company, seeks 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 market 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, 2024, if the average interest rates in the portfolio had been raised or lowered by 1%, net assets could possibly have decreased or increased, respectively, by approximately \$3.49 million.

The following table shows the maturity composition of the Company's investments as at October 31, 2024, as compared with the six-months ended April 30, 2024 and the fiscal year ended October 31, 2023:

Date	0 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2024	47.9	29.1	23.0
April 30, 2024*	49.8	32.3	17.9
October 31, 2023	38.5	45.3	16.2

* Unaudited

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, 2024, investments in assets denominated in Asian currencies 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 against associated foreign currencies as of October 31, 2024 would result in a decrease or increase of the Company's NAV of approximately C\$1.67 million respectively. For further information on the composition of the various currencies at the end of the period

Management Discussion of Fund Performance (continued)

under review, please refer to the table on page 15 under "Currency Composition".

Market Discount Risk

Being a closed-end investment fund, the Company's ordinary shares ("Shares") may trade at a premium or discount to the NAV. As a result, the return experienced by a holder of Shares (market return) may often differ from the underlying performance of the Company (portfolio performance). The Share price is established by competitive markets, which reflect the buying demand and the selling supply of 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 securities, whether a fund's securities are redeemable based on net asset value, 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, 2024, the Company's Shares traded within a range of a discount of -21.12 to -13.08%, ending the period at -14.72%.

Liquidity Risk

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.

Counterparty Risk

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 under the Company's profile on SEDAR+ at www.sedarplus.ca.

Results of Operations

Net Asset Value Performance

With regard to the financial performance for the fiscal year, the NAV return for the year ended October 31, 2024 was 14.47%, assuming reinvestment of dividends, and 6.47% per annum, assuming reinvestment of dividends, since the Company's inception. On October 31, 2024, the Company's Share price was C\$2.78 which represented a discount of 14.72% to the NAV per Share of C\$3.26. Please see the "Market Review" on page 3 and Past Performance on page 11 for further information.

Distributions

For the twelve months ended October 31, 2024, the Company paid a total of C\$0.210 per Share in distributions. Based on the Share price of

C\$2.78 on October 31, 2024, the Company's annualized cash distribution rate for the twelve months ended October 31, 2024 was 7.6%.

On November 11, 2024 and December 10, 2024, the Company announced that it will pay on November 29, 2024 and January 10, 2025, respectively, a distribution of C\$0.0175 per Share to all holders of Shares of record as of November 21, 2024 and December 30, 2024, 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 Company earnings, supplemented with capital as required. The full amount of the distribution is treated as foreign income for Canadian tax purposes.

The Board intends to review the Dividend Policy and current monthly distribution rate on a semi-annual basis, unless market conditions require an earlier evaluation. abrdn Asia 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 was party to a revolving credit loan facility with BNP Paribas (the "BNP Facility"), which was amended and restated on November 13, 2024 (as further amended, the "A&R BNP Facility"). The A&R BNP Facility has a scheduled maturity date of November 12, 2025, and the total amount of permitted borrowing under the A&R BNP Facility is US\$45,000,000. During the fiscal year, the Company paid down a net amount of US\$1,500,000. The Company's outstanding balance on the A&R BNP Facility as at October 31, 2024 was US \$38,100,000 (see Bank Loan on Statements of Financial Position), which represented 44.0% of the NAV of the Company on October 31, 2024. The A&R BNP 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 anticipated to be lower than relatively higher yields of the fixed income securities in which the Company invests. The Company is accruing the interest daily on the A&R BNP Facility. The total accrued expense as of the fiscal year end is included in the expense section of the Statement of Comprehensive Income under "Interest expense."

The A&R BNP 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 abrdn Asia from fully managing the Company's portfolio in accordance with

Management Discussion of Fund Performance (continued)

the Company's investment objective and by-laws. The Company is currently in compliance with all covenants under the A&R BNP Facility.

These covenants also include limits on the Company's ability to (i) create, incur, assume or permit to exist certain debt except for certain specified types of debt, (ii) issue any Senior Security (as defined in the A&R BNP Facility) or forms of indebtedness, (iii) incur liens, (iv) change its investment objective or fundamental investment restrictions, or (v) amend the Company's organisational documents in a manner which could adversely affect the rights and remedies of the lender, or change its fiscal year if such a change would adversely affect the rights of the lender. In addition, the A&R BNP Facility does not permit the Company's adjusted asset coverage ratio (as defined in the A&R BNP Facility) to fall below 300% at any time or the NAV to be less than US\$70,000,000. Furthermore, noncompliance with such covenants or the occurrence of other events could lead to the cancellation of the A&R BNP Facility. These other events include, but are not limited to, the following:

- 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;
- abrdn Investments Limited ceases to be the subinvestment advisor; abrdn Asia or an affiliate ceases to be the investment manager to the Company; State Street Trust Company Canada ceases to be the Company's custodian; or abrdn Canada Limited ("abrdn Canada") or an affiliate ceases to be the Company's administrator; State Street Bank and Trust Company, Singapore Branch, or an affiliate ceases to be the Singapore administrator; KPMG LLP or an affiliate ceases to be the independent auditors; and
- abrdn Asia ceases to be owned or controlled by abrdn Holdings Limited ("abrdn Holdings").

The A&R BNP Facility 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 is cancelled or is 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-lever" 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

As at October 31, 2024, the Company held interest rate swap agreements with an aggregate notional amount of US \$38.0 million which represented almost 100% of the US \$38.1 million outstanding under the facility at such time. Under the terms of the interest rate

swap agreements in effect as of the fiscal year end, the Company received a floating rate of interest and pays fixed rates of interest for the terms and based upon the notional amounts set forth below:

Remaining Term as of October 31, 2024	Receive/(Pay) Floating Rate	Amount (in US\$ million)	Fixed Rate Payable (%)
57 months	Receive	\$ 0.1	3.28%
64 months	Receive	\$ 8.5	3.47%
88 months	Receive	\$10.0	3.38%
100 months	Receive	\$10.0	3.37%
101 months	Receive	\$ 9.5	3.14%

Market Disruption and Geopolitical Risk

The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. The occurrence of global events similar to those in recent years, such as terrorist attacks around the world, natural disasters, social and political events within the U.S. and abroad, such as changes in the U.S. presidential administration and Congress, health emergencies (e.g., epidemics and pandemics), cyber-attacks, terrorism, actual or threatened wars, other armed conflicts or debt crises and downgrades, among others, may result in market volatility and may have long term effects on global financial markets and could adversely affect Company service providers and/or the Company's operations as well as interest rates, secondary trading, credit risk, inflation and other factors relating to the shares. The Company cannot predict the effects or likelihood of similar events in the future on world economies, the value of the Shares or the NAV of the Company.

Market Review

During the fiscal year ended October 2024, global fixed income markets experienced some dramatic swings in expectations. The period commenced with expectations that the worst of the inflation challenges had passed and that central banks would consider a pivot in policy towards easing. As the period progressed, the global economy, led by the U.S., demonstrated economic resilience and a stubborn 'last mile' in the inflation fight. This led to a more protracted period of restrictive monetary policy setting, with the U.S. Federal Reserve (Fed) not delivering an easing in policy until September 2024. Investors around the world, including in Asia Pacific, cheered the delivery of the Fed's interest-rate cut, but quickly refocused on the implications of the looming U.S. presidential elections. Towards period-end, and subsequent to that, the emergence of Donald Trump as the winner of the U.S. presidential election has seen the market pivot towards pricing the impact of policies that support the U.S. dollar, steeper yield curves, and credit fundamentals.

Management Discussion of Fund Performance (continued)

The 10-year U.S. Treasury yield ended the fiscal year 45 basis points (bps) lower than it was to begin the period at 4.28%. The two-year yield fell by 77bps to 4.17%. Although still inverted at the short end, the Treasury yield curve is taking on a more 'normal' upward slope beyond five-year maturities¹. The 10-year yield rallied strongly in the first and third quarters of the period in anticipation of the start of the Fed easing cycle. The 10-year yield sold off aggressively from mid-September (ironically, around the time of the first rate cut) in reaction to strong labor market, inflation, and manufacturing activity data. Moreover, speculation around the policy priorities of a second Trump administration and whether this will lead to looser fiscal policy and higher inflation had an impact. These risk premia are being priced into the longer end of the yield curve.

The market had to wait quite a while for the much-anticipated pivot in U.S. monetary policy to be realized. The last mile of the inflation challenge was more stubborn than anticipated. After holding rates at their highs since July 2023, the Fed delivered a larger-than-expected 50bps cut in September 2024 and cut rates by a further 25bps shortly after period-end. Fed Chair Jerome Powell downplayed the risks of a recession and said that easing was to preserve and support the 'soft landing'². He emphasized that future actions would be data dependent. By period-end, fed fund futures³ suggested 45bps of rate cuts by December 2024, down from earlier suggestions of 50bps.

Consumer price inflation remained stubbornly above 3% (against a Fed target of 2%) until July, after which it fell to 2.4% in September but rebounded to 2.6% in October. Notwithstanding fears of a cooling labor market over the summer period, more recent evidence points to ongoing resilience.

Asian local-currency government bonds delivered positive returns over the fiscal year as 10-year yields fell across the region, in most cases outperforming the corresponding U.S. Treasury bonds. Economic activity levels across Asia were mixed and inflation pressures have been contained. Price pressures were sticky in Singapore and South Korea for much of the period, although inflation eased to central bank targets in both economies by period-end. Arguably of greater concern than high inflation earlier in the period was China and Thailand slipping into deflation. Both economies emerged from deflation in the spring, and prices have since shown signs of recovering in Thailand. Inflation remains tepid in China, where the low annual rate continued to fall at the end of the period.

Central banks in Asia eased policy over the period. The Bank of Korea cut its policy rate by 25bps as inflation fell below target for the first time since March 2021 and financial security risks eased. South Korea will be included in the FTSE Russell's World Government Bond Index (WGBI) beginning in late 2025. Bank Indonesia cut its key rate by 25bps as it potentially shifted to a more pro-growth policy stance. China eased its interest rates several times and announced a range of measures to try to stimulate its domestic economy that is struggling with a lack of confidence, courtesy of a much-maligned property market.

Asian currencies had mixed performance against the Canadian dollar. The Malaysian ringgit and Thai baht led performance, while the Singapore dollar also rose strongly. These currencies benefitted from market participants covering shorts and underweight positions as the U.S. rates pivot was anticipated and delivered upon. The Canadian dollar weakened over the period. After holding its interest rate at 5% for almost 12 months, the Bank of Canada eased policy aggressively, cutting its interest rate by 25bps in June, July, and September, and by 50bps in late October.

Asian corporate bonds (credit) delivered positive returns, driven by falling U.S. Treasury yields and spreads tightening by over 100bps. High-yield⁴ debt outperformed investment grade⁵ debt. All corporate sectors delivered positive returns, with real estate the notable outperformer, while metals & mining also performed strongly.

Emerging market (EM) debt performed strongly, with hard-currency⁶ debt outperforming local-currency assets. Within hard-currency markets, high-yield debt outperformed investment-grade credit. Several EM countries saw their bonds surge as they made progress towards securing finance, including Argentina, the best-performing country in the period. Argentina also stabilized its economy by swapping some 77% of its local debt due this year for longer-dated notes. This will reduce the government's reliance on printing pesos to cover its debt payments. Progress on fund raising also boosted the bonds of Pakistan, Ecuador, Egypt, and Ukraine. In local-currency bonds, South Africa was the top performer after its general election led to a more market-friendly government. The major Latin American currencies came under pressure from a mixture of headwinds, largely driven by domestic policy disappointments and expectations of external policy challenges under a new U.S. administration. These currency movements were offset by falling domestic interest rates.

1 A yield curve is described as inverted when short-term rates are higher than long-term rates.

2 A milder economic slowdown compared to a recession.

3 Fed funds futures are financial futures contracts that reflect market expectations about changes in interest rates.

4 Bonds rated BB and below are considered 'high yield'. Issuers of such bonds are thought to have a higher chance of defaulting on their debt than those rated as 'investment grade'.

5 Companies whose bonds are rated as 'investment grade' have a lower chance of defaulting on their debt than those rated as 'non-investment grade'. Bonds rated BBB or above are known as Investment Grade Bonds.

6 Emerging market bonds issued in other currencies (such as the U.S. dollar and euro).

Management Discussion of Fund Performance (continued)

Fund Performance Review

The Company returned 14.47% on a net asset value⁷ basis for the fiscal year ended October 31, 2024, versus the 12.06% return of its blended benchmark⁸ for the same period. While the performance of the net asset value includes the impact of leverage⁹, the benchmark performance does not. The Company's unlevered NAV return was 10.03 for the fiscal year ended October 31, 2024, demonstrating that the decision to leverage had a positive impact on the fund, adding 4.44% to Fund performance over that timeframe.

The Company's positive performance can be attributed to the impact of lower yields globally, especially in the Asia Pacific local-currency markets, notably in India and Indonesia, where the Company has high-conviction exposures. Additionally, lower U.S. Treasury yields and tighter credit spreads for U.S. dollar-denominated Asia credit, particularly the high-yield exposures, contributed meaningfully. The Company's use of leverage magnified the positive impact of the investment returns on the net asset value.

Leverage is used strategically by the Company to support its income-generating capacity. The Company continues to benefit from a positive interest-rate differential between the interest income on the investment portfolio and the cost of the leverage.

Relative to the Company's blended benchmark, the investment portfolio¹⁰ outperformed. The principal drivers of outperformance were the overweight¹¹ allocations to U.S. dollar-denominated Asian credit bonds, as well as the sizeable strategic overweight exposures to the Indonesian and Indian local-currency bond markets. Although the investment portfolio has an underweight exposure to the Australian bond market, the exposure to Australian corporate bonds, especially financial bonds, also contributed positively to relative performance.

The use of derivatives to hedge the interest-rate risk (primarily paid interest-rate swap positions to fix the cost of the leverage) in the investment portfolio detracted value on a mark-to-market basis. The use of currency forwards had a broadly neutral impact on the investment portfolio's performance.

The monthly distribution reflects the Company's current policy to provide shareholders with a relatively stable cash flow per share. This policy did not have a material effect on the Company's investment strategy over the reporting period.

Outlook

Although the outlook for the Asian Pacific region and its fixed income and currency markets may appear, at this juncture, to be uncertain, there are many reasons to remain optimistic about the resilience of the asset class and its ability to deliver on its objective to deliver reliable income for Canadian dollar-based investors.

Across the Asia Pacific region, economic fundamentals remain well grounded in policy predictability, consistency, and discipline. A strong reminder of this is the development of the ASEAN (Asian Southeast Asian Nations) co-operations, with Singapore as its highly influential member. This grouping of nations continues to co-operate on economic, investment, and trade initiatives, and in our opinion steers a balanced course between the world's superpowers. As experience has shown, when trade tensions between the U.S. and China have escalated, it is this group of countries that have benefitted from foreign investment and trade. Similarly, the Indian economy continues to benefit from a decade of reform that has focused on combatting corruption, financial inclusion, and investment. These reforms continue to transform the economic landscape in India; and with reform to access constraints, foreigners can increasingly access these markets as a source of diversified income.

In the near term, inflation is well contained, and we anticipate that central bankers in the Asian region will use the cover of a more accommodative Fed to ease monetary policy here as well, to remove monetary policy constraints, and provide support to domestic demand where necessary.

While there will be much focus on the trade tensions between the U.S. and China, the Chinese economy has been growing at a gradual pace, hampered by a lack of domestic confidence. In our estimation, this spurns more from domestic policy issues than anything globally, and as we have seen in recent weeks, the authorities are determined to provide some additional policy clarity and support. We expect more of that. It is our view that this will be an important pillar of support for the rest of the region, particularly the broader EM complex, especially as intra-regional trade has been an emerging consideration for EMs.

Resilient economic fundamentals provide a good foundation for the region's credit markets. We are seeing default rates falling to more normal levels and a technical environment, whereby more bonds are maturing than are being issued, at a time when investors continue to find the yields in the sector very attractive. At this stage, we do not

7 A key measure of the value of a company, fund or trust – the total value of assets less liabilities, divided by the number of shares.

8 The Company's blended benchmark comprises 10% Bloomberg AusBond Composite, 25% JPMorgan Asia Credit Diversified, 50% iBoxx ALBI (CAD), 15% JPMorgan GBI-EM Global Diversified (CAD).

9 Usually refers to a fund being exposed by more than 100% of its net asset value to assets or markets; typically resulting from the use of debt or derivatives.

10 The part of the portfolio that does not contain any leverage.

11 A portfolio holding an excess amount of a particular security (or sector or region) compared to the security's weight in the benchmark portfolio.

Management Discussion of Fund Performance (concluded)

feel the need to move down in credit quality given the opportunities within the higher credit quality segments.

Securing income opportunities grounded in robust fundamentals across a diverse opportunity set is the key appeal of investing in Asia Pacific income strategies. The Company has exposure to a broad set of Asian countries across local bond markets, currencies, and credit markets. While the Company does take exposure to currencies other than the U.S. dollar, the Asian credit allocation is denominated in U.S. dollars.

At a time when there are many cross currents in geopolitical, economic, and trade considerations, as well as the robust underpinnings of the economic fundamentals in the Asia Pacific region, we believe the Company is well positioned to deliver on its objective.

Director Updates

Share Ownership Policy

The Independent Directors are subject to a director's share ownership policy ("Share Ownership Policy"). Under the Share Ownership Policy Independent Directors of the Company are required to own at least 10,000 Shares of the Company by the end of the first full calendar year following the year in which he or she is elected.

The below chart summarizes each Independent Director Share ownership as at October 31, 2024.

Independent Director	Shares Owned (by public filings)
Radhika Ajmera	10,000
William J. Braithwaite	70,000

Related Party Transactions

The Company has an agreement (the "Management Agreement") with abrdn Asia to provide investment management services. abrdn Investments Limited, a related company of abrdn Asia, was engaged to provide advisory services to abrdn Asia, with respect to abrdn Asia's services to the Company. abrdn Asia paid fees to abrdn Investments Limited for services rendered. In addition, the Company has a further agreement (the "Administration Agreement") with abrdn Canada (the "Canadian Administrator"), an affiliate of abrdn Asia, to be the Canadian administrator of the Company, fulfilling the Company's requirement to appoint a Canadian registered investment fund manager under Canadian securities laws.

The Company has an agreement with abrdn Inc. to provide investor relations services.

Implementation of Expense Limitation Agreement

On June 20, 2022, the Board authorized the Company to enter into an Expense Limitation Agreement with abrdn Asia pursuant to which the total ordinary operating expenses of the Company (excluding any leverage costs, taxes, interest, brokerage fees, short sale dividend and interest expenses and non-routine expenses) in any fiscal year are capped at 1.20% of the average daily managed assets of the Company on an annualized basis and, thereafter from year to year unless terminated earlier. Management Fees waived or reduced and other payments remitted by abrdn Asia Limited under the agreement may be reimbursed to abrdn Asia Limited over a three year period subject to certain conditions. The total amount waived for the fiscal year ended October 31, 2024 pursuant to the Expense Limitation Agreement was \$326,242. Please see Note 7 in Notes to Financial Statements for further information.

Taxation

As part of the Company's move to Singapore, the Company can rely on a double taxation treaty that may give the Company a more favorable withholding and capital gains tax rate in certain countries and on certain types of securities and forms of income.

Forward-Looking Information

Information in this 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 abrdn Asia'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 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

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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 Share: ^(a)	For the Fiscal Years Ended October 31,				
	2024	2023	2022	2021	2020
Net assets, beginning of year	C\$3.08	C\$2.84	C\$3.63	C\$4.04	C\$4.54
Increase/(decrease) from operations:^(b)					
Total revenue	0.33	0.32	0.30	0.32	0.36
Total expenses	(0.17)	(0.15)	(0.11)	(0.11)	(0.13)
Realised gains/(losses) for the year	0.04	(0.14)	(0.22)	(0.17)	(0.46)
Unrealised gains/(losses) for the year	0.19	0.44	(0.49)	(0.18)	(–)
Total Increase/(decrease) from operations	0.39	0.47	(0.52)	(0.14)	(0.23)
Distributions from:					
Distributable earnings	(0.21)	(0.23)	(0.27)	(–)	(0.27)
Return of par value ^(c)	–	–	–	(0.27)	–
Total annual distributions ^(d)	(0.21)	(0.23)	(0.27)	(0.27)	(0.27)
Net assets, end of year	C\$3.26	C\$3.08	C\$2.84	C\$3.63	C\$4.04
Ratios/Supplemental Data					
Total net asset value end of year (C\$000)	120,617	126,594	129,667	184,344	205,220
Number of Shares outstanding – end of year	36,992,854	41,103,165	45,670,155	50,744,616	50,744,616
Management expense ratio excluding fee waiver	3.59%	3.30%	2.21%	1.93%	1.87%
Management expense ratio, net of fee waiver ^(e)	3.40%	3.10%	2.17%	1.93%	1.87%
Management expense ratio, net of fee waiver excluding interest expense ^(f)	1.25% ^(g)	1.25% ^(g)	1.25% ^(g)	1.52%	1.18%
Trading expense ratio ^(h)	–	–	–	–	–
Portfolio turnover ⁽ⁱ⁾	26%	29%	55%	64%	107%
Net asset value per Share	C\$3.26	C\$3.08	C\$2.84	C\$3.63	C\$4.04
Closing market price	C\$2.78	C\$2.50	C\$2.35	C\$3.03	C\$2.90

- (a) This information is derived from the Company's audited annual financial statements. The net assets per Share 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 Shares outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of Shares outstanding over the applicable period.
- (c) Singapore legislation does not provide for "par value" and references to par value relate to periods prior to December 16, 2021 when the Company was domiciled in the Cook Islands.
- (d) Distributions per share are paid in cash and based on the number of Shares outstanding on the dates of such distributions.
- (e) Management expense ratio is the ratio of total expenses of the Company (excluding fee waivers, commissions, other portfolio transaction costs and withholding tax) divided by the daily average total assets of the Company during the period, which includes the revolving credit facility. Ratios of the total expenses of the Company excluding fee waivers divided by the average net assets of the Company are 5.13%, 4.66%, 3.09%, 2.61% and 2.58%, for the periods ended October 31, 2024, October 31, 2023, October 31, 2022, October 31, 2021 and October 31, 2020, respectively.
- (f) Ratio represents expenses, net of fee waiver, 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, net of fee waiver, excluding interest expense divided by the average net assets of the Company are 1.79%, 1.76%, 2.10%, 2.06% and 1.64%, for the periods ended October 31, 2024, October 31, 2023, October 31, 2022, October 31, 2021 and October 31, 2020, respectively.

Financial Highlights (concluded)

- (g) Effective October 31, 2022, the Management expense ratio, net of fee waiver excluding interest expenses also excludes bank loan fees and non-recurring expenses as referenced on the Statement of Comprehensive Income/(loss)
- (h) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value per 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%.
- (i) 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 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. Portfolio turnover is higher in the fiscal year ended October 31, 2020 due to the market volatility in response to COVID-19.

Amounts listed as “–” are \$0 or round to \$0.

Management Fees

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

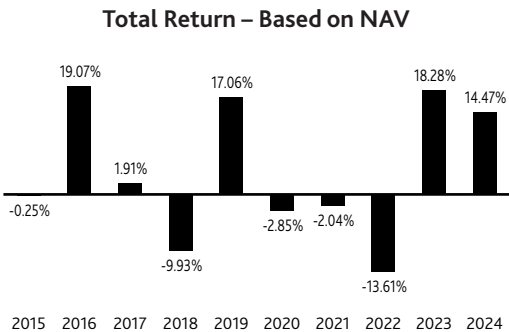
borrowings for investment purposes. For the fiscal year ended October 31, 2024, abrdn Asia earned gross fees of C\$1,219,308 and net fees of C\$893,066 following the application of the Expense Limitation Agreement (described in Notes to Financial Statements note 7), which were used by abrdn Asia to pay its costs for managing the Company's investments and making investment decisions on behalf of the Company.

Past Performance

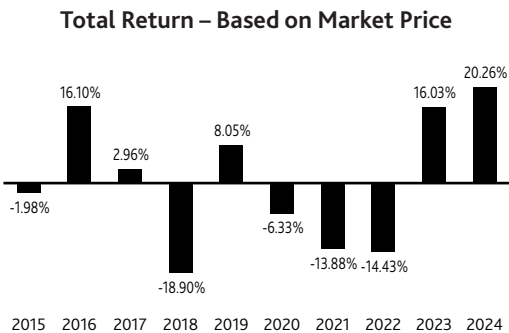
Historical performance is not indicative of future performance.

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.

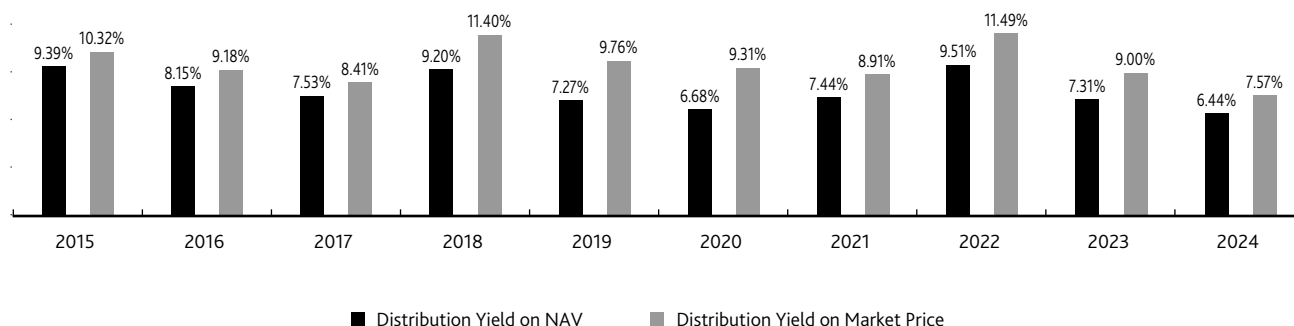


The following chart shows the performance of the Company's Shares on the TSX for each of the fiscal years shown and assumes reinvestment of dividends and distributions.



Past Performance (concluded)

The following chart shows the Company's annual distribution yield based on NAV and market price as of each fiscal year shown and the annualized yield for the fiscal year ended October 31, 2024. Although the Company's total annual distributions have at times included return of paid-in capital, shareholders have received a stable distribution yield over the years shown.



Annual Compound Returns

The table below shows the Company's annual compound total returns, based on the Company's NAV and market price for the one, three, five and ten year periods ended on October 31, 2024.

As a basis of comparison, the Company has selected the JP Morgan Asian Credit Index (JACI) a broad-based securities market index that is comprised of liquid US dollar-denominated debt securities issued out of the Asia region ex-Japan. Additionally, the Benchmark referenced in the table below is a blend of several benchmarks because a benchmark that is in line with Company's investment strategy is not available. The Company invests a portion of its assets in liquid US

dollar-denominated debt securities issued out of the Asia region ex-Japan but less than that of the JACI.

The Company's performance based on NAV takes into account management fees, other Company expenses and includes the impact of the leverage facility. The Company uses leverage strategically to support its income-generating capacity. Over the medium-to-longer term, leverage has contributed positively to the performance of the Company's net asset value; however, in the short term, this can magnify the volatility of the performance of the Company's assets. Based on these factors it is not expected that the Company's performance would mirror that of the benchmark or Index.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	14.47%	5.37%	2.16%	3.58%
Market Price	20.26%	6.12%	4.98%	2.73%
Benchmark ^(a)	12.06%	4.02%	2.27%	4.12%
JP Morgan Asian Credit Index (JACI)	13.32%	4.34%	2.26%	6.65%

(a) The Company's benchmark: has changed over time in conjunction with changes in the Company's investment policy. The following information provides the information historically:

- From August 1, 2009, the benchmark was comprised of 25% Bloomberg Ausbond Composite Index, 20% Merrill Lynch Asia USD Bond Index, 35% iBoxx indices and 20% JPMorgan Government Emerging Markets Indices. The iBoxx indices was made up of 15% iBoxx Indonesia, 10% iBoxx Philippines and 10% iBoxx India. The JPMorgan Government Emerging Market Indices were comprised of 6% JPMorgan Government Bond-Mexico, 7% JPMorgan Government Bond-Brazil and 7% JPMorgan Government Bond-Turkey.
- Effective December 31, 2011, the Merrill Lynch Asia USD Bond 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.
- Effective November 1, 2019, the Company's blended benchmark changed to 50% Markit iBoxx Asian Local Bond Index, 25% J.P. Morgan Asia Credit Diversified Index, 15% JP Morgan GBI Emerging Market Global Diversified Index and 10% Bloomberg Ausbond Composite Index. The benchmark change was due to the change in investment policy that was announced on June 28, 2019.

Summary of Investment Portfolio Information (unaudited)

As at October 31, 2024

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 to us c/o abrdn Inc., 1900 Market St., Suite 200, 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 over Net Asset Value. The Company's investment policy restrictions define country exposure calculated on Managed Assets.

Country	Percentage of NAV As at October 31, 2024	Percentage of NAV As at October 31, 2023
Indonesia ^(a)	28.4%	31.6%
Supranational	15.6%	2.6%
Australia	13.2%	13.6%
India	13.0%	26.2%
Pakistan	8.7%	2.1%
Philippines	4.6%	4.2%
Brazil	3.8%	4.3%
China	3.5%	5.7%
Mexico	3.1%	4.8%
South Africa	3.2%	1.9%
United Arab Emirates	3.0%	2.7%
Hong Kong	3.0%	1.6%
Malaysia	2.9%	2.7%
Uruguay	2.8%	2.7%
United Kingdom	2.5%	2.2%
Thailand	1.9%	2.0%
Bahrain	1.7%	2.7%
Macao	1.2%	2.1%
Colombia	0.0%	2.3%
Other, less than 2% each	22.5%	19.6%
Bank Loan, Other Assets & Liabilities	(38.6)%	(37.6)%
	100.0%	100.0%

(a) Indonesian country allocation as a percentage of Managed Assets as at October 31, 2024 and October 31, 2023 was 19.7% and 22.1%, respectively.

Summary of Investment Portfolio Information (unaudited) (continued)

As at October 31, 2024

Top 25 Investments

The following table shows the top 25 investments held by the Company as at October 31, 2024:

Currency	Principal Amount (000)	Description	Net Asset Value %	Value (C\$)
IDR	75,927,000	Indonesia Treasury Bonds, 10.50%, 08/15/2030	6.6	7,944,230
INR	400,000	India Government Bonds, 7.54%, 05/23/2036	5.8	6,940,124
IDR	64,000,000	Indonesia Treasury Bonds, 9.00%, 03/15/2029	5.1	6,155,118
PKR	1,245,000	Pakistan Treasury Bills, 16.07%, 05/29/2025	4.8	5,799,475
IDR	60,300,000	Indonesia Treasury Bonds, 6.50%, 02/15/2031	4.4	5,272,895
INR	300,000	European Investment Bank, 7.40%, 10/23/2033	4.2	5,090,923
INR	280,000	Corp. Andina de Fomento, 8.25%, 04/26/2034	3.9	4,677,809
AUD	4,800	Westpac Banking Corp., 6.93%, 06/23/2038	3.9	4,674,609
IDR	49,500,000	Indonesia Treasury Bonds, 8.25%, 05/15/2029	3.8	4,653,628
INR	250,000	Inter-American Development Bank, 7.00%, 08/08/2033	3.4	4,127,767
USD	2,500	Pertamina Persero PT, 6.50%, 11/07/2048	3.1	3,768,047
BRL	16,500	Brazil Notas do Tesouro Nacional, 10.00%, 01/01/2029	3.0	3,624,555
AUD	3,700	Commonwealth Bank of Australia, 6.70%, 03/15/2038	2.9	3,562,017
USD	2,360	Petrolia Nacional Bhd., 7.63%, 10/15/2026	2.9	3,456,226
		Uruguay Government International Bonds, 8.25%, 05/21/2031	2.8	3,409,225
UYU	107,650			
INR	200,000	International Finance Corp., 6.30%, 11/25/2024	2.7	3,309,400
INR	185,000	India Government Bonds, 7.36%, 09/12/2052	2.6	3,190,980
		Pakistan Government International Bonds, 6.88%, 12/05/2027	2.4	2,864,698
USD	2,272			
		Indonesia Government International Bonds, 8.50%, 10/12/2035	2.2	2,614,729
USD	1,470			
		Philippines Government International Bonds, 6.25%, 01/14/2036	2.0	2,466,851
PHP	105,000			
USD	1,600	MAF Global Securities Ltd., 7.88%, 06/30/2027	1.9	2,298,531
		Egyptian Financial Co. for Sovereign Taskeek, 10.88%, 02/28/2026	1.8	2,167,196
USD	1,500			
		Republic of South Africa Government Bonds, 8.25%, 03/31/2032	1.8	2,145,427
ZAR	29,735			
PHP	71,660	Philippines Government Bonds, 9.25%, 11/05/2034	1.8	2,144,355
		Nigeria Government International Bonds, 8.75%, 01/21/2031	1.7	2,064,177
USD	1,550			

Summary of Investment Portfolio Information (unaudited) (concluded)

As at October 31, 2024

Top 25 Investments

The following table shows the top 25 investments held by the Company as at October 31, 2023:

Currency	Principal Amount (000)	Description	Net Asset Value %	Value (C\$)
IDR	75,927,000	Indonesia Treasury Bond, 10.50%, 08/15/2030	6.1	7,787,945
INR	400,000	India Government Bond, 7.54%, 05/23/2036	5.3	6,694,062
INR	400,000	India Government Bond, 7.26%, 01/14/2029	5.2	6,600,868
IDR	64,000,000	Indonesia Treasury Bond, 9.00%, 03/15/2029	4.8	6,025,638
IDR	68,800,000	Indonesia Treasury Bond, 6.50%, 02/15/2031	4.6	5,770,692
INR	300,000	India Government Bond, 7.10%, 04/18/2029	3.9	4,912,217
IDR	49,500,000	Indonesia Treasury Bond, 8.25%, 05/15/2029	3.6	4,524,462
BRL	16,500	Brazil Notas do Tesouro Nacional, 10.00%, 01/01/2029	3.4	4,268,299
AUD	4,800	Westpac Banking Corp., 6.93%, 06/23/2033	3.4	4,258,631
MXN	50,000	Mexican Bonos, 10.00%, 12/05/2024	3.0	3,793,275
IDR	40,000,000	Perusahaan Perseroan Persero PT Perusahaan Listrik Negara, 9.10%, 02/19/2024	2.8	3,514,671
INR	209,000	HDFC Bank Ltd., 7.80%, 05/03/2033	2.7	3,472,420
USD	2,360	Petroliam Nasional Bhd, 7.63%, 10/15/2026	2.7	3,457,296
UYU	107,650	Uruguay Government International Bond, 8.25%, 05/21/2031	2.7	3,393,526
INR	200,000	International Finance Corp., 6.30%, 11/25/2024	2.6	3,296,537
AUD	3,700	Commonwealth Bank of Australia, 6.70%, 03/15/2033	2.6	3,257,826
USD	2,500	Pertamina Persero PT, 6.50%, 11/07/2048	2.6	3,230,854
INR	185,000	India Government Bond, 7.36%, 09/12/2052	2.4	3,009,039
USD	2,050	Oil & Gas Holding Co. BSCC (The), 7.50%, 10/25/2027	2.3	2,855,346
IDR	30,000,000	Indonesia Treasury Bond, 8.25%, 05/15/2036	2.2	2,816,687
PHP	105,000	Philippine Government International Bond, 6.25%, 01/14/2036	1.9	2,426,603
USD	1,470	Indonesia Government International Bond, 8.50%, 10/12/2035	1.9	2,425,435
ZAR	31,000	Republic of South Africa Government Bond, 10.50%, 12/21/2026	1.9	2,375,336
USD	1,700	QBE Insurance Group Ltd., 5.88%, 05/12/2025	1.8	2,253,102
USD	1,600	NBN Co. Ltd., 6.00%, 10/06/2033	1.7	2,183,818

Other Investment Portfolio Information (unaudited)

As at October 31, 2024

Geographic Composition

The table below shows the geographical composition of the Company's total investments as at October 31, 2024, compared with April 30, 2024 and October 31, 2023:

Date	Asia (Including NZ) %	Supranational %	Australia %	Latin America %	Africa %	Europe %	Other, < 5 %
October 31, 2024	58.2	11.1	9.3	7.5	7.1	0.0	6.8
April 30, 2024	62.5	0.0	10.7	10.0	5.8	5.1	5.9
October 31, 2023	59.7	0.0	9.5	11.9	10.8	3.4	4.7

Currency Composition

The table below shows the currency composition of the Company's total investments as of October 31, 2024, compared with April 30, 2024 and October 31, 2023:

Date	U.S. Dollar %	Asian Currencies %	Latin America Currencies %	Australian Dollar %	Other, < 5 %
October 31, 2024	46.0	37.1	6.9	6.5	3.5
April 30, 2024	45.3	36.7	9.0	6.4	2.6
October 31, 2023	46.9	37.0	8.5	4.6	3.0

Maturity Composition

The average maturity of the Company's total investments was 5.3 years at October 31, 2024, compared with 5.5 years at April 30, 2024, and 5.3 years at October 31, 2023. The following table shows the maturity composition of the Company's investments as at October 31, 2024, compared with April 30, 2024 and October 31, 2023:

Date	0 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2024	47.9	29.1	23.0
April 30, 2024*	49.8	32.3	17.9
October 31, 2023	38.5	45.3	16.2

* Unaudited

Quality of Investments⁽¹⁾

As at October 31, 2024, 22.8% of the Company's investments were invested in securities where either the issue or the issuer was rated "A" or better by S&P, Moody's or Fitch or, if unrated, was judged to be of equivalent quality by abrdn Asia Limited (the "Investment Manager"). The following table shows the ratings of securities held by the Company as at October 31, 2024, compared with April 30, 2024 and October 31, 2023:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %	B or below* %	NR** %
October 31, 2024	8.2	3.3	11.3	40.3	18.7	7.4	8.3	2.5
April 30, 2024	2.0	1.9	10.4	53.0	13.9	10.0	5.0	3.7
October 31, 2023	1.9	1.2	4.3	61.7	15.4	11.1	2.3	2.1

* Below investment grade

** Not Rated

Statements of Financial Position

	Note	October 31, 2024 C\$	October 31, 2023 C\$
Assets			
Investments, at fair value(Cost: C\$177,942,107;2023:C\$196,158,106)		167,180,049	174,199,371
Foreign cash(Cost: C\$3,421,951;2023:C\$3,608,315)		3,567,387	3,941,920
Cash		316,149	306,937
Interest receivable		3,158,102	3,623,705
Unrealized appreciation on forward foreign currency exchange contracts		45,846	-
Unrealized appreciation on interest rate swaps		2,152,360	5,116,989
Prepaid expenses in connection with bank loans		3,479	1,058
Sundry debtors and prepayments		146,731	173,815
Total assets		C\$ 176,570,103	C\$ 187,363,795
Liabilities			
Bank loan	9	53,107,626	54,972,839
Cash from broker on interest rate swap agreements		1,336,656	3,633,070
Cash due to broker for forward foreign currency contracts		682,252	1,539,017
Unrealised depreciation on forward foreign currency exchange contracts		219,781	28,810
Interest payable on bank loan	9	164,583	212,525
Deferred foreign capital gains tax	6	89,338	8,810
Investment management fees payable	7	78,187	55,355
Administration fees payable	7	20,599	20,381
Director fees payable		9,081	14,171
Investor relations fees payable	7	8,284	8,158
Accrued expenses and other liabilities		237,011	276,392
Total liabilities		55,953,398	60,769,528
Share capital		454,666,216	467,819,211
Deficit	10	(294,530,246)	(294,113,343)
Unrealised appreciation/(depreciation) on investments, interest rate swaps, futures and foreign currency transactions		(39,519,265)	(47,111,601)
Total Equity		C\$ 120,616,705	C\$126,594,267
Net assets per share attributable to holders of Shares (36,992,854 and 41,103,165 Shares outstanding at October 31, 2024 and October 31, 2023, respectively)		C\$ 3.26	C\$ 3.08

Amounts listed as "-" are \$0 or round to \$0

Approved by the Board of Directors

/s/William Braithwaite

William Braithwaite
Chair

/s/Radhika Ajmera

Radhika Ajmera
Chair of Audit Committee

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

Statements of Comprehensive Income/(Loss)

	Note	Year Ended October 31, 2024 C\$	Year Ended October 31, 2023 C\$
Investment Income			
Interest Income		12,719,563	13,616,363
Realised gains/(losses) on investments		(1,636,394)	(7,363,283)
Realised gains/(losses) on foreign currency transactions		1,953,077	1,368,983
Realised gains/(losses) on interest rate swap contracts		1,168,170	8,967
Change in unrealised appreciation/(depreciation) on investments		11,196,677	14,288,281
Change in unrealised appreciation/(depreciation) on interest rate swap contracts		(2,964,629)	5,116,989
Change in unrealised appreciation/(depreciation) on translation of foreign currency denominated assets and liabilities		(639,712)	(10,509)
		21,796,752	27,025,791
Expenses			
Investment management fees	7	1,219,308	1,283,765
Administration fees	7	219,732	234,123
Independent auditor fees and expenses		188,935	178,312
Director fees and expenses		176,875	245,941
Legal and professional fees and expenses		143,483	193,605
Bank loan fees		114,609	66,155
Transfer agent fees and expenses		110,837	101,133
Investor relations fees and expenses	7	97,936	96,979
Custodian fees and expenses		62,781	57,633
Reports to shareholders		50,619	61,681
Insurance		38,837	44,375
Independent review committee fees		19,292	20,615
Registration, listing and depositary fees		15,673	16,484
Miscellaneous		183,471	112,559
Total operating expenses		2,642,388	2,713,360
Interest expense	9	3,663,209	3,471,713
Withholding taxes		513,812	553,999
Expenses reduced by Investment Manager		(326,242)	(377,861)
Total expenses		6,493,167	6,361,211
Income for the period		C\$15,303,585	C\$20,664,580
Earnings per share C\$15,303,585/38,654,947 weighted average number of Shares (October 31, 2023-C\$20,664,580/42,980,010)		C\$ 0.3959	C\$ 0.4808

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

Statements of Changes in Shareholders' Equity

	Year Ended October 31, 2024 C\$	Year Ended October 31, 2023 C\$
Equity beginning of year	126,594,267	129,666,675
Income for the period	15,303,585	20,664,580
Distributions to holders of Shares	(8,128,152)	(9,716,329)
Payments on redemption(4,110,311 and 4,566,990 shares, respectively)	(13,152,995)	(14,020,659)
	(21,281,147)	(23,736,988)
Decrease in Shareholders' Equity	(5,977,562)	(3,072,408)
Equity end of year	120,616,705	126,594,267

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

Statements of Cash Flows

	Year Ended October 31, 2024 C\$	Year Ended October 31, 2023 C\$
Increase / (Decrease) in Cash (Including Foreign Currency)		
Cash Flows provided from/(used for) Operating Activities:		
Interest received	12,612,843	13,339,553
Interest paid	(3,711,151)	(3,390,435)
Operating expenses paid	(2,312,778)	(2,511,745)
Net payments received from/(paid to) broker for collateral on interest rate swaps	(2,296,414)	3,826,567
Purchases of investments at fair value	(67,404,410)	(54,260,873)
Proceeds from sales of investments at fair value	86,241,858	70,064,982
Realised gains/(losses) on forward foreign currency exchange contracts closed	(1,161,531)	2,966,785
Realised gains/(losses) on interest rate swap transactions	1,168,170	8,967
Net cash provided from operating activities	C\$ 23,136,587	C\$ 30,043,801
Cash Flows provided from/(used for) Financing Activities:		
Due to custodian	–	(502,635)
Bank Loan	(2,065,575)	(2,704,800)
Distributions to holders of Shares	(8,128,152)	(9,716,329)
Redemption of Shares	(13,152,995)	(14,020,659)
Net cash used for financing activities	(23,346,722)	(26,944,423)
Effect of exchange rate on cash	(155,186)	(200,485)
Net (decrease)/increase in cash	(365,321)	2,898,893
Cash at beginning of year	4,248,857	1,349,964
Cash at end of year	C\$ 3,883,536	C\$ 4,248,857

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

Schedule of Investment Portfolio

As of October 31, 2024

Principal Amount (000)		Description	Cost (C\$)	Carrying Value (C\$)
CORPORATE BONDS—69.0%				
AUSTRALIA—13.2%				
AUD	3,700	Commonwealth Bank of Australia, (fixed rate to 03/15/2033, variable rate thereafter), 6.70%, 03/15/2038 ^(a)	\$ 3,283,365	\$ 3,562,017
AUD	500	Commonwealth Bank of Australia, (fixed rate to 11/09/2027, variable rate thereafter), 6.86%, 11/09/2032 ^{(a)(b)}	463,140	478,472
AUD	1,000	Emeco Pty. Ltd., 6.25%, 07/10/2026 ^(a)	929,349	898,438
USD	1,110	Macquarie Bank Ltd., (fixed rate to 03/08/2027, variable rate thereafter), 6.13%, 03/08/2027 ^{(b)(c)}	1,550,114	1,554,765
USD	830	Mineral Resources Ltd., 8.00%, 11/01/2027 ^{(a)(b)}	1,063,977	1,183,195
USD	600	NBN Co. Ltd., 6.00%, 10/06/2033 ^{(a)(b)}	813,647	888,950
USD	400	Perenti Finance Pty. Ltd., 7.50%, 04/26/2029 ^{(a)(b)}	550,127	581,148
USD	400	QBE Insurance Group Ltd., (fixed rate to 05/12/2025, variable rate thereafter), 5.88%, 05/12/2025 ^{(b)(c)}	519,702	554,094
AUD	4,800	Westpac Banking Corp., (fixed rate to 06/23/2033, variable rate thereafter), 6.93%, 06/23/2038 ^{(a)(b)}	4,345,924	4,674,609
AUD	1,600	Westpac Banking Corp., (fixed rate to 11/15/2033, variable rate thereafter), 7.20%, 11/15/2038 ^(a)	1,508,205	1,573,333
Total Australia			15,027,550	15,949,021
BAHRAIN—1.2%				
USD	1,050	Bapco Energies BSC Closed, 7.50%, 10/25/2027 ^(b)	1,440,710	1,505,815
CHINA—3.5%				
USD	490	Central China Real Estate Ltd., 7.75%, 05/24/2024 ^{(a)(b)(d)(e)}	270,556	22,262
USD	200	Central China Real Estate Ltd., 7.90%, 11/07/2025 ^{(a)(d)(e)(f)}	143,030	9,398
USD	2,490	China Evergrande Group, 8.75%, 06/28/2025 ^{(a)(b)(d)(e)}	993,325	52,004
USD	200	China Hongqiao Group Ltd., 7.75%, 03/27/2025 ^(b)	271,710	280,508
USD	300	CIFI Holdings Group Co. Ltd., 5.95%, 10/20/2025 ^{(a)(b)(d)}	288,394	54,511
USD	700	CIFI Holdings Group Co. Ltd., 6.55%, 03/28/2024 ^{(a)(b)(d)}	981,410	124,706
USD	200	Country Garden Holdings Co. Ltd., 5.13%, 01/14/2027 ^{(a)(b)(d)(e)}	260,140	26,296
USD	659	Country Garden Holdings Co. Ltd., 7.25%, 04/08/2026 ^{(a)(b)(d)(e)}	638,308	87,012
USD	250	Health & Happiness H&H International Holdings Ltd., 13.50%, 06/26/2026 ^{(a)(b)}	367,089	369,904
USD	200	Kaisa Group Holdings Ltd., 9.75%, 09/28/2023 ^{(a)(b)(d)(e)}	236,807	13,227
USD	700	Lenovo Group Ltd., 6.54%, 07/27/2032 ^{(a)(b)}	901,460	1,049,543
USD	450	Logan Group Co. Ltd., 5.25%, 10/19/2025 ^{(a)(b)(d)(e)}	519,535	57,098
USD	450	Logan Group Co. Ltd., 6.50%, 07/16/2023 ^{(a)(b)(d)(e)}	557,367	56,967
USD	480	Science City Guangzhou Investment Group Co. Ltd., 6.80%, 08/05/2025 ^(b)	645,336	674,342
USD	550	Shimao Group Holdings Ltd., 6.13%, 02/21/2024 ^{(a)(b)(d)(e)}	354,048	49,240
USD	144	Sunac China Holdings Ltd., 1.00%, 09/30/2032 ^{(a)(b)(e)(g)}	260,351	21,109
USD	123	Sunac China Holdings Ltd., 6.00%, 09/30/2026 ^{(a)(b)(e)(g)}	199,725	29,041
USD	123	Sunac China Holdings Ltd., 6.25%, 09/30/2027 ^{(a)(b)(e)(g)}	171,321	27,505
USD	246	Sunac China Holdings Ltd., 6.50%, 09/30/2027 ^{(a)(b)(e)(g)}	354,467	52,356
USD	371	Sunac China Holdings Ltd., 6.75%, 09/30/2028 ^{(a)(b)(e)(g)}	388,587	77,434
USD	372	Sunac China Holdings Ltd., 7.00%, 09/30/2029 ^{(a)(b)(e)(g)}	270,805	71,800
USD	175	Sunac China Holdings Ltd., 7.25%, 09/30/2030 ^{(a)(b)(e)(g)}	201,756	32,287
USD	900	Times China Holdings Ltd., 6.20%, 03/22/2026 ^{(a)(b)(d)(e)}	1,103,222	39,548
USD	600	Wanda Properties Global Co. Ltd., 11.00%, 01/20/2025 ^(b)	777,828	772,671
USD	880	Yuzhou Group Holdings Co. Ltd., 8.30%, 05/27/2025 ^{(a)(b)(d)(e)}	402,716	91,895
USD	400	Zhenro Properties Group Ltd., 6.63%, 01/07/2026 ^{(a)(b)(d)(e)}	302,719	2,089
USD	1,300	Zhenro Properties Group Ltd., 8.00%, 03/06/2023 ^{(a)(d)(e)}	1,645,739	18,101
Total China			13,507,751	4,162,854
FRANCE—0.7%				
USD	560	BNP Paribas SA, (fixed rate to 08/14/2028, variable rate thereafter), 8.50%, 08/14/2028 ^{(b)(c)}	748,720	814,120
GEORGIA—0.7%				
USD	253	Bank of Georgia JSC, (fixed rate to 07/16/2029, variable rate thereafter), 9.50%, 07/16/2029 ^{(b)(c)}	343,384	344,857
USD	329	Georgia Global Utilities JSC, 8.88%, 07/25/2029 ^{(a)(b)}	451,174	461,274
Total Georgia			794,558	806,131
HONG KONG—3.0%				
USD	250	Bank of East Asia Ltd., (fixed rate to 03/13/2026, variable rate thereafter), 6.63%, 03/13/2027 ^{(a)(b)}	336,534	352,937
USD	800	Hutchison Whampoa Finance CI Ltd., 7.50%, 08/01/2027 ^(b)	1,412,561	1,191,927
USD	250	Hutchison Whampoa International 03/33 Ltd., 7.45%, 11/24/2033 ^(b)	288,535	403,522
USD	400	Melco Resorts Finance Ltd., 5.75%, 07/21/2028 ^{(a)(b)}	430,675	531,404

Schedule of Investment Portfolio (continued)

As of October 31, 2024

Principal Amount (000)	Description	Cost (C\$)	Carrying Value (C\$)
CORPORATE BONDS (continued)			
HONG KONG (continued)			
USD 400	Melco Resorts Finance Ltd., 7.63%, 04/17/2032 ^{(a)(b)}	\$ 545,467	\$ 563,840
USD 430	NWD MTN Ltd., 8.63%, 02/08/2028 ^{(a)(b)}	596,560	563,871
Total Hong Kong		3,610,332	3,607,501
INDIA—4.6%			
USD 300	Greenko Wind Projects Mauritius Ltd., 5.50%, 04/06/2025 ^{(a)(b)}	374,265	415,450
USD 320	Manappuram Finance Ltd., 7.38%, 05/12/2028 ^{(b)(f)}	437,842	446,406
USD 230	Muthoot Finance Ltd., 7.13%, 02/14/2028 ^{(b)(f)}	315,517	325,950
USD 550	Periama Holdings LLC, 5.95%, 04/19/2026 ^(b)	761,501	763,878
USD 678	Power Finance Corp. Ltd., 6.15%, 12/06/2028 ^(b)	1,015,204	975,275
USD 850	Reliance Industries Ltd., 6.25%, 10/19/2040 ^(b)	1,224,664	1,266,857
USD 200	Sammaan Capital Ltd., 9.70%, 07/03/2027 ^(b)	271,527	275,741
USD 497	Shriram Finance Ltd., 6.63%, 04/22/2027 ^(b)	671,590	699,187
USD 300	Vedanta Resources Finance II PLC, 10.88%, 09/17/2029 ^{(a)(b)}	408,045	429,092
Total India		5,480,155	5,597,836
INDONESIA—5.6%			
USD 627	LLPL Capital Pte. Ltd., 6.88%, 02/04/2039 ^{(b)(f)}	963,431	892,428
USD 1,110	Medco Maple Tree Pte. Ltd., 8.96%, 04/27/2029 ^{(a)(b)}	1,567,426	1,619,103
USD 2,500	Pertamina Persero PT, 6.50%, 11/07/2048 ^(b)	3,524,796	3,768,047
USD 370	Perusahaan Perseroan Persero PT Perusahaan Listrik Negara, 5.25%, 10/24/2042 ^(b)	418,636	470,909
Total Indonesia		6,474,289	6,750,487
ISRAEL—0.6%			
USD 500	Teva Pharmaceutical Finance Netherlands III BV, 7.88%, 09/15/2029 ^(a)	703,761	751,095
JAPAN—0.9%			
USD 350	Rakuten Group, Inc., 11.25%, 02/15/2027 ^(b)	505,942	529,963
USD 400	SoftBank Group Corp., 7.00%, 07/08/2031 ^{(a)(b)}	547,780	569,903
Total Japan		1,053,722	1,099,866
MACAO—1.2%			
USD 350	MGM China Holdings Ltd., 7.13%, 06/26/2031 ^{(a)(b)}	481,528	495,096
USD 700	Studio City Finance Ltd., 6.50%, 01/15/2028 ^{(a)(b)}	810,317	938,709
Total Macao		1,291,845	1,433,805
MALAYSIA—2.9%			
USD 2,360	Petroliaam Nasional Bhd., 7.63%, 10/15/2026 ^(b)	3,908,121	3,456,226
MEXICO—0.0%			
USD 1,250	Unifin Financiera SAB de CV, 8.38%, 01/27/2028 ^{(a)(b)(d)}	1,346,625	52,213
MOROCCO—0.3%			
USD 270	OCP SA, 7.50%, 05/02/2054 ^{(a)(b)}	359,785	389,167
OMAN—1.4%			
USD 1,180	Oztel Holdings SPC Ltd., 6.63%, 04/24/2028 ^(b)	1,685,412	1,703,940
PHILIPPINES—0.8%			
USD 800	AC Energy Finance International Ltd., 5.10%, 11/25/2025 ^{(b)(c)}	1,049,877	939,560
SAUDI ARABIA—1.1%			
USD 600	Dar Al-Arkan Sukuk Co. Ltd., 8.00%, 02/25/2029 ^(b)	781,737	865,176
USD 298	Saudi Electricity Global Sukuk Co. 3, 5.50%, 04/08/2044 ^(b)	490,951	410,025
Total Saudi Arabia		1,272,688	1,275,201
SINGAPORE—1.7%			
USD 580	GLP Pte. Ltd., (fixed rate to 05/17/2026, variable rate thereafter), 4.50%, 05/17/2026 ^{(b)(c)}	701,307	478,602
USD 1,000	Singapore Telecommunications Ltd., 7.38%, 12/01/2031 ^(b)	1,557,910	1,606,880
Total Singapore		2,259,217	2,085,482
SOUTH KOREA—1.7%			
USD 332	Hyundai Card Co. Ltd., 5.75%, 04/24/2029 ^(b)	451,759	471,687

Schedule of Investment Portfolio (continued)

As of October 31, 2024

Principal Amount (000)	Description	Cost (C\$)	Carrying Value (C\$)
CORPORATE BONDS (continued)			
SOUTH KOREA (continued)			
USD 512	Mirae Asset Securities Co. Ltd., 5.88%, 01/26/2027 ^(b)	\$ 685,090	\$ 720,418
USD 600	SK Hynix, Inc., 6.50%, 01/17/2033 ^(b)	795,556	896,433
Total South Korea		1,932,405	2,088,538
SPAIN—0.9%			
USD 800	Banco Bilbao Vizcaya Argentaria SA, (fixed rate to 03/05/2025, variable rate thereafter), 6.50%, 03/05/2025 ^{(a)(c)}	1,064,588	1,114,121
SUPRANATIONAL—12.9%			
INR 102,000	Asian Infrastructure Investment Bank, 6.65%, 06/30/2033 ^(b)	1,624,105	1,635,705
INR 280,000	Corp. Andina de Fomento, 8.25%, 04/26/2034	4,591,839	4,677,809
INR 300,000	European Investment Bank, 7.40%, 10/23/2033 ^(b)	5,046,699	5,090,923
INR 250,000	Inter-American Development Bank, 7.00%, 08/08/2033	4,100,107	4,127,767
Total Supranational		15,362,750	15,532,204
SWITZERLAND—0.5%			
USD 200	UBS Group AG, (fixed rate to 11/13/2028, variable rate thereafter), 9.25%, 11/13/2028 ^{(b)(c)}	279,777	303,446
USD 200	UBS Group AG, (fixed rate to 11/13/2033, variable rate thereafter), 9.25%, 11/13/2033 ^{(b)(c)}	275,930	322,410
Total Switzerland		555,707	625,856
THAILAND—1.9%			
USD 1,100	Bangkok Bank PCL, 9.03%, 03/15/2029 ^(b)	1,463,150	1,748,075
USD 400	Muangthai Capital PCL, 6.88%, 09/30/2028 ^{(b)(f)}	541,432	559,851
Total Thailand		2,004,582	2,307,926
UNITED ARAB EMIRATES—3.0%			
USD 330	DP World Ltd., 6.85%, 07/02/2037 ^(b)	561,246	506,987
USD 580	Emirates NBD Bank PJSC, (fixed rate to 04/09/2026, variable rate thereafter), 6.13%, 04/09/2026 ^{(b)(c)}	805,029	811,596
USD 1,600	MAF Global Securities Ltd., (fixed rate to 06/30/2027, variable rate thereafter), 7.88%, 06/30/2027 ^{(b)(c)}	2,071,249	2,298,531
Total United Arab Emirates		3,437,524	3,617,114
UNITED KINGDOM—2.5%			
USD 600	HSBC Holdings PLC, (fixed rate to 03/07/2028, variable rate thereafter), 8.00%, 03/07/2028 ^(c)	795,870	876,561
USD 1,000	Standard Chartered PLC, (fixed rate to 08/15/2027, variable rate thereafter), 7.75%, 08/15/2027 ^{(b)(c)}	1,305,303	1,432,075
USD 500	Standard Chartered PLC, (fixed rate to 03/08/2030, variable rate thereafter), 7.88%, 03/08/2030 ^{(b)(c)}	678,675	723,326
Total United Kingdom		2,779,848	3,031,962
UNITED STATES—1.8%			
USD 850	Hyundai Capital America, 6.38%, 04/08/2030 ^{(a)(b)}	1,380,714	1,243,525
USD 600	Nissan Motor Acceptance Co. LLC, 7.05%, 09/15/2028 ^{(a)(b)}	813,822	867,385
Total United States		2,194,536	2,110,910
UZBEKISTAN—0.4%			
USD 331	Navoi Mining & Metallurgical Combinat, 6.95%, 10/17/2031 ^(b)	453,851	461,713
Total Corporate Bonds		91,800,909	83,270,664
GOVERNMENT BONDS—69.6%			
ANGOLA—1.6%			
USD 1,350	Angola Government International Bonds, 9.50%, 11/12/2025 ^(b)	1,874,814	1,905,894
BAHRAIN—0.5%			
USD 380	CBB International Sukuk Co. 7 SPC, 6.88%, 10/05/2025 ^(b)	555,637	536,092
BRAZIL—3.8%			
BRL 16,500	Brazil Notas do Tesouro Nacional, 10.00%, 01/01/2029	4,232,691	3,624,555
BRL 4,700	Brazil Notas do Tesouro Nacional, 10.00%, 01/01/2033	1,117,674	981,313
Total Brazil		5,350,365	4,605,868
CAMEROON—0.5%			
USD 450	Republic of Cameroon International Bonds, 9.50%, 07/31/2031 ^{(b)(f)}	591,157	600,712

Schedule of Investment Portfolio (continued)

As of October 31, 2024

Principal Amount (000)	Description	Cost (C\$)	Carrying Value (C\$)
GOVERNMENT BONDS (continued)			
DOMINICAN REPUBLIC—0.6%			
DOP 25,000	Dominican Republic International Bonds, 13.63%, 02/03/2033 ^{(a)(b)}	\$ 743,600	\$ 693,212
EGYPT—1.8%			
USD 1,500	Egyptian Financial Co. for Sovereign Taskeek, 10.88%, 02/28/2026 ^(b)	2,146,469	2,167,196
INDIA—8.4%			
INR 185,000	India Government Bonds, 7.36%, 09/12/2052	3,016,304	3,190,980
INR 400,000	India Government Bonds, 7.54%, 05/23/2036	6,527,608	6,940,124
Total India		9,543,912	10,131,104
INDONESIA—22.8%			
USD 500	Indonesia Government International Bonds, 7.75%, 01/17/2038 ^(b)	985,922	865,449
USD 1,470	Indonesia Government International Bonds, 8.50%, 10/12/2035 ^(b)	2,702,326	2,614,729
IDR 60,300,000	Indonesia Treasury Bonds, 6.50%, 02/15/2031	5,324,907	5,272,895
IDR 49,500,000	Indonesia Treasury Bonds, 8.25%, 05/15/2029	4,619,780	4,653,628
IDR 64,000,000	Indonesia Treasury Bonds, 9.00%, 03/15/2029	6,429,506	6,155,118
IDR 75,927,000	Indonesia Treasury Bonds, 10.50%, 08/15/2030	10,068,550	7,944,230
Total Indonesia		30,130,991	27,506,049
IVORY COAST—0.8%			
USD 720	Ivory Coast Government International Bonds, 8.25%, 01/30/2037 ^{(b)(f)}	951,140	997,858
KAZAKHSTAN—0.7%			
KZT 311,000	Development Bank of Kazakhstan JSC, 10.95%, 05/06/2026 ^(b)	887,691	855,270
MEXICO—3.1%			
MXN 26,500	Mexico Bonos, 8.50%, 05/31/2029	2,041,153	1,747,123
MXN 24,129	Mexico Bonos, 10.00%, 12/05/2024	1,703,429	1,676,149
MXN 5,000	Mexico Bonos, 10.00%, 12/05/2024	341,819	347,331
Total Mexico		4,086,401	3,770,603
MONGOLIA—1.3%			
USD 800	Mongolia Government International Bonds, 7.88%, 06/05/2029 ^(b)	1,075,285	1,175,700
USD 250	Mongolia Government International Bonds, 8.65%, 01/19/2028 ^(b)	336,696	370,017
Total Mongolia		1,411,981	1,545,717
NIGERIA—1.7%			
USD 1,550	Nigeria Government International Bonds, 8.75%, 01/21/2031 ^(b)	2,209,685	2,064,177
PAKISTAN—8.7%			
USD 1,140	Pakistan Global Sukuk Programme Co. Ltd., 7.95%, 01/31/2029 ^(b)	1,446,733	1,480,808
USD 2,272	Pakistan Government International Bonds, 6.88%, 12/05/2027 ^(b)	2,943,488	2,864,698
USD 260	Pakistan Government International Bonds, 7.38%, 04/08/2031 ^(b)	220,806	306,301
PKR 1,245,000	Pakistan Treasury Bills, 16.07%, 05/29/2025	5,238,473	5,799,475
Total Pakistan		9,849,500	10,451,282
PHILIPPINES—3.8%			
PHP 71,660	Philippines Government Bonds, 9.25%, 11/05/2034	1,907,624	2,144,355
PHP 105,000	Philippines Government International Bonds, 6.25%, 01/14/2036	2,907,345	2,466,851
Total Philippines		4,814,969	4,611,206
SOUTH AFRICA—3.2%			
ZAR 29,735	Republic of South Africa Government Bonds, 8.25%, 03/31/2032	1,995,103	2,145,427
ZAR 25,000	Republic of South Africa Government Bonds, 8.50%, 01/31/2037	1,620,318	1,652,346
Total South Africa		3,615,421	3,797,773
SUPRANATIONAL—2.7%			
INR 200,000	International Finance Corp., 6.30%, 11/25/2024	3,481,988	3,309,400
TAJIKISTAN—0.8%			
USD 700	Republic of Tajikistan International Bonds, 7.13%, 09/14/2027 ^{(b)(f)}	918,486	950,747
URUGUAY—2.8%			
UYU 107,650	Uruguay Government International Bonds, 8.25%, 05/21/2031	2,976,991	3,409,225
Total Government Bonds		86,141,198	83,909,385

Schedule of Investment Portfolio (continued)

As of October 31, 2024

Total Investments—138.6%^(h)	C\$177,942,107	C\$167,180,049
Liabilities in Excess of Other Assets—(38.6%)		(46,563,344)
Net Assets Attributable to Holders of Shares—100.0%		C\$120,616,705

- (a) The maturity date presented for these instruments represents the next call/put date.
(b) Denotes a security issued under Regulation S or Rule 144A.
(c) Perpetual maturity. Maturity date presented represents the next call date.
(d) Security is in default.
(e) Illiquid security.
(f) Sinkable security.
(g) Payment-in-kind security for which part of the income earned may be paid as additional principal.
(h) See accompanying Notes to Financial Statements for tax unrealized appreciation/(depreciation) of securities.

AUD Australian Dollar
BRL Brazilian Real
DOP Dominican Republic Peso
IDR Indonesian Rupiah
INR Indian Rupee
KZT Kazakhstan Tenge
MTN Medium Term Note
MXN Mexican Peso
PHP Philippine Peso
PKR Pakistan Rupee
PLC Public Limited Company
USD U.S. Dollar
UYU Uruguayan Peso
ZAR South African Rand

At October 31, 2024, Company's open forward foreign cross currency contracts were as follows:

Purchase/Sale Settlement Date	Counterparty		Amount Purchased		Amount Sold	Contract Value	Fair Value (C\$)	Unrealized Appreciation/ (Depreciation) (C\$)
Australian Dollar / United States Dollar								
01/10/2025	HSBC Bank PLC	AUD	6,300,000	USD	4,250,086	\$5,833,829	\$ 5,693,263	\$ (140,566)
Mexican Peso / United States Dollar								
11/22/2024	Citigroup Global Markets	MXN	28,124,000	USD	1,458,322	1,998,611	1,919,396	(79,215)
United States Dollar / Mexican Peso								
11/22/2024	HSBC Bank PLC	USD	2,837,066	MXN	56,274,790	3,824,507	3,870,353	45,846
							\$11,483,012	\$(173,935)
Unrealized appreciation on forward foreign currency exchange contracts								\$ 45,846
Unrealized depreciation on forward foreign currency exchange contracts								\$(219,781)

Schedule of Investment Portfolio (concluded)

As of October 31, 2024

At October 31, 2024, 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	Frequency of Payments Made	Premiums Paid (Received) (C\$)	Value (C\$)	Unrealized Appreciation/ (Depreciation) (C\$)
USD	100,000	08/07/2029	UBS AG	Receive	12-month SOFR	(3.28%)	Annually	\$–	\$ 3,660	\$ 3,660
USD	8,500,000	03/17/2030	UBS AG	Receive	12-month SOFR	(3.47%)	Annually	–	310,313	310,313
USD	10,000,000	03/17/2032	UBS AG	Receive	12-month SOFR	(3.38%)	Annually	–	511,460	511,460
USD	10,000,000	03/17/2033	UBS AG	Receive	12-month SOFR	(3.37%)	Annually	–	566,007	566,007
USD	9,500,000	04/06/2033	UBS AG	Receive	12-month SOFR	(3.14%)	Annually	–	760,920	760,920
								\$–	\$2,152,360	\$2,152,360

See accompanying Notes to Financial Statements.

Notes to Financial Statements

October 31, 2024

1. Organisation

abrdn Asia-Pacific Income Fund VCC (the "Company") is a Singapore variable capital company ("VCC"). The Company was organized as a closed-end investment company under the laws of Cook Islands on April 15, 1986. The Company registered as a Singapore VCC on November 1, 2021 under the laws of the Republic of Singapore. The Company transferred its domicile to Singapore by way of deregistration in the Cook Islands effective as of December 16, 2021 (the "Re-domiciliation") and as of that date began operating as a Singapore VCC, subject to relevant Singapore rules and regulations for Singapore VCCs. In connection with the Re-domiciliation, the Company changed its name to its current name, and changed its registered and principal office to the office of abrdn Asia, its investment manager, which is currently located at 7 Straits View, #23-04 Marina One East Tower, Singapore 018936. The Company's Shares are listed on the Toronto Stock Exchange.

The financial statements of the Company include the Statements of Financial Position as at October 31, 2024 and October 31, 2023 and the Statements of Comprehensive Income/(Loss), Statements of Changes in Shareholders' Equity and Statements of Cash Flows for the fiscal years ended October 31, 2024 and October 31, 2023.

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

2. Basis of Presentation

a. Statement of Compliance

These financial statements have been prepared in compliance with IFRS Accounting Standards. The Company has one operating segment. The changes to material accounting policies are described in Note 4.

The financial statements were authorized for issue by the Board of Directors on January 17, 2025.

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.

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.

a. 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.

b. 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 fiscal year ended October 31, 2024 is included in Note 5 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

4. Changes in Material Accounting Policies

The Company adopted Disclosures of Accounting Policies (Amendments to IAS 1, and IFRS Practice Statement 2) from November 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance in the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 5 Material Accounting Policies (2023: Significant Accounting Policies) in certain instances in line with the amendments.

5. Material Accounting Policies

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

Fair Value of Investments

- The classification and measurement of financial instruments under International Financial Reporting Standard 9, Financial Instruments ("IFRS 9") is determined based on the business model of the Company as well as its cash flow characteristics. abrdn Asia Limited (the "Investment Manager") has assessed the Company's

Notes to Financial Statements (continued)

October 31, 2024

business model and determined that the focus is on fair valuation of financial instruments, which is used to assess the Company's performance, and what the Investment Manager uses to make decisions about the Company. The collection of contractual cash flows is incidental to the Company's objective. Therefore, the Investment Manager concluded fair value through profit and loss ("FVTPL") is the most appropriate measurement and presentation of the Company's financial instruments. All other financial assets and liabilities are measured at amortized cost. Under the amortized cost method, financial assets and liabilities reflect the amount required to be received or paid, discounted at the contract's effective interest rate.

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial instruments are required to be classified into one of the following categories: FVTPL, amortized cost, or fair value through comprehensive income. 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 FVTPL. 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 "realised 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 unrealised appreciation/(depreciation)" in the period in which they arise.

Financial assets and financial liabilities are offset and the net amount is presented in the Statements 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 is 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.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Notes to Financial Statements (continued)

October 31, 2024

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features; and
- prepayment and extension features.

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 Statements of Financial Position according to the gain or loss that would be realized if the contracts were closed out on the valuation date.

Other financial assets 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 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, 2024 and October 31, 2023.

Notes to Financial Statements (continued)

October 31, 2024

Investments, at Value	As at October 31, 2024			
	Level 1 – Quoted Prices (C\$)	Level 2 – Other Significant Observable Inputs (C\$)	Level 3 – Significant Unobservable Inputs (C\$)	Total (C\$)
Assets				
Investments in Securities				
Corporate Bonds	\$–	\$ 83,270,664	\$–	\$ 83,270,664
Government Bonds	–	83,909,385	–	83,909,385
Total Investments	\$–	\$ 167,180,049	\$–	\$ 167,180,049
Other Financial Instruments				
Foreign Currency Exchange Contracts	\$–	\$ 45,846	\$–	\$ 45,846
Interest Rate Swap Agreements	–	2,152,360	–	2,152,360
Total Other Financial Instruments	–	2,198,206	–	2,198,206
Total Investment Assets	\$–	\$169,378,255	\$–	\$169,378,255
Liabilities				
Other Financial Instruments				
Foreign Currency Exchange Contracts	\$–	\$ (219,781)	\$–	\$ (219,781)
Total Investment Liabilities	\$–	\$ (219,781)	\$–	\$ (219,781)

Amounts listed as “–” are \$0 or round to \$0.

As at October 31, 2024, there had been no significant transfers between fair value measurement levels.

Investments, at Value	As at October 31, 2023			
	Level 1 – Quoted Prices (C\$)	Level 2 – Other Significant Observable Inputs (C\$)	Level 3 – Significant Unobservable Inputs (C\$)	Total (C\$)
Assets				
Investments in Securities				
Corporate Bonds	\$–	\$ 82,056,136	\$–	\$ 82,056,136
Government Bonds	–	92,143,235	–	92,143,235
Total Investments	\$–	\$ 174,199,371	\$–	\$ 174,199,371
Other Financial Instruments				
Interest Rate Swap Agreements	\$–	\$ 5,116,989	\$–	\$ 5,116,989
Total Investment Assets	\$–	\$179,316,360	\$–	\$179,316,360
Liabilities				
Other Financial Instruments				
Foreign Currency Exchange Contracts	\$–	\$ (28,810)	\$–	\$ (28,810)
Total Investment Liabilities	\$–	\$ (28,810)	\$–	\$ (28,810)

Amounts listed as “–” are \$0 or round to \$0.

As at October 31, 2023, there had been no significant transfers between fair value measurement levels.

A reconciliation of the gross amounts on the Statement of Financial Position as at October 31, 2024 and October 31, 2023 to the net amounts by broker and derivative type, including collateral received or pledged, is included in the following tables.

Notes to Financial Statements (continued)

October 31, 2024

As at October 31, 2024								
Description	Gross Amounts of Assets Presented in Statements of Financial Position	Gross Amounts Not Offset in the Statements of Financial Position			Gross Amounts of Liabilities Presented in Statements of Financial Position	Gross Amounts Not Offset in the Statements of Financial Position		
		Financial Instruments	Collateral Received	Net Amount		Financial Instruments	Collateral Pledged	Net Amount
		Assets				Liabilities		
Foreign Currency Exchange Contracts								
Citigroup Global Markets	\$–	\$–	\$–	\$–	\$79,215	\$–	\$–	\$79,215
HSBC Bank PLC	45,846	(45,846)	–	–	140,566	(45,846)	–	94,720
Interest Rate Swap Agreements								
UBS AG	2,152,360	–	(1,336,656)	815,704	–	–	–	–

Amounts listed as “–” are \$0 or round to \$0.

As at October 31, 2023								
Description	Gross Amounts of Assets Presented in Statements of Financial Position	Gross Amounts Not Offset in the Statements of Financial Position			Gross Amounts of Liabilities Presented in Statements of Financial Position	Gross Amounts Not Offset in the Statements of Financial Position		
		Financial Instruments	Collateral Received	Net Amount		Financial Instruments	Collateral Pledged	Net Amount
		Assets				Liabilities		
Foreign Currency Exchange Contracts								
Citigroup	\$–	\$–	\$–	\$–	\$14,380	\$–	\$–	\$14,380
HSBC Bank PLC	–	–	–	–	14,430	–	–	14,430
Interest Rate Swap Agreements								
UBS AG	5,116,989	–	(3,633,070)	1,483,919	–	–	–	–

Amounts listed as “–” are \$0 or round to \$0.

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 Shares from net investment income supplemented by net realised foreign exchange gains, net realised capital gains and return of capital, if necessary, on a monthly basis. Dividends to holders of Shares are recorded on the ex-dividend date.

Interest Rate Swaps

During the fiscal year ended October 31, 2024, 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

Notes to Financial Statements (continued)

October 31, 2024

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.

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. Forward contract 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 Statements of Comprehensive Income/(Loss).

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 worse 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.

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 Statements of Comprehensive Income/(Loss) 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.

Notes to Financial Statements (continued)

October 31, 2024

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 and the Investment 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.

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:

- i) Market value of investments, other assets, and liabilities are translated at the closing price 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 Statements of Comprehensive Income/(Loss) 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.
- ii) 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 Statements of Comprehensive Income/(Loss) as realised gains/(losses) on investments and foreign currency transactions.
- iii) 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.

Operating Segment

The Company is considered to be a single operating segment. The Investment Manager's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

6. Taxation

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.

7. Related Party Transactions

The Company's Canadian administrator, investment manager and investment sub-adviser are each a subsidiary of abrdn Holdings. abrdn Holdings is a direct subsidiary of abrdn plc. The Company's Canadian administrator, investment manager and investment sub-adviser are each an indirect wholly owned subsidiary of abrdn plc.

- i) The Company has an agreement (the "Management Agreement") with abrdn Asia to provide professional investment management 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. On June 20, 2022, the Board authorized the Company to enter into an Expense Limitation Agreement with abrdn Asia Limited pursuant to which the total ordinary operating expenses of the Company (excluding any leverage costs, taxes, interest, brokerage fees, short sale dividend and interest expenses and non-routine expenses) in any fiscal year will be capped at 1.20% of the average daily managed assets of the Company on an annualized basis and, thereafter from year to year unless terminated earlier. The total amount waived for the fiscal years ended October 31, 2023 and October 31, 2024 pursuant to the Expense Limitation Agreement were \$377,861 and \$326,242, respectively.

The Investment Manager may request and receive reimbursement from the Company of the management fees waived and other expenses reimbursed pursuant to the Expense Limitation Agreement as of a date not more than three years after the date when the Investment Manager limited the fees or reimbursed the expenses; provided that the following requirements are met: the reimbursements do not cause the Company to exceed the lesser of the applicable expense limitation in the contract at the time the fees were limited or expenses are paid or the applicable expense limitation in effect at the time the expenses are being recouped by the Investment Manager, and the payment of such reimbursement is approved by the Board on a quarterly basis (the

Notes to Financial Statements (continued)

October 31, 2024

"Reimbursement Requirements"). Except as provided for in the Expense Limitation Agreement, reimbursement of amounts previously waived or assumed by the Investment Manager is not permitted. As of October 31, 2024, to the extent the Reimbursement Requirements are met, the cumulative potential reimbursements to the Investment Manager from the Company based on expenses reimbursed by the Investment Manager, including adjustments described above, would be:

Amount Fiscal Year 2022 (Expires 10/31/25)	\$ 77,019
Amount Fiscal Year 2023 (Expires 10/31/26)	\$ 377,861
Amount Fiscal Year 2024 (Expires 10/31/27)	\$326,242
Total*	\$781,122

* Amounts reported are due to expire throughout the respective 3-year expiration period presented above.

ii) The Company has an agreement (the "Administration Agreement") with abrdn Canada Limited, an affiliate of abrdn Asia, to oversee the Company's compliance with Canadian securities laws' requirements. 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.

In order to qualify for an exemption from income tax in Singapore, the Company must be an "approved person". For the purpose of its application to be an "approved person" pursuant to section 13U of the Income Tax Act, 1947 and the Income Tax (Exemption of

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

	As at October 31, 2024 C\$	As at October 31, 2023 C\$
Investment Manager	78,187	55,355
Administrators	20,599	20,381
Investor Relations	8,284	8,158

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

	Fiscal year ended October 31, 2024 C\$	Fiscal year ended October 31, 2023 C\$
Investment Manager	1,219,308	1,283,765
Administrators	219,732	234,123
Investor Relations	97,936	96,979

Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010, among other conditions, the Company is required to have a Singapore based administrator. On September 15, 2021, the Board of Directors of the Company approved the execution by the Company of an administrative services agreement (the "Singapore Administration Agreement") between the Company and State Street. State Street is not a related party of abrdn Asia or its affiliates. The Singapore Administration Agreement was entered into effective concurrently with the Re-domiciliation on December 16, 2021.

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

Pursuant to the terms of the Investor Relations Services Agreement, abrdn Inc. provides, among other things, objective and timely information to holders of Shares based on publicly available information; provides information efficiently through the use of technology while offering holders of 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 Shares questions; and reports activities and results to the Company's Board of Directors and management detailing insight into general holder of Shares sentiment. Investor relations fees and expenses in the Statements of Comprehensive Income/(Loss) include certain out-of-pocket expenses.

Notes to Financial Statements (continued)

October 31, 2024

8. Capital

The Shares of the Company may be redeemed pursuant to an annual redemption feature that was included in the VCC Constitution of the Company and became effective upon the Company's redomiciliation to Singapore. Under the redemption policy, if the volume weighted average trading price of the shares of the Company ("Shares") on the Toronto Stock Exchange during the 12 month period ending on the last business day of December (the "Trading Discount Determination Date") of each year represents a discount greater than 12% of the average daily net asset value per Share during such period, up to 10% of the aggregate issued and outstanding Shares of the Company may be surrendered for redemption on the last business day of March of the calendar year following the Trading Discount Determination Date (the "Redemption Date"). A shareholder whose Shares are redeemed on a Redemption Date shall be entitled to receive a cash redemption price per Share equal to the Average Net Asset Value per Share calculated on the Redemption Date less any expenses and charges incurred by the Company in order to fund such redemption payment (the "Redemption Proceeds"). The "Average Net Asset Value per Share" means the arithmetic average of the net asset values per Share calculated on the three trading days immediately preceding the relevant redemption date. Payment of the Redemption Proceeds for such redeemed Shares shall be made to the shareholder by no later than the 15th business day following the Redemption Date.

On March 28, 2024, the Company announced that 4,110,311 Shares accepted for the 2024 voluntary cash redemption were redeemed at a rounded price of \$3.20 per Share in Canadian dollars. This price was equal to 100% of the average net asset value per Share based on the three business days preceding the redemption date of March 28, 2024, less direct costs.

The Company is authorized to issue up to 100,000,000 Shares without par value. At October 31, 2024, there were 36,992,854 Shares outstanding. All Shares are equal as to dividends, assets and voting privileges and have no conversion, preemptive or other subscription rights.

Fiscal Year Ended October 31, 2024

Shares outstanding at November 1, 2023	41,103,165
Shares redeemed	(4,110,311)
Shares outstanding at October 31, 2024	36,992,854

Fiscal Year Ended October 31, 2023

Shares outstanding at November 1, 2022	45,670,155
Shares redeemed	(4,566,990)
Shares outstanding at October 31, 2023	41,103,165

Directors' Share Ownership Policy

The Independent Directors are subject to a director's share ownership policy ("ShareOwnership Policy"). Under the ShareOwnership Policy, Independent Directors of the Company are required to own at least 10,000 Shares of the Company. The below chart summarizes Independent Directors' Share ownership as at October 31, 2024.

Independent Director	Shares Owned (by public filings)
Radhika Ajmera	10,000
William J. Braithwaite	70,000

9. Revolving Credit Facility

The Company was party to a revolving credit loan facility with BNP Paribas (the "BNP Facility"), which was amended and restated on November 13, 2024 (as further amended, the "A&R BNP Facility"). The A&R BNP Facility has a scheduled maturity date of November 12, 2025, and the total amount of permitted borrowing under the A&R BNP Facility is US\$45,000,000. The A&R BNP Facility is expected to be recovered or settled after more than 12 months from October 31, 2024. During the fiscal year, the Company paid down a net amount of US\$1,500,000. The Company's outstanding balance on the A&R BNP Facility as at October 31, 2024 was US \$38,100,000 or CAD \$53,107,626 (see Bank Loan on Statements of Financial Position), which represented 44.0% of the NAV of the Company on October 31, 2024. The A&R BNP Facility was the only source of investment leverage used by the Company during the reporting period covered by the financial statements. The Company used 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 anticipated to be lower than relatively higher yields of the fixed income securities in which the Company invests. The Company was accruing the interest daily on the A&R BNP Facility. The total accrued expense as of the fiscal year end is included in the expense section of the Statements of Comprehensive Income/(Loss) under "Interest expense."

The A&R BNP 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 abrdn Asia from fully managing the Company's portfolio in accordance with

Notes to Financial Statements (continued)

October 31, 2024

the Company's investment objective and by-laws. The Company is currently in compliance with all covenants under the A&R BNP Facility.

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 A&R BNP Facility 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, the following:

- 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;
- abrdn Investments Limited ceases to be the sub-investment advisor; abrdn Asia or an affiliate ceases to be the investment manager to the Company; State Street Trust Company Canada ceases to be the Company's custodian; or abrdn Canada Limited, or an affiliate ceases to be the Company's administrator; State Street Bank and Trust Company, Singapore Branch, or an affiliate ceases to be the Singapore administrator; KPMG LLP or an affiliate ceases to be the independent auditors; and
- abrdn Asia ceases to be owned or controlled by abrdn Holdings.

The A&R BNP Facility permits, in certain circumstances, the Company to cure non-compliance or seek waivers or approvals from the lender.

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.

However, in the event that the loan facility was cancelled or was 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-lever" 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.

10. Statement of Deficit

	Fiscal Year Ended October 31, 2024 C\$	Fiscal Year Ended October 31, 2023 C\$
Deficit, beginning of period	(294,113,343)	(285,666,833)
Add:		
Net investment income	6,226,396	7,255,152
Net realised investment and exchange gains / (losses)	1,484,853	(5,985,333)
Deduct:		
Dividend to holders of units	(8,128,152)	(9,716,329)
Deficit, end of period	(294,530,246)	(294,113,343)

Notes to Financial Statements (continued)

October 31, 2024

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, 2024, if the average interest rates in the Portfolio had been raised or lowered by 1%, net assets could possibly have decreased or increased, respectively by approximately \$3.49 million.

The following table shows the maturity composition of the Company's investments as at October 31, 2024, as compared with the six months ended April 30, 2024 (unaudited) and the fiscal year ended October 31, 2023:

Date	0 to 5 Years %	5 to 10 Years %	10 Years & Over %
October 31, 2024	47.9	29.1	23.0
April 30, 2024*	49.8	32.3	17.9
October 31, 2023	38.5	45.3	16.2

* 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. The Company uses forward contracts to manage its currency risk. Please refer to Note 5, Forward Foreign Currency Exchange Contracts. As at October 31, 2024 and October 31, 2023, investments in assets denominated in Asian and U.S. Dollars represented the largest currency holdings in the Company's assets. A 1% rise/fall in the C\$ exchange rate, excluding the mitigating effects of hedging derivatives, against associated foreign currencies would result in a decrease or increase of approximately C\$1.67 million and C\$1.74 million, respectively. For further information on the composition of the various currencies at the end of the fiscal year please refer to the table on page 15 "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, India and China, 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 Company's unrealised gain or loss of the contractual obligations with the counterparty as at the reporting date.

As at October 31, 2024, 22.8% of the Company's investments were in securities where either the issue or the issuer was rated A or better by S&P Global Ratings', Moody's or Fitch Ratings, Inc. or, if unrated, was judged to be of equivalent quality by the Investment Manager. 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. ("Moody's"), held by the Company as at October 31, 2024, as compared with the six months ended April 30, 2024 (unaudited) and the fiscal year ended October 31, 2023:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %	B or below* %	NR** %
October 31, 2024	8.2	3.3	11.3	40.3	18.7	7.4	8.3	2.5
April 30, 2024	2.0	1.9	10.4	53.0	13.9	10.0	5.0	3.7
October 31, 2023	1.9	1.2	4.3	61.7	15.4	11.1	2.3	2.1

* Below investment grade

** Not Rated

Notes to Financial Statements (continued)

October 31, 2024

The following were the contractual maturities of financial liabilities at the reporting date. The amounts are reported on a gross and undiscounted basis.

	Contractual cash flows		
	Carrying amount C\$	Within 1 year C\$	Within 1 to 5 years C\$
October 31, 2024			
Non-derivative financial liabilities			
Bank loan	53,107,626	-	53,107,626
Amount due to brokers	2,018,908	2,018,908	-
Other payables and accruals	517,744	517,744	-
	55,644,278	2,536,652	53,107,626
October 31, 2023			
Non-derivative financial liabilities			
Bank loan	54,972,839	-	54,972,839
Amount due to brokers	6,429,497	6,429,497	-
Other payables and accruals	586,193	586,193	-
	61,988,529	7,015,690	54,972,839

Amounts listed as “-” are \$0 or round to \$0.

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 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.

e. Risks of Leverage

The Company's leveraged capital structure creates special risks not associated with unleveraged funds having similar investment objectives and policies. The funds borrowed pursuant to the loan facility may constitute a substantial lien and burden by reason of their prior claim against the income of the Company and against the net assets of the Company in liquidation. The Company is limited in its ability to declare dividends or other distributions in the event of default under the loan facility. In the event of default under the loan facility, the lender has the right to cause a liquidation of the collateral (i.e., sell portfolio securities and other assets of the Company) and, if

Notes to Financial Statements (concluded)

October 31, 2024

any such default is not cured, the lender may be able to control the liquidation as well. A liquidation of the Company's assets that it has pledged as collateral, in an event of default, or a voluntary paydown of the loan facility in order to avoid an event of default, would typically involve administrative expenses and sometimes penalties. Additionally, such liquidations may involve selling off of portions of the Company's assets at inopportune times which can result in losses when markets are unfavorable. The loan facility has a limited term and

is not a perpetual form of leverage; there can be no assurance that the loan facility will be available for renewal on acceptable terms, if at all, after the expiration of its term.

12. Subsequent Events

On November 11, 2024 and December 10, 2024, the Company announced that it will pay on November 29, 2024 and January 10, 2025, respectively, a distribution of C\$0.0175 per Share to all holders of Shares of record as of November 21, 2024 and December 30, 2024, respectively.

Independent Auditor's Report

To the Shareholders of abrdn Asia-Pacific Income Fund VCC:

Opinion

We have audited the financial statements of abrdn Asia-Pacific Income Fund VCC (the Entity), which comprise:

- the statements of financial position as at October 31, 2024 and October 31, 2023
- the statements of comprehensive income/(loss) for the years then ended
- the statements of changes in shareholders' equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at October 31, 2024 and October 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Independent Auditor's Report (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding

Independent Auditor's Report (concluded)

independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Gurdev Singh Narula.

Toronto, Canada

January 17, 2025

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abrdn Asia

This report, including the audited financial statements, is transmitted to the shareholders of abrdn Asia-Pacific Income Fund VCC 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 shares of abrdn Asia-Pacific Income Fund VCC 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.abrdnfap.com).

Computershare Trust Company of Canada operates an information line on behalf of abrdn Asia-Pacific Income Fund VCC 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.

