



# Pacific Assets Trust plc

Interim Report for the six months ended 31 July 2011



# Company Summary

## Objective

To achieve long term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand (the 'Asia Pacific Region'). Up to a maximum of 20% of the Company's total assets (at the time of investment) may be invested in companies incorporated and/or listed outside the Asia Pacific Region, but whose economic activities are predominantly within the Asia Pacific Region.

## Benchmark

Performance is measured against the MSCI All Country Asia ex Japan Index (total return, sterling adjusted).

## Performance Assessment

The Company exists in a competitive environment and aims to be a leader in its peer group. Reflecting this, it should consistently be within the top third of that group measured by net asset value total return.

The Company is committed to building a long term investment record and will assess itself by reference to its peers on a rolling three year basis.

## Investment Manager

First State Investment Management (UK) Limited

## Manager, Administrator and Company Secretary

Frostrow Capital LLP

## Equity Shareholders' Funds

£162.6 million at 31 July 2011 (31 January 2011: £160.1 million)

## Capital Structure

The Company's capital structure is composed solely of Ordinary Shares. At 31 July 2011 there were 116,848,386 Ordinary Shares in issue (31 January 2011: 116,848,386 Ordinary Shares).

## ISA Status

The Company's shares are eligible for Individual Savings Accounts ('ISAs').

## Website

The Company's website address is [www.pacific-assets.co.uk](http://www.pacific-assets.co.uk)

## Gearing

The Company's committed borrowing facility of US\$20 million with ING Bank N.V. was cancelled by the Company on 6 May 2011.

# Company Summary

Continued

## Key Statistics

	As at 31 July 2011	As at 31 January 2011	% change
Share price	124.00p	131.50p	-5.7
Net asset value per share	139.12p	137.00p	+1.5
Discount of share price to net asset value per share	10.9%	4.0%	n/a
Shareholders' funds	£162.6m	£160.1m	+1.5
Market capitalisation	£144.9m	£153.7m	-5.7

	Six months to 31 July 2011	One year to 31 January 2011
Share price (total return)*	-4.7%	+27.6%
Net asset value per share (total return)*	+2.1%	+21.4%
MSCI All Country Asia ex Japan Index (total return, sterling adjusted)*	+0.9%	+26.4%

\*Source: Morningstar

	Year ended 31 January 2011	Year ended 31 January 2010
Dividends		
Final dividend per share	1.29p	1.29p

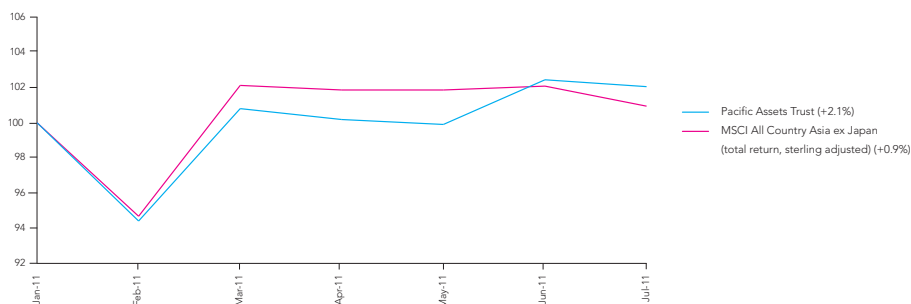
	High	Low
Half Year's Highs/Lows		
Net asset value per share	140.51p	127.30p
Share price	130.00p	115.00p
Discount of share price to net asset value per share†	4.0%	11.6%

### Notes

†Discount high – Narrowest discount in period

Discount low – Widest discount in period

## Net Asset Value Total Return and Benchmark Performance for the Six Months to 31 July 2011

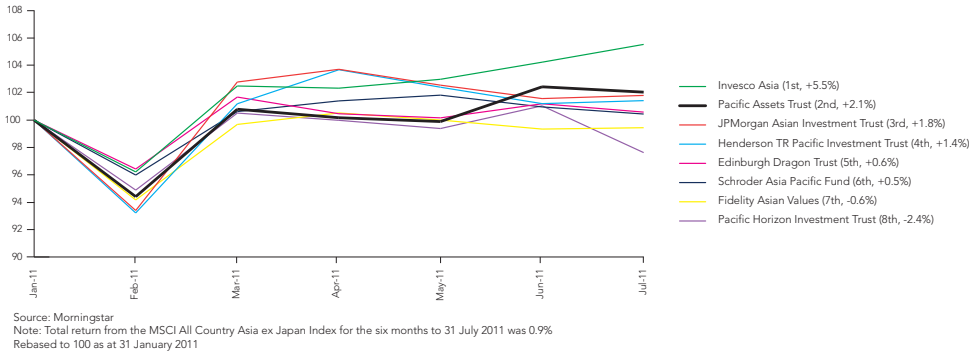


Source: Morningstar

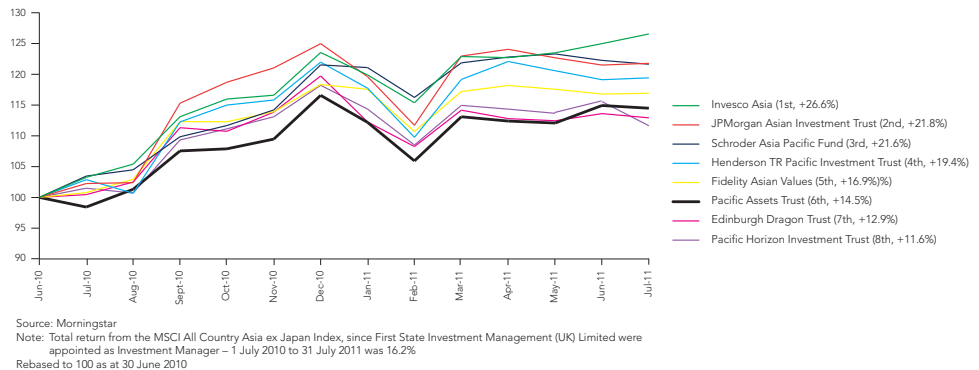
Rebased to 100 as at 31 January 2011

# Performance Graphs

## Net Asset Value Total Return Peer Group Performance for the Six Months to 31 July 2011



## Net Asset Value Total Return Peer Group Performance Since First State Investment Management (UK) Limited Were Appointed as Investment Manager



# Chairman's Statement



I am pleased to report that the resolution to amend the Company's investment objective and policy was passed at the Company's Annual General Meeting in June. Your Investment Manager is now permitted to invest up to 20% of your Company's total assets in companies which are incorporated and/or listed outside the Asia Pacific region and the Indian sub-continent but excluding Japan, Australia and New Zealand, but whose economic activities are predominantly within this region. At the half-year end 5.7% of the Company's total assets were invested in such companies. A report from your Investment Manager can be found beginning on page 5.

## Performance

During the six month period under review, the Company's net asset value total return was 2.1%, making your Company the second best performing investment trust in our peer group in terms of investment performance. This compares to a total return from the sterling adjusted MSCI All Country Asia ex Japan Index of 0.9%. The share price total return for the period was -4.7%; reflecting an increase in the share price discount to net asset value per share from 4.0% as at 31 January 2011 to 10.9% as at 31 July 2011. This is in line with a similar widening of the discounts of peer group companies.

## Share Capital and Discount Policy

The Company renewed the authority to repurchase its own shares at the Annual General Meeting. As the Board has previously indicated, through this authority it is intended, when necessary, to ensure that the discount between the Company's share price and the net asset value per share is not out of line with the share price discount of similar peer group investment companies. During the past six months and to the date of this report there have been no repurchases of shares.

## Gearing

The Company's loan facility, which had been provided by ING Bank N.V., was cancelled by the Board on 6 May 2011 as First State Investment Management (UK) Limited, the Company's Investment Manager, did not envisage utilising this facility during the period when it was available. The Board, in conjunction with First State, will continue to review this strategy.

## Revenue Account and Dividend

The investments selected by First State have given rise to an investment portfolio which generates a higher level of income when compared to that of our previous Investment Manager. This, together with lower costs, particularly relating to marketing and savings scheme administration, has resulted in an increased level of net revenue for the period under review to £2.3m (six months ended 31 July 2010: £0.9m).

The Board expects that, on the basis of revenue estimates for the full year, the Company's dividend will be greater than in the previous year. The Board reminds shareholders that it remains the Company's policy to pursue capital growth for shareholders with income being a secondary consideration. The amount of the dividend for the full year to 31 January 2012 is expected to be announced in March 2012.

## Outlook

While equity markets remained firm in the first half of 2011, a change in sentiment was evident at the start of the second half as markets began to be adversely affected by global economic issues such as credit concerns in the highly indebted eurozone countries and also the ability of the US administration to address the high levels of government debt. These issues are continuing to unsettle investors at the present time and it is likely that markets will remain volatile whilst these uncertainties persist. However, the Board continues to believe that the long term investment case for the Asia Pacific region remains robust due, in part, to its demographics and continued high levels of investment spending. Your Board remains confident that the patient investor in the Asia Pacific region will be well rewarded over time.

David Nichol  
Chairman

27 September 2011

# Investment Manager's Report

## Performance

The Asia ex-Japan region was subdued over the six month period with the benchmark index only rising by 0.9%. Markets were influenced by global concerns, in particular the ongoing sovereign debt crisis in the eurozone and worries about the outlook for the global economy.

At a country level there was significant divergence with the smaller markets of Indonesia, the Philippines and Thailand performing very well as investors remained positive about the economic prospects of these markets. On the negative side, China, Hong Kong and Taiwan were particularly weak. China and Hong Kong were influenced by tightening measures in China and Taiwan was hit by worries about global demand.

At a sector level, Consumer Discretionary and Consumer Staples both outperformed on increasing optimism about consumption across the region. Industrials and Information Technology underperformed on concerns about the global growth outlook.

The Company outperformed its benchmark index over the period. Companies which were particularly strong included Marico (India: Consumer Staples), Kasikornbank (Thailand: Financials) and Hong Kong & China Gas (Hong Kong: Utilities). Marico rose as investor optimism towards consumption growth returned and Kasikornbank benefited from very strong performance by the Thai market. Hong Kong & China Gas added to performance on the positive outlook for the company in Mainland China.

## Collective denial

We are frequently asked what our view is on market volatility. We do not have a view on volatility as such. However, given the dramatic collapse in investment time horizons over recent years it is not surprising that markets seem to be unable to focus on more than one day, one rumour, or one G8 meeting at a time. Perhaps this is no bad thing, as the medium-term economic and political prospects for many Western countries appear fairly bleak. The global financial system is fraught with more problems now than it was before the previous 'financial crisis' while most Western societies are far from ready to face up to the challenges of deleveraging and weaning themselves off debt. A sense of collective denial still seems to be prevalent, as everyone looks to the next bailout or rescue package. Contrast this, for example, with the reaction of many South Koreans, at the height of the Asian crisis in 1997, who rallied together to donate voluntarily their own gold to rebuild the country's financial reserves.

## Still 30% too expensive?

Despite our global concerns, we are happier stockpickers today than we have been for a long time. For several years now, the valuations of many of our favourite Asian companies have ranged from expensive to very expensive. As the global appetite for risk unwinds and much of the hot, short-term money sitting in our markets departs, we are hopeful that many of these high quality Asian companies will come back into range again. A few have already made it, but for most we are not quite there yet. Companies such as Asian Paints and HDFC of India, Ayala Land of the Philippines, China Merchant Bank and Unilever Indonesia are still probably at least 30% too expensive. Fortunately, outside the 'BRIC' markets, valuations are much more reasonable. 'Peripheral' areas of the market such as Korea, the Philippines and Taiwan, continue to offer good pockets of value. We would note in passing that many good quality companies in the US and Europe appear to be much more reasonably priced at present than their Asian counterparts. While the long-term growth prospects are certainly better in Asia, perhaps investors in these asset classes are still expecting too much? As we are often reminded, politics and economics do not always go hand-in-hand with stock market returns.

## Political earthquakes

The greatest threat to long-term returns in Asia remains the risk of a large political earthquake that spreads across the region. Extended economic pain often triggers extreme political change, which by its nature is very hard to predict. While all countries are in theory vulnerable, some are much more so than others. Many European countries have already witnessed the arrival of civil unrest and the first signs of political extremism. Within Asia, there are two likely epicentres. The first is centred on Pakistan where the political fabric remains extremely vulnerable to capture by extremist groups on either side of the political divide. Recent events in Karachi are not encouraging. It also seems likely that as the US economy slows further, US troops will withdraw faster from the region, leaving the current Pakistani government increasingly exposed. The conciliatory reaction of the Indian Government in the wake of the 2008 Mumbai attacks will not be repeated again.

The other potential epicentre of political risk remains China. One of Asia's better research houses, Asianomics, recently published an interesting summary on China. Gathering together the usual statistics on hidden non-performing loans, corruption and an over-dependence on fixed asset investment, they paint a worrying picture

# Investment Manager's Report

Continued

of an economy that is out of balance, with an over-reliance on state-sponsored, state-managed capital allocation. According to the report, less than 50 of the 1400 companies listed on China's mainland stock markets are genuinely private. Of course, this could be China's saving grace. Private enterprise has caused plenty of problems for Western economies in recent years and we meet plenty of Chinese state-owned enterprises who appear to run their businesses much more efficiently than their Western counterparts. That said, the challenges thrown up by this model are huge and the balancing act is becoming ever harder. The report notes that China has 'gone from being the most equal society in all of Asia...to the most unequal society in all of Asia in the space of one generation.' We continue to monitor political risk across the region as closely as possible.

## Engagement

Engagement with management teams is one important way in which we can reduce the risk in our portfolios. Our engagement approach is evolving over time, thanks to the arrival of new services such as Rep Risk. Rep Risk is a service provider which gathers all the negative news items which we are unlikely to hear from the companies themselves! It is quick and easy to use, and allows us to go into each company meeting armed with a list, sometimes long, sometimes short, of key environmental, social and governance (ESG) issues concerning the company. As time goes by, these questions have started to form a more central part of the meeting itself, rather than simply the basis for a follow-up letter. Sometimes, the issue in question is fundamental to the entire future of the Company. Community relations and license to operate often fall into this category. Sometimes the issue is on its own financially immaterial. For example, we have been engaging with one of our Indian consumer companies on the issue of antibiotics in their honey. Currently honey sales are only a very small percentage of sales. Even if they shut down their honey factories tomorrow, earnings would not be affected to any great degree. Despite this financial immateriality, engagement still provides a very useful insight into a wide range of important criteria used to assess overall quality of management. These range from insights into management integrity, board oversight and corporate attitude to risk, to the strategic vision of management in positioning their businesses for shifting consumer trends and regulatory risks. The nature of a management's response to the external challenge of such questions, can in itself provide a very useful understanding of the underlying corporate culture.

## Headwinds and tailwinds

One of the many remarkable things about the current crisis in the West is the absence of meaningful debate on why economies became so unbalanced in the first place. Perhaps this debate will never happen. Either way, it seems likely that developed and developing economies alike will be forced to move away from the unbalanced, debt-dependent, resource-intensive economic growth models of the past and move towards more genuinely sustainable development paths. While it may take years, or even decades, for this shift to happen, companies that are overly-exposed to these old economic growth models are likely to face stiffening headwinds. By contrast, those companies well positioned for this shift are likely to benefit from favourable tailwinds.

We continue to seek out well-managed companies in this latter category, be it companies providing affordable goods and services with a strong social need, responsible financial companies, cleaner and more efficient technology providers or those focused on building good quality, social infrastructure across the region.

In the short-term, even these 'tailwind' companies are likely to struggle to deliver positive returns if global growth slows significantly, although they remain much better placed to weather the gathering economic and political storm than their 'headwind' counterparts. We also expect them to fair much better when the skies finally clear. We have no idea how long the storm will last. We are convinced, however, that when it does pass, our companies will emerge in a strong position to deliver attractive returns to those prepared to invest for the long-term in the region.

## David Gait

Senior Investment Manager  
First State Investment Management (UK) Limited

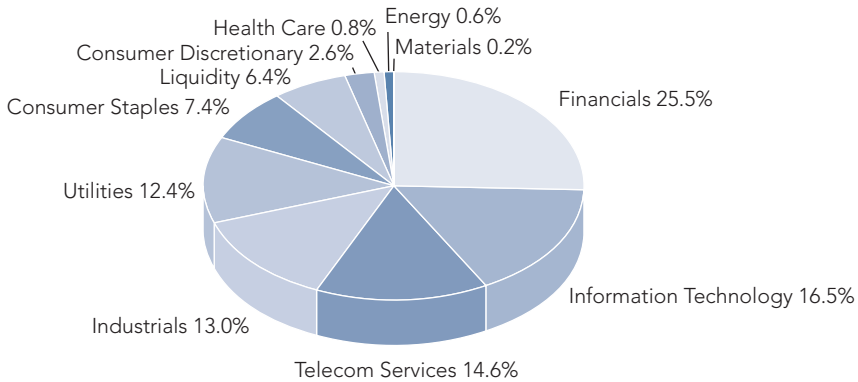
27 September 2011

# Portfolio Distribution

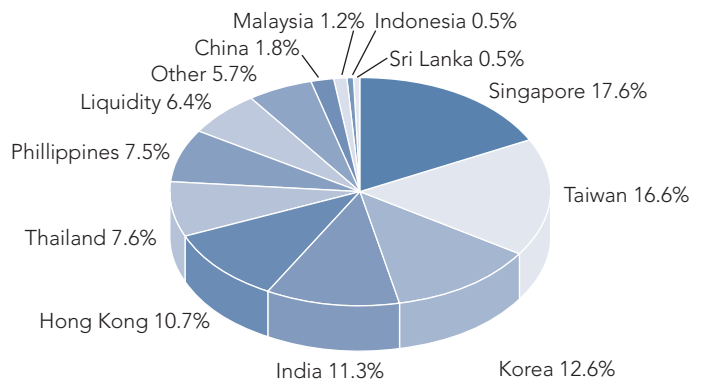
(% of total assets less current liabilities)

as at 31 July 2011

## Sector Analysis



## Geographical Analysis by Country of Incorporation





# Portfolio

as at 31 July 2011

Company	Sector*	Market valuation £'000	% of total assets less current liabilities	Country of incorporation
DBS Group	Financials	8,085	5.0	Singapore
Taiwan Semiconductor Manufacturing Company	Information Technology	7,641	4.7	Taiwan
Manila Water	Utilities	6,776	4.1	Philippines
Hong Kong & China Gas	Utilities	6,487	4.0	Hong Kong
Singapore Telecommunications	Telecom Services	6,359	3.9	Singapore
DGB Financial	Financials	5,551	3.4	South Korea
Kasikornbank	Financials	5,539	3.4	Thailand
Samsung Fire & Marine Insurance	Financials	5,499	3.4	South Korea
Delta Electronics (Thailand)	Information Technology	4,880	3.0	Thailand
Singapore Post	Industrials	4,840	3.0	Singapore
<b>Ten largest investments</b>		<b>61,657</b>	<b>37.9</b>	
Marico	Consumer Staples	4,592	2.8	India
SMRT	Industrials	4,473	2.8	Singapore
KT Corp ADR	Telecom Services	4,282	2.6	South Korea
Philippine Long Distance Telephone	Telecom Services	4,234	2.6	Philippines
Towngas China	Utilities	3,986	2.5	Cayman Islands
E.Sun Financial Holdings	Financials	3,904	2.4	Taiwan
Henderson Land Development	Financials	3,599	2.2	Hong Kong
Swire Pacific	Financials	3,342	2.1	Hong Kong
Dabur India	Consumer Discretionary	3,178	2.0	India
SembCorp Industries	Industrials	3,166	1.9	Singapore
<b>Twenty largest investments</b>		<b>100,413</b>	<b>61.8</b>	
Transport International Holdings	Industrials	3,161	1.9	Bermuda
Chunghwa Telecom	Telecom Services	3,125	1.9	Taiwan
Wipro	Information Technology	3,121	1.9	India
Tata Power	Utilities	2,975	1.8	India
China Telecom	Telecom Services	2,862	1.8	China
Chroma ATE	Information Technology	2,844	1.8	Taiwan
Delta Electronics	Information Technology	2,522	1.6	Taiwan
E-Mart	Consumer Staples	2,340	1.4	South Korea
Vitasoy International Holdings	Consumer Staples	2,090	1.3	Hong Kong
Siam Commercial Bank	Financials	1,937	1.2	Thailand
<b>Thirty largest investments</b>		<b>127,390</b>	<b>78.4</b>	
<b>Other investments (25)</b>		<b>24,745</b>	<b>15.2</b>	
<b>Total portfolio</b>		<b>152,135</b>	<b>93.6</b>	
<b>Net current assets</b>		<b>10,429</b>	<b>6.4</b>	
<b>Total assets less current liabilities</b>		<b>162,564</b>	<b>100.0</b>	

\*MSCI sector classifications

# Unaudited Income Statement

for the six months ended 31 July 2011

	Six months ended 31 July 2011			Six months ended 31 July 2010			Year ended 31 January 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	2,273	2,273	–	7,883	7,883	–	27,044	27,044
Losses on derivative arrangements	–	–	–	–	(28)	(28)	–	(28)	(28)
Exchange differences on currency balances	–	(31)	(31)	–	586	586	–	635	635
Income	3,043	–	3,043	1,942	–	1,942	3,279	–	3,279
Investment management and management fees	(186)	(558)	(744)	(186)	(560)	(746)	(509)	(1,117)	(1,626)
Other expenses	(336)	(2)	(338)	(720)	–	(720)	(1,153)	(36)	(1,189)
<b>Net return before finance costs and taxation</b>	<b>2,521</b>	<b>1,682</b>	<b>4,203</b>	<b>1,036</b>	<b>7,881</b>	<b>8,917</b>	<b>1,617</b>	<b>26,498</b>	<b>28,115</b>
Interest payable	–	–	–	(2)	–	(2)	–	–	–
<b>Return on ordinary activities before taxation</b>	<b>2,521</b>	<b>1,682</b>	<b>4,203</b>	<b>1,034</b>	<b>7,881</b>	<b>8,915</b>	<b>1,617</b>	<b>26,498</b>	<b>28,115</b>
Taxation on ordinary activities	(246)	–	(246)	(178)	–	(178)	(106)	–	(106)
<b>Return attributable to equity shareholders</b>	<b>2,275</b>	<b>1,682</b>	<b>3,957</b>	<b>856</b>	<b>7,881</b>	<b>8,737</b>	<b>1,511</b>	<b>26,498</b>	<b>28,009</b>
<b>Return per Ordinary Share (note 2)</b>	<b>1.95p</b>	<b>1.44p</b>	<b>3.39p</b>	<b>0.72p</b>	<b>6.67p</b>	<b>7.39p</b>	<b>1.29p</b>	<b>22.54p</b>	<b>23.83p</b>

The Total column of this statement represents the Company's Income Statement.

The Revenue and Capital columns are supplementary to this and are both prepared under guidance published by the Association of Investment Companies (AIC).

All revenue and capital items in the Income Statement derive from continuing operations.

The Company had no recognised gains or losses other than those declared in the Income Statement.

## Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 July 2011

	Six months ended 31 July 2011 £'000	Six months ended 31 July 2010 £'000	Year ended 31 January 2011 £'000
Opening shareholders' funds	160,086	135,254	135,254
Return for the period	3,957	8,737	28,009
Repurchase of own shares for cancellation	–	(1,650)	(1,650)
Dividends paid	(1,507)	(1,527)	(1,527)
Return of unclaimed dividends	28	–	–
<b>Closing shareholders' funds</b>	<b>162,564</b>	<b>140,814</b>	<b>160,086</b>

# Unaudited Balance Sheet

as at 31 July 2011

	As at 31 July 2011 £'000	As at 31 July 2010 £'000	As at 31 January 2011 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	152,135	133,321	151,657
<b>Current assets</b>			
Debtors	853	1,160	5,276
Cash at bank	10,216	7,470	10,191
	11,069	8,630	15,467
<b>Creditors</b> (amounts falling due within one year)	(640)	(1,137)	(7,038)
<b>Net current assets</b>	10,429	7,493	8,429
<b>Net assets</b>	162,564	140,814	160,086
<b>Capital and reserves</b>			
Share capital	14,606	14,606	14,606
Share premium account	4	4	4
Capital redemption reserve	1,648	1,648	1,648
Special reserve	14,572	14,572	14,572
Capital reserve	126,790	106,491	125,108
Revenue reserve	4,944	3,493	4,148
<b>Equity shareholders' funds</b>	162,564	140,814	160,086
<b>Net asset value per Ordinary Share</b> (note 3)	139.12p	120.51p	137.00p

# Summarised Unaudited Statement of Cash Flows

for the six months ended 31 July 2011

	Six months ended 31 July 2011 £'000	Six months ended 31 July 2010 £'000	Year ended 31 January 2011 £'000
Net cash inflow from operating activities	1,175	301	680
Servicing of finance	–	(2)	–
<b>Financial investment</b>			
Purchases of investments and derivatives	(27,633)	(123,732)	(152,641)
Sales of investments and derivatives	27,993	132,675	163,875
<b>Net cash inflow from financial investment</b>	<b>360</b>	<b>8,943</b>	<b>11,234</b>
Equity dividends paid	(1,507)	(1,527)	(1,527)
Return of unclaimed dividends	28	–	–
<b>Equity dividends</b>	<b>(1,479)</b>	<b>(1,527)</b>	<b>(1,527)</b>
<b>Net cash inflow before financing</b>	<b>56</b>	<b>7,715</b>	<b>10,387</b>
Financing – repurchase of own shares for cancellation	–	(1,650)	(1,650)
<b>Increase in cash</b>	<b>56</b>	<b>6,065</b>	<b>8,737</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash resulting from cash flows	56	6,065	8,737
Exchange differences on currency balances	(31)	586	635
Movement in net funds	25	6,651	9,372
Net funds at 1 February	10,191	819	819
<b>Net funds at 31 July/31 January</b>	<b>10,216</b>	<b>7,470</b>	<b>10,191</b>
<b>Reconciliation of net return before finance costs and taxation to net cash flow from operating activities</b>			
Net return before finance costs and taxation	4,203	8,917	28,115
Gains on investments	(2,273)	(7,883)	(27,044)
Losses on derivative arrangements	–	28	28
Exchange differences on currency balances	31	(586)	(635)
Irrecoverable withholding tax on investment income	(135)	(121)	(281)
Changes in working capital and other non-cash items	(651)	(54)	497
<b>Net cash inflow from operating activities</b>	<b>1,175</b>	<b>301</b>	<b>680</b>

# Notes to the Accounts

for the six months ended 31 July 2011

## 1. Basis of preparation

The condensed financial statements have been prepared under the historical cost convention, except for the measurement of investments which are valued at fair value, and in accordance with applicable accounting standards, the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' dated January 2009 and the UK Accounting Standards Board's Statement 'Half Yearly Financial Reports'.

The same accounting policies that were used for the year ended 31 January 2011 have been applied in these financial statements.

## 2. Return per ordinary share

The total return per ordinary share price is based on the total return attributable to Shareholders of £3,957,000 (six months ended 31 July 2010: £8,737,000; year ended 31 January 2011: £28,009,000) and on 116,848,386 shares (six months ended 31 July 2010: 118,190,927; year ended 31 January 2011: 117,514,139), being the weighted average number of shares in issue.

The revenue return per ordinary share price is calculated by dividing the net revenue return attributable to Shareholders of £2,275,000 (six months ended 31 July 2010: £856,000; year ended 31 January 2011: £1,511,000) by the weighted average number of shares in issue as above.

The capital return per ordinary share price is calculated by dividing the net capital return attributable to Shareholders of £1,682,000 (six months ended 31 July 2010: £7,881,000; year ended 31 January 2011: £26,498,000) by the weighted average number of shares in issue as above.

## 3. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to Shareholders of £162,564,000 (31 July 2010: £140,814,000; 31 January 2011: £160,086,000) and on 116,848,386 shares in issue (31 July 2010: 116,848,386; 31 January 2011: 116,848,386).

## 4. 2011 accounts

These are not statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year to 31 January 2011, which received an unqualified audit report, have been lodged with the Registrar of Companies. No statutory accounts in respect of any period after 31 January 2011 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

Earnings for the first six months should not be taken as a guide to the results for the full year.

# Statement of Principal Risks and Uncertainties

The Company's assets consist of listed securities and its main risks are therefore market related. The Company is also exposed to currency risk in respect of the markets in which it invests. Other risks faced by the Company include external, investment and strategic, regulatory, operational, and financial risks. These risks, and the way in which they are managed, are described in more detail under the heading Principal Risks and Risk Management within the Business Review in the Company's Annual Report for the year ended 31 January 2011. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

## Related Party Transactions

During the first six months of the current financial year no material transactions with related parties have taken place which have affected the financial position or the performance of the Company during the period.

## Statement of Directors' Responsibilities in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed financial statements have been prepared in accordance with the Statement 'Half Yearly Financial Reports' issued by the UK Accounting Standards Board and give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Chairman's Statement and the Investment Manager's Report (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Statement of Principal Risks and Uncertainties shown above is a fair review of the information required by DTR 4.2.7R; and
- the condensed financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Company during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

The Interim Report has not been reviewed or audited by the Company's auditors.

On behalf of the Board

**D B Nichol**  
Chairman

27 September 2011

# How to Invest

## Alliance Trust Savings Limited

The Company's shares are available through savings plans (including Investment Dealing Accounts, ISAs and SIPPs) operated by Alliance Trust Savings Limited, which facilitates both regular monthly investments and lump sum investments in the Company's shares. Shareholders who would like information on the savings plans should call Alliance Trust Savings Limited on 01382 573737 or log on to [www.alliancetrustsavings.co.uk](http://www.alliancetrustsavings.co.uk) or email [contact@alliancetrust.co.uk](mailto:contact@alliancetrust.co.uk). Calls to this number may be recorded for monitoring purposes.

An Individual Savings Account ('ISA') is a tax efficient method of investment for an individual which gives the opportunity to invest in the Company up to £10,680 in the tax year 2011/2012 and in subsequent tax years when they subscribe to a Stocks and Shares ISA.

*The preceding two paragraphs have been issued and approved by Alliance Trust Savings Limited. Alliance Trust Savings Limited of PO Box 164, 8 West Marketgait, Dundee, DD1 9YP, is registered in Scotland with number SC98767. Alliance Trust Savings Limited provides investment products and services and is authorised and regulated by the Financial Services Authority. It does not provide investment advice.*

## Equiniti Share Dealing Service

An internet and telephone dealing service is available through the Company's registrar, Equiniti. This provides a simple way for UK shareholders of Pacific Assets Trust plc to buy or sell the Company's shares. For full details and terms and conditions simply log onto [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing) or call 08456 037037 between 8.00am and 4.30pm Monday to Friday. This service is only available to shareholders of Pacific Assets Trust plc who hold shares in their own name, with a UK registered address and who are aged 18 and over.

*Shareview Dealing is provided by Equiniti Financial Services Limited which has issued and approved the preceding paragraph. Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA is registered in England and Wales with number 6208699. Equiniti Financial Services Limited is authorised and regulated by the Financial Services Authority.*

## Risk Warnings

*Past performance is no guarantee of future performance. The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares. As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with the supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons investors may not get back the original amount invested. Although the Company's shares are denominated in sterling, it may invest in stocks and shares which are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result the value of your investment may rise or fall with movements in exchange rates. Investors should note that tax rates and reliefs may change at any time in the future. The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatments of ISAs may not be maintained.*

# Corporate Information

## Directors

D B Nichol, FCA (Chairman)\*  
R M A Horlick  
S H Leckie, OBE  
T F Mahony  
N M S Rich, CBE, FCA†

## Registered Office

16 Charlotte Square  
Edinburgh EH2 4DF

## Website

[www.pacific-assets.co.uk](http://www.pacific-assets.co.uk)

## Company Registration Number

SC091052 (Registered in Scotland)

The Company is an investment company as defined under Section 833 of the Companies Act 2006

## Investment Manager

First State Investment Management  
(UK) Limited  
Level 1, 23 St. Andrew Square  
Edinburgh EH2 1BB  
Telephone: 0131 473 2200  
Website: [www.firststate.co.uk](http://www.firststate.co.uk)

*Authorised and regulated by the Financial Services Authority*

## Manager, Administrator and Company Secretary

Frostrow Capital LLP  
25 Southampton Buildings  
London WC2A 1AL  
Telephone: 0203 008 4910  
Email: [info@frostrow.com](mailto:info@frostrow.com)  
Website: [www.frostrow.com](http://www.frostrow.com)

*Authorised and regulated by the Financial Services Authority*

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by email, please contact Frostrow Capital using the above email address.

## Custodian Bankers

JPMorgan Chase Bank  
125 London Wall  
London EC2Y 5AJ

## Auditors

KPMG Audit plc  
Saltire Court  
20 Castle Terrace  
Edinburgh EH1 2EG

## Brokers

Collins Stewart Europe Limited  
88 Wood Street  
London EC2V 7QR

## Solicitors

Dickson Minto WS  
16 Charlotte Square  
Edinburgh EH2 4DF

## Identification Codes

SEDOL: 0667438  
ISIN: GB0006674385  
Bloomberg: PAC LN  
EPIC: PAC

\* Chairman of the Engagement and Remuneration Committee and the Nomination Committee

† Chairman of the Audit Committee and Senior Independent Director



The Company is a member of The Association of Investment Companies.







#### Registered Office

16 Charlotte Square  
Edinburgh EH2 4DF  
[www.pacific-assets.co.uk](http://www.pacific-assets.co.uk)

#### Registrars

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
Registrars' Shareholder Helpline: 0871 384 2466\*  
Registrars' Broker Helpline: 0871 384 2779\*  
Website: [www.equiniti.com](http://www.equiniti.com)

\*Calls to these numbers are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary.

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