



**CITY OF LONDON**  
Investment Management Company Limited

March 22, 2017

Mr. Michael J. Downey, Chairman  
The Asia Pacific Fund, Inc.  
c/o: AST Fund Solutions LLC  
48 Wall Street, 22<sup>nd</sup> Floor  
New York, NY 10005

Dear Mr. Downey,

City of London Investment Management Company Limited (“City of London”), on behalf of our clients, is a long-term investor in emerging markets closed-end funds. We first became a shareholder in The Asia Pacific Fund, Inc. (the “Fund”) more than 15 years ago.

The Fund’s current discount is wide and the average annual discount has widened in each of the past five calendar years (2016: 15.6%; 2015 12.5%; 2014: 10.7%; 2013: 10.3%; 2012: 10.2%) [Source: Bloomberg]. Recent investment performance has been weak (5.8% behind the benchmark index over the 12-month period ending December 31, 2016) [Source: Fund’s “Monthly Fact Sheet”]. In addition, in 2015 the investment manager began to serve as the subadvisor of an open-end mutual fund at a lower annual investment management fee for a smaller pool of assets.

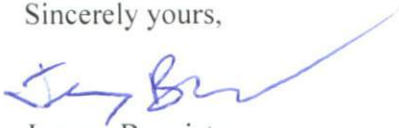
The Board of Directors has been unresponsive to the plight of Fund shareholders and has demonstrated weak corporate governance. Five of the seven Directors have served on the Board for 10 or more years, with three serving since the 1980’s. The discount has averaged greater than 10% over the 12-month period ending February 28, 2017. Therefore, we intend to vote against the re-election of those Directors who are up for re-election in 2017. We note that the voting standard is majority voting. Last year, Mr. Nicholas T. Sibley failed to be re-elected and the Board accepted his resignation.

The relationship between the supply and the demand for Fund shares is clearly out of balance and shareholders have suffered from the Fund’s widening discount. The Board of Directors had many opportunities to take steps – possibly involving a tender, open-ending, merger or liquidation – to address the discount before it reached this point of no return. We believe the Board of Directors

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should now voluntarily take steps to provide for the orderly return of all stockholder equity at NAV less the cost of liquidation expenses.

Sincerely yours,



Jeremy Bannister  
Director, Corporate Governance