

abr dn Asia-Pacific Income Fund VCC (FAP)

Semi-Annual Report
April 30, 2024

[abr dn.com](https://www.abr dn.com)

Interim Management Report of Fund Performance (unaudited)

As at April 30, 2024

This interim 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 interim financial statements that are included on pages 16-37. 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 (unaudited)

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 April 30, 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 \$3.32 million.

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

Date	0 to 5 Years %	5 to 10 Years %	10 Years & Over %
April 30, 2024*	49.8	32.3	17.9
October 31, 2023	38.5	45.3	16.2
April 30, 2023*	42.3	42.3	15.4

* 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 April 30, 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 April 30, 2024 would result in a decrease or increase of the Company's NAV of approximately C\$1.7 million respectively. For further information on the composition of the various currencies at the end of the period under review, please refer to the table on page 13 under "Currency Composition".

Management Discussion of Fund Performance (unaudited) (continued)

Market Discount Risk

Being a closed-end investment fund, the Company's 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 six-month period ended April 30, 2024, the Company's Shares traded within a range of a discount of -21.12 to -13.78%, ending the period at -20.06%.

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 review period, the NAV return for the six-month period ended April 30, 2024 was 7.76%, assuming reinvestment of dividends, and 6.37% per annum, assuming reinvestment of dividends, since the Company's inception. On April 30, 2024, the Company's Share price was C\$2.55 which represented a discount of 20.06% to the NAV per Share of C\$3.19. Please see the "Market Review" on page 3 and Past Performance on page 9 for further information.

Distributions

For the six-months ended April 30, 2024, the Company paid a total of C\$0.105 per Share in distributions. Based on the Share price of C\$2.55 on April 30, 2024, the Company's annualized distribution rate for the six-months ended April 30, 2024 was 8.2%.

On May 9, 2024 and June 11, 2024, the Company announced that it will pay on May 31, 2024 and June 28, 2024, respectively, a

distribution of C\$0.0175 per Share to all holders of Shares of record as of May 23, 2024 and June 21, 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. 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 15, 2023 (as further amended, the "A&R BNP Facility"). The A&R BNP Facility has a scheduled maturity date of November 13, 2024, and the total amount of permitted borrowing under the A&R BNP Facility is US\$45,000,000. During the six-month period, 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 April 30, 2024 was US \$38,100,000 (see Bank Loan on Statements of Financial Position), which represented 44.6% of the NAV of the Company on April 30, 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 was accruing the interest daily on the A&R BNP Facility. The total accrued expense as of the six-month period end is included in the expense section of the Statement 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 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

Management Discussion of Fund Performance (unaudited) (continued)

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 LPP 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 April 30, 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 six-month period 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 April 30, 2024	Receive/(Pay) Floating Rate	Amount (in US\$ million)	Fixed Rate Payable (%)
70 months	Receive	\$ 8.5	3.47%
94 months	Receive	\$10.0	3.38%
106 months	Receive	\$10.0	3.37%
107 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 discord, 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

Bond markets rallied over the period under review, although it was largely a tale of two halves, with a strong rally in the first three months tempered by weaker performance in the latter three months as markets pushed further out their expectations for when the U.S. Federal Reserve (Fed) will start reducing interest rates. Inflation remained stubbornly above 3% since last July, while non-farm payrolls cooled in April after a strong first quarter. That said, the Fed proved more dovish than expected at its March meeting, although Chair Jerome Powell warned that the central bank needed to see a clear path towards inflation slowing to the 2% target. The revised dot plot¹ maintained an outlook for around three rate cuts this year. Meanwhile, the Brent crude oil price rose by around 7.5% to \$87.9 per barrel by the end of the period.

The 10-year U.S. Treasury yield fell by around 25 basis points (bps) to 4.68%, while the 2-year yield fell by close to 5bps to 5.04%, as the U.S. yield curve remained inverted – now for the longest period in history. On the other hand, in Asia, price pressures remained

1 The dot plot is a chart that records each US Federal Reserve's official projection for the Federal Funds Rate at the end of the calendar year and over the longer run. It is updated quarterly and is based on the FOMC participants' judgment at the time of the meeting.

Management Discussion of Fund Performance (unaudited) (continued)

moderate and largely contained. Yield curves were reflective of this, with Hong Kong and Singapore the only countries to have an inverted yield curve, while India's was virtually flat.

In monetary policy, Bank of Korea policymakers delivered a dovish pivot as they left their policy rate unchanged. China cut its 5-year loan prime rate by a larger-than-expected 25bps in the latest effort to boost its troubled property sector. The Bank of Indonesia hiked its policy rate by 25bps to 6.25%—its highest level since the benchmark rate was introduced in 2016—to strengthen the rupiah and as a pre-emptive move to keep inflation within target. The Bank of Thailand disappointed recent market expectations for a rate cut as it delivered a hawkish hold.

Purchasing managers' index data highlighted divergent economic activity across the Asian region. India's manufacturing and services sectors continued to set the pace along with Indonesia, while economic growth remained subdued across the rest of the region. Factory sectors in China and South Korea, in particular, continued to struggle in the face of weak global demand.

Benchmark bond yields rallied on the whole, although performance was mixed. Korea (-69bps) led the performance along with Thailand (-45bps). Meanwhile, the higher yielding markets of India and Indonesia, while lagging the U.S. in terms of market movements, outperformed the U.S. bond market by virtue of their higher running yields.

Most Asian currencies underperformed the Canadian dollar (CAD) over the six-month period, as developed market currencies such as the Canadian and Australian dollars benefited most from the anticipated Fed pivot as marking the end of the period of "US dollar exceptionalism". The Indian rupee (of which the Company has the largest non-US dollar exposure) depreciated by 1.1% against the CAD. Though, this only partially negated the positive return from the Fund's exposure to the market.

Asian corporate bonds (credit) delivered positive returns over the six months, driven by a narrowing of spreads as high-yield² debt (12.4% in CAD) outperformed investment-grade³ credit (4.6% in CAD). The

outperformance from high-yield debt was mainly driven by frontier market government bonds, particularly from Pakistan, which was the best-performing country. Real estate was the best-performing sector, followed by metals & mining.

Emerging-market (EM) bonds delivered positive returns over the six months (in CAD terms), with hard-currency bonds (9.6%) outperforming local-currency bonds (3.1%).

Company Performance Review

The Company invests in assets denominated predominantly in currencies other than the Canadian dollar. As a result, the performance of the Company incorporates the impact of the performance of those currencies against the Canadian dollar. The Company returned 7.76% on a net asset value⁴ basis for the six-month period ended April 30, 2024, compared with the 3.74% return of its blended benchmark⁵ for the same period (all returns in CAD). While the performance of the net asset value includes the impact of leverage⁶, the benchmark performance does not. The unlevered NAV generated a return, after fees and expenses, of 5.47% for the six-month reporting period ended April 30, 2024, demonstrating that the leverage added an incremental 2.29% to the Company's performance over that timeframe.

The Fund's performance (total return on a net-asset value basis) was primarily driven by the strong positive performance of U.S. dollar-denominated Asian credit and EM government bonds, with lower yields and tighter spreads, The Fund's use of leverage contributed positively to the net asset value, magnifying the impact of the investment portfolio's positive return.

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.

The Fund's investment portfolio outperformed its blended benchmark (on an unlevered basis) for the reporting period. Overweight⁷ exposure to U.S. dollar-denominated Asian credit and EM government bonds as well as Australian dollar-denominated

- 2 High-yield bonds – Companies whose bonds have a higher chance of defaulting on their debt than those rated as 'investment grade'. Bonds rated BB and below are considered 'high yield' and are also known as 'non-investment grade'.
- 3 Investment-grade bonds – Companies whose bonds are rated as 'investment grade' have a lower chance of defaulting on their debt than those rated as 'non-investment grade'. Generally, these bonds are issued by long-established companies with strong balance sheets. Bonds rated BBB or above are known as Investment Grade Bonds.
- 4 Net asset value (NAV) – 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.
- 5 The Fund's blended benchmark is composed of 50% iBoxx Asian Local Bond Index; 25% J.P. Morgan Asian Credit Index Diversified; 15% J.P. Morgan GBI Emerging Market Global Diversified Index; and 10% Bloomberg AusBond Composite Index.
- 6 Leverage 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
- 7 Overweight – 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 (unaudited) (concluded)

credit were the main contributors relative to the benchmark. Meanwhile, the Fund's largest local-currency bond exposure and overweight position relative to the benchmark in the Indian rupee-denominated bond market contributed positively. The underweight⁸ to Asian local-currency bonds (excluding India) also contributed positively.

Outlook

We favor opportunities to add interest rate exposure as we anticipate a medium-term rollover in the monetary cycle. Inflation in Asia has eased amid slower economic data and favorable base effects, which has allowed Asian central banks to shift to neutral or dovish stances. In foreign exchange, we favor the Indonesian rupiah given its positive fundamentals. In credit markets, solid technical factors continue to support high-yield bonds, with flows remaining steady, likely due to the yield of nearly 8%, while net new issuance remains very modest.

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 were required to own at least 10,000 Shares of the Company no later than 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 April 30, 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 six-month period ended April 30, 2024 pursuant to the Expense Limitation Agreement was \$213,920. Please see Note 6 in Notes to Financial Statements for further information.

Taxation

As part of the Company's move to Singapore, the Company may now be able to 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.

⁸ Underweight – A portfolio holding less of a particular security (or sector or region) than the security's weight in the benchmark portfolio.

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

Financial Highlights

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

The Company's Net Assets per Share: ^(a)	For the Six-Months Ended April 30,	For the Fiscal Years Ended October 31,				
	2024*	2023	2022	2021	2020	2019
Net assets, beginning of period	C\$3.08	C\$2.84	C\$3.63	C\$4.04	C\$4.54	C\$4.24
Increase/(decrease) from operations:^(b)						
Total revenue	0.16	0.32	0.30	0.32	0.36	0.41
Total expenses	(0.08)	(0.15)	(0.11)	(0.11)	(0.13)	(0.17)
Realised gains/(losses) for the period	0.04	(0.14)	(0.22)	(0.17)	(0.46)	0.01
Unrealised gains/(losses) for the period	0.10	0.44	(0.49)	(0.18)	(-)	0.38
Total Increase/(decrease) from operations	0.22	0.47	(0.52)	(0.14)	(0.23)	0.63
Distributions from:						
Distributable earnings	(0.11)	(0.23)	(0.27)	(-)	(0.27)	(0.32)
Return of par value ^(c)	-	-	-	(0.27)	-	(0.01)
Total annual distributions ^(d)	(0.11)	(0.23)	(0.27)	(0.27)	(0.27)	(0.33)
Net assets, end of period	C\$3.19	C\$3.08	C\$2.84	C\$3.63	C\$4.04	C\$4.54
Ratios/Supplemental Data						
Total net asset value end of period (C\$000)	117,936	126,594	129,667	184,344	205,220	230,623
Number of Shares outstanding – end of period	36,992,854	41,103,165	45,670,155	50,744,616	50,744,616	50,744,616
Management expense ratio excluding fee waiver	3.54% ^(e)	3.30%	2.21%	1.93%	1.87%	2.32%
Management expense ratio, net of fee waiver ^(f)	3.30% ^(e)	3.10%	2.17%	1.93%	1.87%	2.32%
Management expense ratio, net of fee waiver excluding interest expense ^(g)	1.20% ^(e)	1.25% ^(h)	1.25% ^(h)	1.52%	1.18%	1.19%
Trading expense ratio ⁽ⁱ⁾	-	-	-	-	-	-
Portfolio turnover ^(j)	11%	29%	55%	64%	107%	73%
Net asset value per Share	C\$3.19	C\$3.08	C\$2.84	C\$3.63	C\$4.04	C\$4.54
Closing market price	C\$2.55	C\$2.50	C\$2.35	C\$3.03	C\$2.90	C\$3.38

* Unaudited

(a) This information is derived from the Company's audited annual financial statements. The net assets per ordinary 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 ordinary shares outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of ordinary shares outstanding over the applicable period.

(c) 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 ordinary shares outstanding on the dates of such distributions.

(e) Annualized.

Financial Highlights (concluded)

- (f) 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 5.02% (annualized), 4.66%, 3.09%, 2.61%, 2.58% and 3.29%, for the periods ended April 30, 2024, October 31, 2023, October 31, 2022, October 31, 2021, October 31, 2020 and October 31, 2019, respectively.
- (g) 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 (see last year). 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 1.71% (annualized), 1.76%, 2.10%, 2.06%, 1.64% and 1.69%, for the periods ended April 30, 2024, October 31, 2023, October 31, 2022, October 31, 2021, October 31, 2020 and October 31, 2019, respectively.
- (h) 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)
- (i) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value per ordinary shares during the applicable period. The Company is charged commission only on futures contract transactions. During the review period the trading expense ratio was less than 0.005%.
- (j) 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 (unaudited)

The Management Agreement provides for a monthly fee at the annual rate of 0.65% of the Company's average weekly Managed Assets up to and including C\$250 million, at the annual rate of 0.55% of the Company's average weekly Managed Assets in excess of C\$250 million and including C\$450 million, and at the annual rate of 0.50% of the Company's average weekly Managed Assets in excess of C\$450 million, payable monthly. "Managed Assets" are defined in the Management Agreement as net assets plus the amount of any

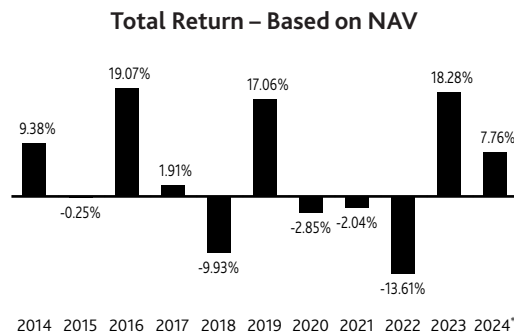
borrowings for investment purposes. For the six-month period ended April 30, 2024, abrdn Asia earned gross fees of C\$616,254 and net fees of C\$213,920 following the application of the Expense Limitation Agreement (described in Notes to Financial Statements note 6.i.), which were used by abrdn Asia to pay its costs for managing the Company's investments and making investment decisions on behalf of the Company.

Past Performance (unaudited)

Historical performance is not indicative of future performance.

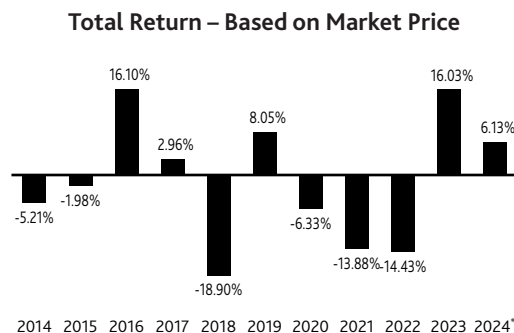
Year-by-Year Returns

The following bar chart shows the Company's NAV performance for each of the fiscal years shown and the six-month period ended April 30, 2024 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.



* six months

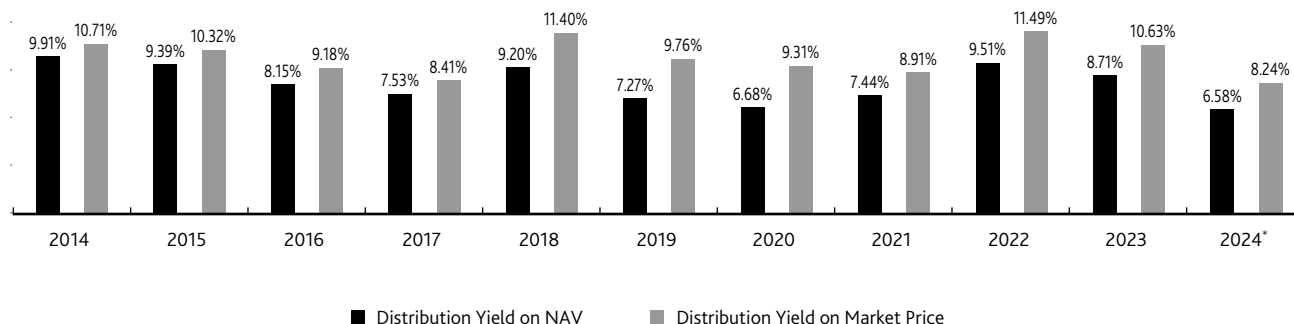
The following chart shows the performance of the Company's Shares on the TSX for each of the fiscal years shown and the six-month period ended April 30, 2024 and assumes reinvestment of dividends and distributions.



* six months

Past Performance (unaudited) (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 six-month period ended April 30, 2024. Although the Company's total annual distributions has at times included return of paid-in capital, shareholders have received a stable distribution yield over the years shown.



* annualized yield for the six-month period ending April 30, 2024

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 six-month, one, three, five and ten year periods ended on April 30, 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.

	6 Months	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	7.76%	11.54%	2.65%	1.71%	3.23%
Market Price	6.13%	8.82%	3.96%	0.26%	0.88%
Benchmark ^(a)	3.74%	1.71%	1.17%	2.21%	3.78%
JP Morgan Asian Credit Index (JACI)	5.53%	5.05%	1.66%	1.36%	5.14%

(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 April 30, 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 April 30, 2024	Percentage of NAV As at October 31, 2023
Indonesia ^(a)	30.3%	31.6%
India	23.5%	26.2%
Australia	15.3%	13.6%
Brazil	4.5%	4.3%
Philippines	4.4%	4.2%
Mexico	3.8%	4.8%
Supranational	3.6%	2.6%
Pakistan	3.4%	2.1%
China	3.4%	5.7%
Uruguay	3.1%	2.7%
United Arab Emirates	3.0%	2.7%
Malaysia	2.9%	2.7%
Bahrain	2.8%	2.7%
Hong Kong	2.8%	1.6%
United Kingdom	2.5%	2.2%
Macao	1.7%	2.1%
Thailand	1.4%	2.0%
Colombia	1.0%	2.3%
Other, less than 2% each	23.1%	21.5%
Bank Loan, Other Assets & Liabilities	(36.5)%	(37.6)%
	100.0%	100.0%

(a) Indonesian country allocation as a percentage of Managed Assets as at April 30, 2024 and October 31, 2023 was 21.0% and 22.1%, respectively.

Summary of Investment Portfolio Information (unaudited) (continued)

As at April 30, 2024

Top 25 Investments

The following table shows the top 25 investments held by the Company as at April 30, 2024:

Currency	Principal Amount (000)	Description	Net Asset Value %	Value (C\$)
IDR	75,927,000	Indonesia Treasury Bonds, 10.50%, 08/15/2030	6.4	7,540,728
INR	400,000	India Government Bonds, 7.54%, 05/23/2036	5.7	6,726,630
INR	400,000	India Government Bonds, 7.26%, 01/14/2029	5.6	6,616,468
IDR	64,000,000	Indonesia Treasury Bonds, 9.00%, 03/15/2029	5.0	5,814,697
IDR	68,800,000	Indonesia Treasury Bonds, 6.50%, 02/15/2031	4.7	5,564,351
INR	300,000	India Government Bonds, 7.10%, 04/18/2029	4.2	4,920,029
AUD	4,800	Westpac Banking Corp., 6.93%, 06/23/2033	3.8	4,457,529
IDR	49,500,000	Indonesia Treasury Bonds, 8.25%, 05/15/2029	3.7	4,372,748
BRL	16,500	Brazil Notas do Tesouro Nacional, 10.00%, 01/01/2029	3.5	4,158,363
UYU	107,650	Uruguay Government International Bonds, 8.25%, 05/21/2031	3.1	3,667,690
USD	2,500	Pertamina Persero PT, 6.50%, 11/07/2048	3.0	3,500,052
USD	2,360	Petroliam Nasional Bhd., 7.63%, 10/15/2026	2.9	3,398,958
AUD	3,700	Commonwealth Bank of Australia, 6.70%, 03/15/2033	2.9	3,353,455
INR	200,000	International Finance Corp., 6.30%, 11/25/2024	2.8	3,283,745
INR	185,000	India Government Bonds, 7.36%, 09/12/2052	2.6	3,061,042
USD	2,050	Bapco Energies BSCC, 7.50%, 10/25/2027	2.4	2,841,323
IDR	30,000,000	Indonesia Treasury Bonds, 8.25%, 05/15/2036	2.3	2,742,715
USD	1,470	Indonesia Government International Bonds, 8.50%, 10/12/2035	2.1	2,501,959
USD	2,022	Pakistan Government International Bonds, 6.88%, 12/05/2027	2.0	2,384,837
PHP	105,000	Philippines Government International Bonds, 6.25%, 01/14/2036	2.0	2,343,604
USD	1,600	NBN Co. Ltd., 6.00%, 10/06/2033	1.9	2,269,093
USD	1,600	MAF Global Securities Ltd., 7.88%, 06/30/2027	1.9	2,253,195
USD	1,610	Macquarie Bank Ltd., 6.13%, 03/08/2027	1.8	2,147,074
USD	1,500	Egyptian Financial Co. for Sovereign Taskeek, 10.88%, 02/28/2026	1.8	2,132,087
USD	1,550	Nigeria Government International Bonds, 8.75%, 01/21/2031	1.7	2,000,444

Summary of Investment Portfolio Information (unaudited) (concluded)

As at April 30, 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 April 30, 2024

Geographic Composition

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

Date	Asia (Including NZ) %	Australia %	Latin America %	Africa %	Europe %	Other, < 5 %
April 30, 2024	62.5	10.7	10.0	5.8	5.1	5.9
October 31, 2023	59.7	9.5	11.9	10.8	3.4	4.7
April 30, 2023	69.5	4.7	10.2	6.4	1.0	8.2

Currency Composition

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

Date	U.S. Dollar %	Asian Currencies %	Latin America Currencies %	Australian Dollar %	Other, < 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
April 30, 2023	54.1	30.6	9.8	2.8	2.7

Maturity Composition

The average maturity of the Company's total investments was 5.5 years at April 30, 2024, compared with 5.3 years at October 31, 2023, and 4.8 years at April 30, 2023. The following table shows the maturity composition of the Company's investments as at April 30, 2024, compared with October 31, 2023 and April 30, 2023:

Date	0 to 5 Years %	5 to 10 Years %	10 Years & Over %
April 30, 2024*	49.8	32.3	17.9
October 31, 2023	38.5	45.3	16.2
April 30, 2023*	42.3	42.3	15.4

* Unaudited

Quality of Investments

As at April 30, 2024, 14.3% 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 April 30, 2024, compared with October 31, 2023 and April 30, 2023:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %	B or below* %	NR** %
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
April 30, 2023	1.8	0.0	4.0	55.8	17.4	13.5	2.8	4.7

* Below investment grade

** Not Rated

Statements of Financial Position

NOTICE TO READER Interim financial statements, including the accompanying interim notes to the financial statements, and have not been reviewed by the Company's auditors

	Note	April 30, 2024 C\$	October 31, 2023 C\$
Assets			
Investments, at value(Cost: C\$177,811,608;2023:C\$196,158,106)		161,031,799	174,199,371
Foreign cash(Cost: C\$6,726,533;2023:C\$3,608,315)		6,469,807	3,941,920
Cash		507,436	306,937
Interest receivable		3,385,047	3,623,705
Unrealized appreciation on interest rate swaps		3,682,111	5,116,989
Prepaid expenses in connection with bank loans		60,224	1,058
Sundry debtors and prepayments		142,766	173,815
Total assets		C\$ 175,279,190	C\$ 187,363,795
Liabilities			
Bank loan	8	52,341,844	54,972,839
Cash from broker on interest rate swap agreements		2,190,258	3,633,070
Unsettled purchases trades		1,112,812	-
Cash due to broker for forward foreign currency contracts		1,101,320	1,539,017
Interest payable on bank loan	8	223,193	212,525
Investment management fees payable	6	60,812	55,355
Unrealised depreciation on forward foreign currency exchange contracts		34,119	28,810
Director fees payable		26,246	14,171
Administration fees payable	6	19,516	20,381
Deferred foreign capital gains tax	5	14,897	8,810
Investor relations fees payable	6	7,993	8,158
Accrued expenses and other liabilities		210,134	276,392
Total liabilities		57,343,144	60,769,528
Share capital		454,626,216	467,819,211
Deficit		(293,630,992)	(294,113,343)
Unrealised appreciation/(depreciation) on investments, interest rate swaps, futures and foreign currency transactions		(43,059,178)	(47,111,601)
Total Equity		C\$ 117,936,046	C\$126,594,267
Net assets per share attributable to holders of Shares (36,992,854 and 41,103,165 Shares outstanding at April 30, 2024 and October 31, 2023, respectively)		C\$ 3.19	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/(Losses)

	Note	Six Months Ended April 30, 2024 C\$	Six Months Ended April 30, 2023 C\$
Investment Income			
Interest Income		6,571,245	7,037,181
Realised gains/(losses) on investments		(1,006,963)	(4,111,791)
Realised gains/(losses) on foreign currency transactions		1,336,666	–
Realised gains/(losses) on interest rate swap contracts		1,143,462	1,176
Change in unrealised appreciation/(depreciation) on investments		5,178,926	16,988,048
Change in unrealised appreciation/(depreciation) on interest rate swap contracts		(1,434,878)	(499,401)
Change in unrealised appreciation/(depreciation) on translation of foreign currency denominated assets and liabilities		308,375	781,854
		12,096,833	20,197,067
Expenses			
Investment management fees	6	616,254	624,813
Director fees and expenses		122,391	109,178
Administration fees	6	112,518	120,156
Legal and professional fees and expenses		86,356	107,631
Independent auditor fees and expenses		82,717	83,286
Transfer agent fees and expenses		51,840	52,964
Investor relations fees and expenses	6	48,488	48,501
Custodian fees and expenses		36,659	43,577
Reports to shareholders		32,264	35,042
Bank loan fees		31,080	38,826
Insurance		31,049	16,819
Independent review committee fees		8,375	10,029
Registration, listing and depositary fees		8,197	9,618
Miscellaneous		60,525	61,373
Total operating expenses		1,328,713	1,361,813
Interest expense	8	1,857,477	1,648,754
Withholding taxes		345,887	191,664
Expenses reduced by Investment Manager		(213,920)	(163,678)
Total expenses		3,318,157	3,038,553
Income for the period		C\$ 8,778,676	C\$ 17,158,514
Earnings per share C\$8,778,676/40,335,304 weighted average number of Shares (October 31, 2023-C\$20,664,580/42,980,010)		C\$ 0.2176	C\$ 0.3823

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

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

Statements of Changes in Shareholders' Equity

	Six Months Ended April 30, 2024 C\$	Six Months Ended April 30, 2023 C\$
Equity beginning of period	126,594,267	129,666,675
Income for the period	8,778,676	17,158,514
Distributions to holders of Shares	(4,243,902)	(5,400,496)
Payments on redemption(4,110,311 and 4,566,990 shares, respectively)	(13,192,995)	(14,020,659)
	(17,436,897)	(19,421,155)
Decrease in Shareholders' Equity	(8,658,221)	(2,262,641)
Equity end of period	117,936,046	127,404,034

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

Statements of Cash Flows

	Six Months Ended April 30, 2024 C\$	Six Months Ended April 30, 2023 C\$
Increase / (Decrease) in Cash (Including Foreign Currency)		
Cash Flows provided from/(used for) Operating Activities:		
Interest received	6,395,307	7,174,629
Interest paid	(1,846,809)	68,215
Operating expenses paid	(1,192,666)	(2,885,173)
Net payments received from broker for collateral on interest rate swaps	(1,442,812)	(761,292)
Purchases of investments at fair value	(36,297,954)	(13,634,248)
Proceeds from sales of investments at fair value	55,896,354	41,676,522
Realised gains/(losses) on forward foreign currency exchange contracts closed	(246,923)	(1,513,258)
Realised gains/(losses) on interest rate swap transactions	1,143,462	1,176
Net cash provided from operating activities	C\$ 22,407,959	C\$ 30,126,571
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 redeemable shares	(4,243,902)	(5,400,496)
Redemption of Shares	(13,192,995)	(14,020,659)
Net cash used for financing activities	(19,502,472)	(22,628,590)
Effect of exchange rate on cash	(177,101)	53,730
Net increase/(decrease) in cash	2,728,386	7,551,711
Cash at beginning of period	4,248,857	1,349,964
Cash at end of period	C\$ 6,977,243	C\$ 8,901,675

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

Schedule of Investment Portfolio (unaudited)

As of April 30, 2024

Principal Amount (000)	Description	Cost (C\$)	Carrying Value (C\$)
CORPORATE BONDS—59.3%			
AUSTRALIA—15.3%			
AUD 3,700	Commonwealth Bank of Australia, (fixed rate to 03/15/2033, variable rate thereafter), 6.70%, 03/15/2033 ^(a)	\$ 3,283,365	\$ 3,353,455
AUD 500	Commonwealth Bank of Australia, (fixed rate to 11/09/2027, variable rate thereafter), 6.86%, 11/09/2027 ^{(a)(b)}	463,140	461,691
AUD 1,000	Emeco Pty. Ltd., 6.25%, 07/10/2026 ^(a)	929,349	865,090
USD 1,610	Macquarie Bank Ltd., (fixed rate to 03/08/2027, variable rate thereafter), 6.13%, 03/08/2027 ^{(a)(b)(c)}	2,248,363	2,147,074
USD 830	Mineral Resources Ltd., 8.00%, 11/01/2027 ^{(a)(b)}	1,063,977	1,157,075
USD 1,600	NBN Co. Ltd., 6.00%, 10/06/2033 ^{(a)(b)}	2,174,003	2,269,093
USD 400	Perenti Finance Pty. Ltd., 7.50%, 04/26/2029 ^{(a)(b)}	550,127	556,042
USD 900	QBE Insurance Group Ltd., (fixed rate to 05/12/2025, variable rate thereafter), 5.88%, 05/12/2025 ^{(a)(b)(c)}	1,229,147	1,224,273
AUD 4,800	Westpac Banking Corp., (fixed rate to 06/23/2033, variable rate thereafter), 6.93%, 06/23/2033 ^{(a)(b)}	4,345,924	4,457,529
AUD 1,600	Westpac Banking Corp., (fixed rate to 11/15/2033, variable rate thereafter), 7.20%, 11/15/2033 ^(a)	1,508,205	1,502,963
Total Australia		17,795,600	17,994,285
BAHRAIN—2.4%			
USD 2,050	Bapco Energies BSCC, 7.50%, 10/25/2027 ^(b)	2,986,827	2,841,323
CHINA—3.4%			
USD 490	Central China Real Estate Ltd., 7.75%, 05/24/2024 ^{(a)(b)(d)(e)}	270,556	18,550
USD 200	Central China Real Estate Ltd., 7.90%, 11/07/2025 ^{(a)(d)(e)(f)}	143,030	6,195
USD 2,490	China Evergrande Group, 8.75%, 06/28/2025 ^{(a)(b)(d)(e)}	993,325	37,364
USD 200	China Hongqiao Group Ltd., 7.75%, 03/27/2025 ^(b)	271,710	275,737
USD 300	CIFI Holdings Group Co. Ltd., 5.95%, 10/20/2025 ^{(a)(b)(d)(e)}	288,394	33,040
USD 700	CIFI Holdings Group Co. Ltd., 6.55%, 03/28/2024 ^{(a)(b)(d)}	981,410	79,636
USD 200	Country Garden Holdings Co. Ltd., 5.13%, 01/14/2027 ^{(a)(b)}	260,140	15,143
USD 659	Country Garden Holdings Co. Ltd., 7.25%, 04/08/2026 ^{(a)(b)}	638,308	56,701
USD 250	Health & Happiness H&H International Holdings Ltd., 13.50%, 06/26/2026 ^{(a)(b)}	367,089	361,815
USD 200	Kaisa Group Holdings Ltd., 9.75%, 09/28/2023 ^{(a)(b)(d)(e)}	236,807	8,260
USD 700	Lenovo Group Ltd., 6.54%, 07/27/2032 ^{(a)(b)}	901,460	994,553
USD 450	Logan Group Co. Ltd., 5.25%, 10/19/2025 ^{(a)(b)(d)(e)}	519,535	58,077
USD 450	Logan Group Co. Ltd., 6.50%, 07/16/2023 ^{(a)(b)(d)(e)}	557,367	59,168
USD 480	Science City Guangzhou Investment Group Co. Ltd., 6.80%, 08/05/2025 ^(b)	645,336	666,268
USD 550	Shimao Group Holdings Ltd., 6.13%, 02/21/2024 ^{(a)(b)(d)}	354,048	20,663
USD 300	Shui On Development Holding Ltd., 5.50%, 03/03/2025 ^{(a)(b)}	352,748	311,949
USD 144	Sunac China Holdings Ltd., 1.00%, 09/30/2032 ^{(a)(b)}	259,382	9,889
USD 119	Sunac China Holdings Ltd., 6.00%, 09/30/2026 ^{(a)(b)(g)}	194,893	16,398
USD 119	Sunac China Holdings Ltd., 6.25%, 09/30/2027 ^{(a)(b)(e)(g)}	166,283	15,215
USD 239	Sunac China Holdings Ltd., 6.50%, 09/30/2027 ^{(a)(b)(e)(g)}	343,970	24,657
USD 358	Sunac China Holdings Ltd., 6.75%, 09/30/2028 ^{(a)(b)(e)(g)}	372,225	34,350
USD 359	Sunac China Holdings Ltd., 7.00%, 09/30/2029 ^{(a)(b)(e)(g)}	253,816	30,278
USD 169	Sunac China Holdings Ltd., 7.25%, 09/30/2030 ^{(a)(b)(e)(g)}	193,480	11,625
USD 900	Times China Holdings Ltd., 6.20%, 03/22/2026 ^{(a)(b)(d)}	1,103,222	25,523
USD 600	Wanda Properties Global Co. Ltd., 11.00%, 01/20/2025 ^(b)	777,828	705,726
USD 880	Yuzhou Group Holdings Co. Ltd., 8.30%, 05/27/2025 ^{(a)(b)(d)(e)}	402,716	60,573
USD 400	Zhenro Properties Group Ltd., 6.63%, 01/07/2026 ^{(a)(b)(d)(e)}	302,719	4,185
USD 1,300	Zhenro Properties Group Ltd., 8.00%, 03/06/2023 ^(a)	1,645,739	8,948
Total China		13,797,536	3,950,486
FRANCE—0.7%			
USD 560	BNP Paribas SA, (fixed rate to 08/14/2028, variable rate thereafter), 8.50%, 08/14/2028 ^{(a)(b)(c)}	748,720	797,032
GEORGIA—0.3%			
USD 253	Bank of Georgia JSC, (fixed rate to 07/16/2026, variable rate thereafter), 9.50%, 07/16/2026 ^{(a)(b)(c)}	343,384	344,489
HONG KONG—2.8%			
USD 250	Bank of East Asia Ltd., (fixed rate to 03/13/2026, variable rate thereafter), 6.63%, 03/13/2026 ^{(a)(b)}	336,534	345,079
USD 800	Hutchison Whampoa Finance CI Ltd., 7.50%, 08/01/2027 ^(b)	1,412,561	1,161,776
USD 250	Hutchison Whampoa International 03/33 Ltd., 7.45%, 11/24/2033 ^(b)	288,535	387,234
USD 400	Melco Resorts Finance Ltd., 5.75%, 07/21/2028 ^{(a)(b)}	430,675	509,765

Schedule of Investment Portfolio (unaudited) (continued)

As of April 30, 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	\$ 538,656
USD 300	NWD Finance BVI Ltd., (fixed rate to 03/16/2025, variable rate thereafter), 6.15%, 03/16/2025 ^{(a)(b)(c)}	323,895	344,438
Total Hong Kong		3,337,667	3,286,948
INDIA—5.4%			
USD 500	Greenko Wind Projects Mauritius Ltd., 5.50%, 04/06/2025 ^{(a)(b)}	623,775	675,401
USD 200	Indiabulls Housing Finance Ltd., 9.70%, 07/03/2027 ^(b)	271,527	267,070
USD 550	Periama Holdings LLC, 5.95%, 04/19/2026 ^(b)	761,501	744,745
USD 678	Power Finance Corp. Ltd., 6.15%, 12/06/2028 ^(b)	1,015,203	938,781
INR 100,000	REC Ltd., 6.92%, 03/20/2032	1,605,037	1,596,205
USD 850	Reliance Industries Ltd., 6.25%, 10/19/2040 ^(b)	1,224,664	1,193,725
USD 497	Shriram Finance Ltd., 6.63%, 04/22/2027 ^(b)	671,590	678,884
USD 235	Vedanta Resources Finance II PLC, 13.88%, 01/21/2027 ^{(a)(b)}	302,306	303,177
Total India		6,475,603	6,397,988
INDONESIA—5.4%			
USD 643	LLPL Capital Pte. Ltd., 6.88%, 02/04/2039 ^{(b)(f)}	986,755	851,867
USD 1,110	Medco Maple Tree Pte. Ltd., 8.96%, 04/27/2029 ^{(a)(b)}	1,567,426	1,561,496
USD 2,500	Pertamina Persero PT, 6.50%, 11/07/2048 ^(b)	3,524,796	3,500,052
USD 370	Perusahaan Perseroan Persero PT Perusahaan Listrik Negara, 5.25%, 10/24/2042 ^(b)	418,636	442,339
Total Indonesia		6,497,613	6,355,754
ISRAEL—0.6%			
USD 500	Teva Pharmaceutical Finance Netherlands III BV, 7.88%, 09/15/2029 ^(a)	703,761	722,656
KAZAKHSTAN—0.8%			
KZT 311,000	Development Bank of Kazakhstan JSC, 10.95%, 05/06/2026 ^(b)	887,691	912,552
MACAO—1.7%			
USD 800	MGM China Holdings Ltd., 5.88%, 05/15/2026 ^{(a)(b)}	1,123,731	1,081,616
USD 700	Studio City Finance Ltd., 6.50%, 01/15/2028 ^{(a)(b)}	810,317	898,717
Total Macao		1,934,048	1,980,333
MALAYSIA—2.9%			
USD 2,360	Petroliam Nasional Bhd., 7.63%, 10/15/2026 ^(b)	3,908,121	3,398,958
MEXICO—0.1%			
USD 1,250	Unifin Financiera SAB de CV, 8.38%, 01/27/2028 ^{(a)(b)(d)}	1,346,625	107,551
MOROCCO—0.3%			
USD 270	OCP SA, 7.50%, 05/02/2054 ^{(a)(b)}	359,785	361,070
OMAN—1.4%			
USD 1,180	Oztel Holdings SPC Ltd., 6.63%, 04/24/2028 ^(b)	1,685,412	1,646,702
PHILIPPINES—0.7%			
USD 800	AC Energy Finance International Ltd., 5.10%, 11/25/2025 ^{(a)(b)(c)}	1,049,877	854,076
SAUDI ARABIA—1.0%			
USD 600	Dar Al-Arkan Sukuk Co. Ltd., 8.00%, 02/25/2029 ^(b)	781,737	839,412
USD 298	Saudi Electricity Global Sukuk Co. 3, 5.50%, 04/08/2044 ^(b)	490,951	389,730
Total Saudi Arabia		1,272,688	1,229,142
SINGAPORE—1.6%			
USD 580	GLP Pte. Ltd., (fixed rate to 05/17/2026, variable rate thereafter), 4.50%, 05/17/2026 ^{(a)(b)(c)}	701,307	378,389
USD 1,000	Singapore Telecommunications Ltd., 7.38%, 12/01/2031 ^(b)	1,557,910	1,552,880
Total Singapore		2,259,217	1,931,269
SOUTH KOREA—1.7%			
USD 332	Hyundai Card Co. Ltd., 5.75%, 04/24/2029 ^(b)	451,759	451,344
USD 512	Mirae Asset Securities Co. Ltd., 5.88%, 01/26/2027 ^(b)	685,090	695,132
USD 600	SK Hynix, Inc., 6.50%, 01/17/2033 ^(b)	795,556	850,185
Total South Korea		1,932,405	1,996,661

Schedule of Investment Portfolio (unaudited) (continued)

As of April 30, 2024

Principal Amount (000)	Description	Cost (C\$)	Carrying Value (C\$)
CORPORATE BONDS (continued)			
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	\$ 1,086,207
SUPRANATIONAL—0.8%			
INR 60,000	Corp. Andina de Fomento, 8.25%, 04/26/2034	975,001	973,997
SWITZERLAND—0.5%			
USD 200	UBS Group AG, (fixed rate to 11/13/2028, variable rate thereafter), 9.25%, 11/13/2028 ^{(a)(b)(c)}	279,777	293,840
USD 200	UBS Group AG, (fixed rate to 11/13/2033, variable rate thereafter), 9.25%, 11/13/2033 ^{(a)(b)(c)}	275,930	302,171
Total Switzerland		555,707	596,011
THAILAND—1.4%			
USD 1,100	Bangkok Bank PCL, 9.03%, 03/15/2029 ^(b)	1,463,150	1,702,254
UNITED ARAB EMIRATES—3.0%			
USD 330	DP World Ltd., 6.85%, 07/02/2037 ^(b)	561,246	478,145
USD 580	Emirates NBD Bank PJSC, (fixed rate to 04/09/2026, variable rate thereafter), 6.13%, 04/09/2026 ^{(a)(b)(c)}	805,029	796,788
USD 1,600	MAF Global Securities Ltd., (fixed rate to 06/30/2027, variable rate thereafter), 7.88%, 06/30/2027 ^{(a)(b)(c)}	2,071,249	2,253,195
Total United Arab Emirates		3,437,524	3,528,128
UNITED KINGDOM—2.5%			
USD 600	HSBC Holdings PLC, (fixed rate to 03/07/2028, variable rate thereafter), 8.00%, 03/07/2028 ^{(a)(c)}	795,870	852,527
USD 1,000	Standard Chartered PLC, (fixed rate to 08/15/2027, variable rate thereafter), 7.75%, 08/15/2027 ^{(a)(b)(c)}	1,305,303	1,367,794
USD 500	Standard Chartered PLC, (fixed rate to 03/08/2030, variable rate thereafter), 7.88%, 03/08/2030 ^{(a)(b)(c)}	678,675	669,741
Total United Kingdom		2,779,848	2,890,062
UNITED STATES—1.7%			
USD 850	Hyundai Capital America, 6.38%, 04/08/2030 ^{(a)(b)}	1,380,714	1,201,659
USD 600	Nissan Motor Acceptance Co. LLC, 7.05%, 09/15/2028 ^{(a)(b)}	813,822	847,998
Total United States		2,194,536	2,049,657
Total Corporate Bonds		81,792,934	69,935,591
GOVERNMENT BONDS—77.2%			
ANGOLA—1.6%			
USD 1,350	Angola Government International Bonds, 9.50%, 11/12/2025 ^(b)	1,874,814	1,886,355
BAHAMAS—1.3%			
USD 1,288	Bahamas Government International Bonds, 6.00%, 11/21/2028 ^{(a)(b)(f)}	1,863,549	1,568,083
BAHRAIN—0.4%			
USD 380	CBB International Sukuk Co. 7 SPC, 6.88%, 10/05/2025 ^(b)	555,637	526,780
BRAZIL—4.5%			
BRL 16,500	Brazil Notas do Tesouro Nacional, 10.00%, 01/01/2029	4,232,691	4,158,363
BRL 4,700	Brazil Notas do Tesouro Nacional, 10.00%, 01/01/2033	1,117,674	1,132,013
Total Brazil		5,350,365	5,290,376
COLOMBIA—1.0%			
COP 3,500,000	Colombia TES, 10.00%, 07/24/2024	1,023,333	1,223,737
DOMINICAN REPUBLIC—0.6%			
DOP 25,000	Dominican Republic International Bonds, 13.63%, 02/03/2033 ^{(a)(b)}	743,600	696,532
EGYPT—1.8%			
USD 1,500	Egyptian Financial Co. for Sovereign Taskeek, 10.88%, 02/28/2026 ^(b)	2,146,469	2,132,087
INDIA—18.1%			
INR 300,000	India Government Bonds, 7.10%, 04/18/2029	4,805,894	4,920,029
INR 400,000	India Government Bonds, 7.26%, 01/14/2029	6,511,431	6,616,468
INR 185,000	India Government Bonds, 7.36%, 09/12/2052	3,016,304	3,061,042
INR 400,000	India Government Bonds, 7.54%, 05/23/2036	6,527,608	6,726,630
Total India		20,861,237	21,324,169
INDONESIA—24.9%			
USD 500	Indonesia Government International Bonds, 7.75%, 01/17/2038 ^(b)	985,922	823,965
USD 1,470	Indonesia Government International Bonds, 8.50%, 10/12/2035 ^(b)	2,702,326	2,501,959

Schedule of Investment Portfolio (unaudited) (continued)

As of April 30, 2024

Principal Amount (000)	Description	Cost (C\$)	Carrying Value (C\$)
GOVERNMENT BONDS (continued)			
INDONESIA (continued)			
IDR 68,800,000	Indonesia Treasury Bonds, 6.50%, 02/15/2031	\$ 6,075,679	\$ 5,564,351
IDR 49,500,000	Indonesia Treasury Bonds, 8.25%, 05/15/2029	4,619,780	4,372,748
IDR 30,000,000	Indonesia Treasury Bonds, 8.25%, 05/15/2036	2,754,047	2,742,715
IDR 64,000,000	Indonesia Treasury Bonds, 9.00%, 03/15/2029	6,429,506	5,814,697
IDR 75,927,000	Indonesia Treasury Bonds, 10.50%, 08/15/2030	10,068,550	7,540,728
Total Indonesia		33,635,810	29,361,163
IVORY COAST—0.8%			
USD 720	Ivory Coast Government International Bonds, 8.25%, 01/30/2037 ^{(b)(f)}	951,140	946,584
MEXICO—3.7%			
MXN 26,500	Mexico Bonos, 8.50%, 05/31/2029	2,041,153	1,997,073
MXN 24,129	Mexico Bonos, 10.00%, 12/05/2024	1,703,429	1,923,372
MXN 5,000	Mexico Bonos, 10.00%, 12/05/2024	341,819	398,560
Total Mexico		4,086,401	4,319,005
MONGOLIA—1.7%			
USD 1,200	Mongolia Government International Bonds, 7.88%, 06/05/2029 ^(b)	1,612,927	1,668,291
USD 250	Mongolia Government International Bonds, 8.65%, 01/19/2028 ^(b)	336,696	353,800
Total Mongolia		1,949,623	2,022,091
NIGERIA—1.7%			
USD 1,550	Nigeria Government International Bonds, 8.75%, 01/21/2031 ^(b)	2,209,685	2,000,444
PAKISTAN—3.4%			
USD 1,140	Pakistan Global Sukuk Programme Co. Ltd., 7.95%, 01/31/2029 ^(b)	1,446,733	1,359,257
USD 2,022	Pakistan Government International Bonds, 6.88%, 12/05/2027 ^(b)	2,642,171	2,384,837
USD 260	Pakistan Government International Bonds, 7.38%, 04/08/2031 ^(b)	220,806	282,943
Total Pakistan		4,309,710	4,027,037
PERU—1.5%			
PEN 4,741	Peru Government Bonds, 7.30%, 08/12/2033 ^(b)	1,736,794	1,745,034
PHILIPPINES—3.7%			
PHP 71,660	Philippines Government Bonds, 9.25%, 11/05/2034	1,907,624	1,976,408
PHP 105,000	Philippines Government International Bonds, 6.25%, 01/14/2036	2,907,345	2,343,604
Total Philippines		4,814,969	4,320,012
SUPRANATIONAL—2.8%			
INR 200,000	International Finance Corp., 6.30%, 11/25/2024	3,481,988	3,283,745
UKRAINE—0.6%			
UAH 28,000	Ukraine Government Bonds, 15.84%, 02/26/2025 ^(e)	1,446,559	755,284
URUGUAY—3.1%			
UYU 107,650	Uruguay Government International Bonds, 8.25%, 05/21/2031	2,976,991	3,667,690
	Total Government Bonds	96,018,674	91,096,208
	Total Investments—136.5%	C\$ 177,811,608	C\$ 161,031,799
	Liabilities in Excess of Other Assets—(36.5%)		(43,095,753)
	Net Assets Attributable to Holders of Shares—100.0%		C\$ 117,936,046

(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.

AUD Australian Dollar

Schedule of Investment Portfolio (unaudited) (concluded)

As of April 30, 2024

BRL Brazilian Real
 COP Colombian Peso
 DOP Dominican Republic Peso
 IDR Indonesian Rupiah
 INR Indian Rupee
 KZT Kazakhstan Tenge
 MXN Mexican Peso
 PEN Peruvian Sol
 PHP Philippine Peso
 PLC Public Limited Company
 UAH Ukraine Hryvna
 USD U.S. Dollar
 UYU Uruguayan Peso

At April 30, 2024, the Company held the following forward foreign currency contracts:

Purchase Contracts Settlement Date	Counterparty	Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Fair Value (C\$)	Unrealized Appreciation/ (Depreciation) (C\$)
Australian Dollar / United States Dollar							
05/20/2024	HSBC Bank PLC	USD	4,995,383	AUD	4,320,122	\$(4,354,241)	\$(34,119)

At April 30, 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	8,500,000	03/17/2030	UBS AG	Receive	12-month SOFR	(3.47%)	Annually	\$-	\$ 601,680	\$ 601,680
USD	10,000,000	03/17/2032	UBS AG	Receive	12-month SOFR	(3.38%)	Annually	-	916,107	916,107
USD	10,000,000	03/17/2033	UBS AG	Receive	12-month SOFR	(3.37%)	Annually	-	1,001,915	1,001,915
USD	9,500,000	04/06/2033	UBS AG	Receive	12-month SOFR	(3.14%)	Annually	-	1,162,409	1,162,409
								\$-	\$3,682,111	\$3,682,111

See accompanying Notes to Financial Statements.

Notes to Financial Statements (unaudited)

April 30, 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 April 30, 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 six-month periods ended April 30, 2024 and April 30, 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 financial statements were authorized for issue by the Board of Directors on June 18, 2024.

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 six-month period ended April 30, 2024 is included in Note 4 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

4. Accounting Policies

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

- 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 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

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

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 FVPTL. 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.

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

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

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 April 30, 2024, October 31, 2023 and April 30, 2023.

	As at April 30, 2024			
	Level 1 – Quoted Prices (C\$)	Level 2 – Other Significant Observable Inputs (C\$)	Level 3 – Significant Unobservable Inputs (C\$)	Total (C\$)
Investments, at Value				
Assets				
Investments in Securities				
Corporate Bonds	\$–	\$ 69,935,591	\$–	\$ 69,935,591
Government Bonds	–	91,096,208	–	91,096,208
Total Investments	\$–	\$ 161,031,799	\$–	\$ 161,031,799
Other Financial Instruments				
Interest Rate Swap Agreements	\$–	\$ 3,682,111	\$–	\$ 3,682,111
Total Investment Assets	\$–	\$ 164,713,910	\$–	\$ 164,713,910
Liabilities				
Other Financial Instruments				
Foreign Currency Exchange Contracts	\$–	\$ (34,119)	\$–	\$ (34,119)
Total Investment Liabilities	\$–	\$ (34,119)	\$–	\$ (34,119)

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

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

As at April 30, 2024, there had been no significant transfers between fair value measurement levels.

Investments, at Value	As at October 31, 2023			Total (C\$)
	Level 1 – Quoted Prices (C\$)	Level 2 – Other Significant Observable Inputs (C\$)	Level 3 – Significant Unobservable Inputs (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.

Investments, at Value	As at April 30, 2023			Total (C\$)
	Level 1 – Quoted Prices (C\$)	Level 2 – Other Significant Observable Inputs (C\$)	Level 3 – Significant Unobservable Inputs (C\$)	
Assets				
Investments in Securities				
Corporate Bonds	\$–	\$ 73,402,023	\$–	\$ 73,402,023
Government Bonds	–	96,252,290	–	96,252,290
Total Investments	\$–	\$169,654,313	\$–	\$169,654,313
Other Financial Instruments				
Interest Rate Swap Agreements	\$–	\$ 55,711	\$–	\$ 55,711
Total Investment Assets	\$–	\$169,710,024	\$–	\$169,710,024
Liabilities				
Other Financial Instruments				
Foreign Currency Exchange Contracts	\$–	\$ (301,015)	\$–	\$ (301,015)
Interest Rate Swap Agreements	–	(555,112)	–	(555,112)
Total Investment Liabilities	\$–	\$ (856,127)	\$–	\$ (856,127)

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

As at April 30, 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 April 30, 2024, October 31, 2023 and April 30, 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 (unaudited) (continued)

April 30, 2024

As at April 30, 2024								
Description	Gross Amounts Not Offset in the Statements of Financial Position				Gross Amounts Not Offset in the Statements of Financial Position			
	Gross Amounts of Assets Presented in Statements of Financial Position	Financial Instruments	Collateral Received	Net Amount	Gross Amounts of Liabilities Presented in Statements of Financial Position	Financial Instruments	Collateral Pledged	Net Amount
Foreign Currency Exchange Contracts								
HSBC Bank PLC	\$–	\$–	\$–	\$–	\$34,119	\$–	\$–	\$34,119
Interest Rate Swap Agreements								
UBS AG	3,682,111	–	(2,190,258)	1,491,853	–	–	–	–

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

As at October 31, 2023								
Description	Gross Amounts Not Offset in the Statements of Financial Position				Gross Amounts Not Offset in the Statements of Financial Position			
	Gross Amounts of Assets Presented in Statements of Financial Position	Financial Instruments	Collateral Received	Net Amount	Gross Amounts of Liabilities Presented in Statements of Financial Position	Financial Instruments	Collateral Pledged	Net Amount
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.

As at April 30, 2023								
Description	Gross Amounts Not Offset in the Statements of Financial Position				Gross Amounts Not Offset in the Statements of Financial Position			
	Gross Amounts of Assets Presented in Statements of Financial Position	Financial Instruments	Collateral Received	Net Amount	Gross Amounts of Liabilities Presented in Statements of Financial Position	Financial Instruments	Collateral Pledged	Net Amount
Foreign Currency Exchange Contracts								
HSBC Bank PLC	\$–	\$–	\$–	\$–	\$301,015	\$–	\$–	\$301,015

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

Description	As at April 30, 2023							
	Gross Amounts Not Offset in the Statements of Financial Position				Gross Amounts Not Offset in the Statements of Financial Position			
	Gross Amounts of Assets Presented in Statements of Financial Position	Financial Instruments	Collateral Received	Net Amount	Gross Amounts of Liabilities Presented in Statements of Financial Position	Financial Instruments	Collateral Pledged	Net Amount
Interest Rate Swap Agreements								
UBS AG	\$55,711	\$(55,711)	\$–	\$–	\$555,112	\$(55,711)	\$(499,401)	\$–

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

- a) 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.
- b) Interest Rate Swaps: During the six-month period ended April 30, 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 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.

- c) 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

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

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.

- d) 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.

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.

- e) 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.

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

- 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.
- f) 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.

5. 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.

6. 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 six-month

periods ended October 31, 2023 and April 30, 2024 pursuant to the Expense Limitation Agreement were \$77,019 and \$213,920, 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 "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 April 30, 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)	\$ 213,920
Total*	\$668,800

- * 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 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

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

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

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

	As at April 30, 2024 C\$	As at October 31, 2023 C\$	As at April 30, 2023 C\$
Investment Manager	60,812	55,355	72,884
Administrators	19,516	20,381	19,527
Investor Relations	7,993	8,158	8,061

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

	Six months ended April 30, 2024 C\$	Fiscal year ended October 31, 2023 C\$	Six months ended April 30, 2023 C\$
Investment Manager	616,254	1,283,765	624,813
Administrators	112,518	234,123	120,156
Investor Relations	48,488	96,979	48,501

7. 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"

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.

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, 2023, 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, 2023, less direct costs.

The Company is authorized to issue up to 100,000,000 Shares without par value. At April 30, 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.

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

Six Months Ended April 30, 2024	
Shares outstanding at November 1, 2023	41,103,165
Shares redeemed	(4,110,311)
Shares outstanding at April 30, 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
Six Months Ended April 30, 2023	
Shares outstanding at November 1, 2022	45,670,155
Shares redeemed	(4,566,990)
Shares outstanding at April 30, 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 no later than the end of the first full calendar year following the year in which he or she is elected. The below chart summarizes Independent Directors' Share ownership as at April 30, 2024.

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

8. 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 15, 2023 (as further amended, the "A&R BNP Facility"). The A&R BNP Facility has a scheduled maturity date of November 13, 2024, 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 April 30, 2024. During the six-month period, 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 April 30, 2024 was US \$38,100,000 or CAD \$52,341,844 (see Bank Loan on Statements of Financial Position), which represented 44.6% of the NAV of the Company on April 30, 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 was accruing the interest daily on the A&R BNP Facility. The total accrued expense as of the six-month period 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 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. 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

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

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.

9. Statement of Deficit

	Six Months Ended April 30, 2024 C\$	Fiscal Year Ended October 31, 2023 C\$
Deficit, beginning of period	(294,113,343)	(285,666,833)
Add:		
Net investment income	3,253,088	7,255,152
Net realised investment and exchange gains / (losses)	1,473,165	(5,985,333)
Deduct:		
Dividend to holders of units	(4,243,902)	(9,716,329)
Deficit, end of period	(293,630,992)	(294,113,343)

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 April 30, 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 \$3.32 million.

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

Date	0 to 5 Years %	5 to 10 Years %	10 Years & Over %
April 30, 2024*	49.8	32.3	17.9
October 31, 2023	38.5	45.3	16.2
April 30, 2023*	42.3	42.3	15.4

* Unaudited

Exchange Value of the Canadian Dollar

Given a substantial proportion of the Company’s assets are invested in securities denominated in foreign currencies, changes in the value of the Canadian Dollar against these foreign currencies can have a significant impact on performance over time. As at April 30, 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 against associated foreign currencies would result in a decrease or increase of approximately C\$1.7 million and

10. 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.

Notes to Financial Statements (unaudited) (continued)

April 30, 2024

C\$1.83 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 13 "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 April 30, 2024, 14.3% 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 April 30, 2024, as compared with the October 31, 2023 and April 30, 2023:

Date	AAA/Aaa %	AA/Aa %	A %	BBB/Baa %	BB/Ba* %	B* %	B or below* %	NR** %
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
April 30, 2023	1.8	0.0	4.0	55.8	17.4	13.5	2.8	4.7

* Below investment grade

** Not Rated

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

April 30, 2024	Contractual cash flows		
	Carrying amount C\$	Within 1 year C\$	Within 1 to 5 years C\$
Non-derivative financial liabilities			
Bank loan	52,341,844	-	52,341,844
Purchases awaiting settlement	1,112,812	1,112,812	-
Amount due to brokers	3,291,578	3,291,578	-
Other payables and accruals	547,894	547,894	-
	57,294,128	4,952,284	52,341,844
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

Notes to Financial Statements (unaudited) (concluded)

April 30, 2024

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 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.

11. Subsequent Events

On May 9, 2024 and June 11, 2024, the Company announced that it will pay on May 31, 2024 and June 28, 2024, respectively, a distribution of C\$0.0175 per Share to all holders of Shares of record as of May 23, 2024 and June 21, 2024, respectively.

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abr dn Asia

The accompanying Financial Statements as at April 30, 2024, were not audited and accordingly, no opinion is expressed therein.

This report, including the audited financial statements, is transmitted to the shareholders of abr dn 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 abr dn 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.abr dnfap.com).

Computershare Trust Company of Canada operates an information line on behalf of abr dn 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.

