



Pacific Assets Trust plc

Half Year Report & Accounts for the
six months ended 31 July 2013

Contents

Company Summary	1
Peer Group Performance	2
Chairman's Statement	3
Investment Manager's Review	4-5
Portfolio	6-7
Portfolio Distribution	8
Income Statement	9
Reconciliation of Movements in Shareholders' Funds	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Accounts	12-13
Interim Management Report	14
How to Invest	15
Information about the Company	16

Financial Calendar

Financial Year End	31 January
Final Results Announced	March
Half Year End	31 July
Half Year Results Announced	September
Interim Management Statement Announced	June/December
Dividend Payable	June
Annual General Meeting	June

Management

The Company employs First State Investment Management (UK) Limited as Investment Manager and Frostrow Capital LLP to provide company management, company secretarial, administrative and marketing services.

Capital Structure

The Company's capital structure is composed solely of ordinary shares. At 31 July 2013 there were 116,848,386 ordinary shares in issue (31 January 2013: 116,848,386).

Gearing

The Company is not currently geared.

Website

The Company's website address is www.pacific-assets.co.uk

The Company

The Company is an investment trust and its shares are listed on the Official List and traded on the main market of the London Stock Exchange.

Total assets less current liabilities as at 31 July 2013 were £196.5 million and the market capitalisation was £190.5 million.

Investment 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, including Japan, Australia and New Zealand, but whose economic activities are predominantly within the Asia Pacific Region.

Investment Policy

The Company invests principally in listed equities although it is able to invest in other securities, including preference shares, debt instruments, convertible securities and warrants. In addition, the Company may invest in open and closed-ended investment funds and companies.

The Company is able to invest in unlisted securities and it is the Board's current intention that such investments are limited to those which are expected to be listed on a stock exchange or which cease to be listed and the Investment Manager considers appropriate, or is required, to continue to hold.

There are no defined limits on countries or sectors. However, the Board has set a current limit for a single investment of 7.5% of total assets at the time of investment.

No more than 10% of the Company's total assets may be invested in other listed closed-ended investment companies unless such investment companies themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies, in which case the limit is 15%.

The use of derivatives is permitted with prior Board approval and within agreed limits. However, the Investment Manager is unlikely to use derivatives.

Performance Assessment

The Company exists in a competitive environment and aims to be a leader in its peer group, defined by being consistently 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.

Performance is also measured against the MSCI All Country Asia ex Japan Index measured in sterling terms on a total return basis.

Sustainable Investment

- First State looks to invest clients' capital in quality companies that have sound growth prospects, then actively engages with them over the long-term;
- Determining the quality of a company involves assessing the management, the franchise and the financials; it also entails assessing the sustainability performance and positioning of a company;
- Sustainability is the degree to which a company will benefit from and contribute to achieving higher levels of human development by using the fewest possible resources;
- First State has a strong conviction that the sustainability of companies defines their quality and plays an important role in determining their future growth.

Company Summary

Key Statistics

	As at 31 July 2013	As at 31 January 2013	% change
Share price	163.0p	147.5p	+10.5
Net asset value per share	168.2p	160.6p	+4.7
Discount of share price to net asset value per share	3.1%	8.2%	–
Shareholders' funds	196.5m	187.6m	+4.7
Market capitalisation	190.5m	172.4m	+10.5
	Six months to 31 July 2013	One year to 31 January 2013	
Share price (total return)*	+12.3%	+30.9%	
Net asset value per share (total return)*	+6.9%	+24.8%	
MSCI All Country Asia ex Japan Index (total return, sterling adjusted)*	–1.1%	+12.1%	

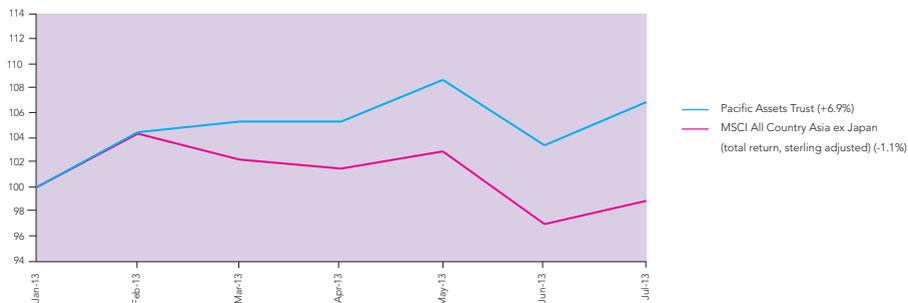
*Source: Morningstar

	Year ended 31 January 2013	Year ended 31 January 2012	
Dividends			
Final dividend per share	2.60p	2.60p	–

Half Year's Highs/Lows	High	Low
Net asset value per share	178.2p	152.5p
Share price	167.1p	143.0p
Discount of share price to net asset value per share†	1.4%	12.2%

†Discount high – Narrowest discount in period
Discount low – Widest discount in period

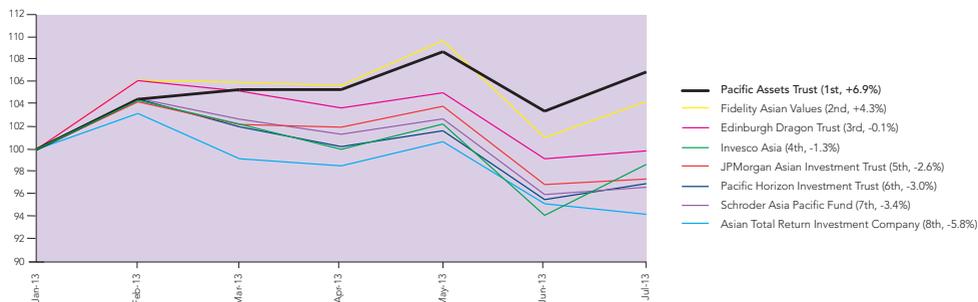
Net Asset Value Total Return and Benchmark Performance for the Six Months to 31 July 2013



Source: Morningstar
Rebased to 100 as at 31 January 2013

Peer Group Performance

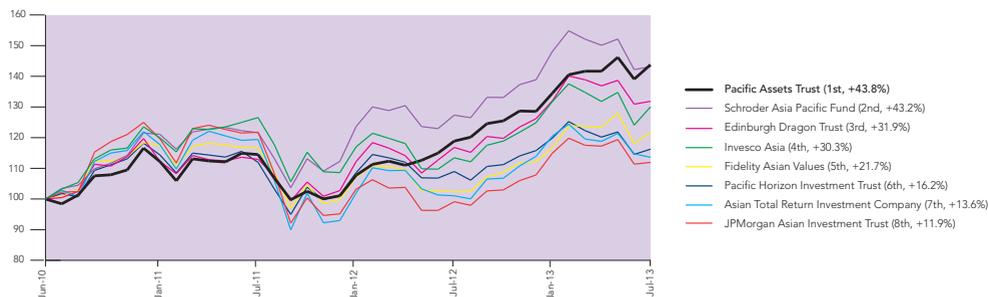
Net Asset Value Total Return Peer Group Performance for the Six Months to 31 July 2013



Source: Morningstar

Note: Total return from the MSCI All Country Asia ex Japan Index for the six months to 31 July 2013 was -1.1%
Rebased to 100 as at 31 January 2013

Net Asset Value Total Return Peer Group Performance since First State Investment Management (UK) were appointed as Investment Manager



Source: Morningstar

Note: Total return from the MSCI All Country Asia ex Japan Index since First State Investment Management (UK) Limited were appointed as Investment Manager, 1 July 2010 to 31 July 2013 was +20.2%

Rebased to 100 as at 30 June 2010

Chairman's Statement



"Following excellent performance last year I am pleased to report that the current financial year has started strongly."

Performance

Following excellent performance last year I am pleased to report that the current financial year has started strongly. During the six month period ended 31 July 2013, the Company's share price total return was +12.3% and the net asset value total return was +6.9%. This compares to a total return from the sterling adjusted MSCI All Country Asia ex Japan Index of -1.1%. The Company was the best performing member of its peer group during the period under review. Significantly, it has also been the best performer since the appointment of First State as the Company's Investment Manager in July 2010.

The Company's strong share price performance reflected a decrease in the share price discount to net asset value per share from 8.2% as at 31 January 2013 to 3.1% as at 31 July 2013.

Further information on the Company's investment strategy can be found in our Investment Manager's review beginning on page 4.

Share Capital and Discount Policy

The Company's strong share price performance relative to net asset value has continued since the half year end and as at 27 September 2013 it was trading at a 2.3% discount. The Board continues to monitor this closely.

At the last Annual General Meeting, the Company renewed the authorities to issue and to purchase its own shares. The Board will use the authority to purchase shares 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.

Similarly, it will make shares available to the market if a sustained premium to net asset value were to develop.

Revenue Account and Dividend

As mentioned in the Annual Report, the net revenue generated during the year to 31 January 2013 fell when compared to the previous year due to a reduction in the overall yield from portfolio investments. However, the Board has continued its drive to control costs, and this has, in part, helped to achieve an unchanged level of net income for the period of £2.1m. The Board reminds shareholders that it remains the Company's policy to pursue capital growth for shareholders with income being a secondary consideration.

The Board

I am delighted to welcome James Williams onto the Board with effect from 1 October 2013. James brings with him a wealth of experience having held a number of senior roles at Baring Asset Management, including Chief Investment Officer and Head of International Business (Asia, Europe, Middle East and U.S.). He is currently a non-executive Director of Investors Capital Trust PLC and JPMorgan American Investment Trust PLC and was formerly a non-executive Director of Close Brothers Group PLC and Royal London Growth & Income Trust PLC.

A resolution proposing his election to the Board will be considered by shareholders at the Annual General Meeting of the Company to be held on 24 June 2014.

Regulatory

The Board has noted that the Alternative Investment Fund Managers Directive (the 'Directive') was written into UK legislation with effect from 22 July 2013. There is a one-year transition period within which the Company must comply with the provisions of the Directive, which includes the appointment of an Alternative Investment Fund Manager ('AIFM'). The Board, together with its advisers, is currently reviewing the options open to the Company and will ensure that all documentation and processes to enable the Company to comply with the Directive are in place within the transition period.

Outlook

The deterioration in the short-term outlook for a number of countries in Asia remains a concern and comes within the context of excessive monetary growth in the USA and Europe being wound down. Your Board continues to believe that your investment manager's efforts to identify well managed companies which embrace a sustainable approach to business will provide superior returns over the longer term.

David Nichol
Chairman

27 September 2013

Investment Manager's Review

"The choice is this: impose capital controls or let the Fed run your economy."

Robin Harding, FT, Wed 28 August, 2013.

Most Asian countries chose the latter and are now feeling the consequences. Much of the rise in Asian asset prices over the past few years has been attributable to the fall-out from the extreme monetary policies being pursued in the U.S. and Europe. As abundant liquidity from the West found its way into most, if not all, Asian asset classes, from property to Government debt to equity prices, many asset prices have re-rated beyond levels warranted by improvements in the underlying fundamentals of these assets. In recent months this process has started to reverse as markets finally realised that the monetary printing presses will not be left on indefinitely. As a result, the "hot" money has started to exit most Asian asset classes.

Despite the immediate fall in the share prices of many of the Company's holdings, the reduced presence of "hot" money in Asian financial markets is good news for the Company's long-term investors. Most obviously, share prices of some of our favourite companies have finally started to return to more acceptable levels, allowing us to slowly increase the Company's stakes in some of Asia's best companies that were hitherto out-of-reach on valuation grounds. As importantly, the removal of temporary liquidity in the region has shone a bright light on the structural weaknesses still inherent in some Asian countries, most notably India and Indonesia, which both suffer from infrastructure bottlenecks, weak governance and glaring fiscal and current account deficits. In both countries, a rapidly depreciating currency has turned what was a long-festering "mini-crisis" into a full-blown economic crisis that has finally got the attention of policymakers and Government officials as a sense of panic and urgency has taken hold. It is too early to tell whether the Indian and Indonesian Governments will be able to overcome short-term political pressures and deliver meaningful long-term structural reforms but the faster the currencies continue to depreciate, the greater the chances of success.

Most, if not all, Asian countries will be affected should the reversal of these "hot" flows of capital away from the region continue. The degree to which they are affected will depend in large part on the relative health of their underlying economies. For example, in contrast to India and Indonesia, the Philippines remains in particularly good shape, thanks to a large, steady stream of remittances of foreign earnings from its large overseas workforce and an economy just at the beginning of a cyclical upturn. Elsewhere, we, like many others, remain concerned that the investment-intensive, state-orchestrated Chinese economic model may be storing up serious structural problems within its huge banking system. Should Chinese savers start to lose confidence, it is not clear whether China's traditional capital controls would be able to hold back the subsequent exodus of domestic capital.

Performance

Given our long-term focus, it is difficult for us to comment on short-term performance trends, other than to note performance contribution at an individual stock level. Four of the worst contributors in the portfolio over the period are Indian companies. In part this reflects the dramatic shift in market sentiment towards India and the subsequent currency weakness. In the case of EID Parry (India) and Tube Investments of India, both part of the highly regarded Murugappa Group from Chennai, it also reflects the fact that both companies are experiencing a period of cyclical weakness in demand for their products. In the case of the latter, the slowdown in the Indian economy has affected short-term demand for their bicycles. Their manufacturing facilities have also been affected by an unusually high level of power cuts in Tamil Nadu, a sobering reminder of the challenges still facing Indian manufacturing companies today. Despite these short-term challenges, our long-term investment conviction remains intact.

In terms of the best performing holdings, it is a very stock specific story. Improving corporate governance (Tech Mahindra) (India), the on-going drive to switch from heavy diesel oil and coal to cleaner, greener gas in China (Towngas China), strong leisure demand for bicycles (Giant Manufacturing) (Taiwan), solar panels (Delta Electronics (Thailand)) and healthy soya-based milk drinks (Vitasoy International Holdings) (Hong Kong) were at the top of the list. Given the random walk taken by markets over anything other than the long-run, it is entirely possible that these companies may appear at the bottom of the list next time! However, we remain convinced that these sustainability tailwinds will help provide good quality companies with the opportunity to significantly grow their earnings, and share prices, over the long-run.

Portfolio Positioning

During the period, we held one-on-one meetings with the senior management of over five hundred Asian companies, each of which are potential candidates for investment. However, our long-term investment horizon and conviction in the Company's current investments meant that the portfolio itself remains substantially unchanged over the six months under review. A new position was initiated in Weifu High-Technology Group, the leading manufacturer of fuel injection

Investment Manager's Review

Continued

systems for the automotive sector in China. The company is well placed to contribute to, and benefit from, a shift towards tighter vehicle emissions standards in China. The company has also benefitted from a long-term partnership with the highly regarded Bosch Group, dating back over twenty years.

Weifu High-Technology Group aside, we continue to struggle to generate many new investment ideas in China. There are three main reasons for this. Firstly, corporate governance and management quality remain a challenge. Second, even where we are comfortable with management, we often struggle to get comfortable with long-term political alignment. So few Chinese companies are in charge of their own destiny. For example, we are looking closely at a well-managed port operator in mainland China. While we are comfortable with the quality of the underlying business, we have no idea what returns the Chinese Government will allow the company to achieve over the next five to ten years. The third challenge in China is valuation, with many of our favourite companies still trading on extremely extended valuations. As a result, we primarily invest in China indirectly, through companies such as Chroma ATE and Delta Electronics (both Taiwan) and Vitasoy International Group (Hong Kong).

Elsewhere, extremely stretched valuations led us to reduce investment in some of the largest positions, including Taiwan Semiconductor Manufacturing (Taiwan), Manila Water (Philippines), Towngas China (China) and Kasikornbank (Thailand). The proceeds were reinvested primarily to increase the holdings in two Indian exporters, Tech Mahindra and Dr. Reddy's Laboratories. Tech Mahindra is the final reincarnation of Satyam Computer Services, the Indian software services company that was bankrupted under its previous owner. The company is now under new management and new stewardship in the shape of the Mahindra and Mahindra Group, in which we have much conviction. Dr. Reddy's is one of India's leading providers of affordable medicines, and has been successful in building a strong export business. Overseas earnings now account for over three quarters of earnings.

In terms of complete disposals, we said goodbye to Wipro (India), another Indian software services company which has struggled to make the generational change in management required following the standing down from day-to-day duties of its visionary founder. We also completely disposed of the holding in Ayala Land (Philippines) on valuation grounds, although the Company remains an indirect investor via its shares in parent company, Ayala Corporation.

Engagement and Voting

During the period we undertook our annual review of engagement issues for the portfolio's major holdings. We firmly believe the mantra "there is no such thing as a perfect company" so look to identify the one or two things we would have investee companies change if we could. We then decide the approach we will take to engagement (e.g. writing a letter or through regular dialogue) and try to set a timeframe for the engagement (perhaps the most challenging part).

Examples of some of the issues we engaged on during the period include:

- Inappropriate, chauvinistic advertising with a consumer company
- Palm oil sourcing and plastic bottled water with another consumer company
- Improved focus on responsible banking and environmental risks in lending with a bank
- Customer service levels relative to peers with a telecoms company

In each case, we engaged for investment reasons. The more these companies are able to address such issues, the more attractive the potential risk-adjusted returns become. We were also active on the proxy voting front. Examples of where we voted against shareholder resolutions on behalf of the Company included voting against general approval to transact any and all other business brought before the annual meeting of shareholders (most of our Philippine and Taiwanese holdings!) and voting against poorly designed remuneration schemes. For example, we voted against schemes which had insufficiently long vesting periods and an overgenerous discount for share issues to management leading to poor alignment with minority shareholders such as the Company.

Outlook

In short, we remain concerned that the worst is not yet behind us. The global economy remains artificially supported. Such support cannot last indefinitely, and as and when it is pulled away, the implications for Asia may be profound. As a result, we will be delighted if we are able to preserve, in real terms, the capital of the Company at current levels in the short-term. As always, we believe the greatest challenge when investing in Asia is not to generate returns when times are good, but to try and hold on to as much of these returns as possible when times are not so good. Fortunately, we don't pride ourselves on the strength of our economic or market predictions. Instead, our job is simply to get on with striving to identify good quality companies which are well positioned to contribute to, and benefit from, Asia's shift towards a more genuinely sustainable development path. We believe this approach will stand the Company in good stead in its search to achieve attractive risk-adjusted returns in Asia over the long-term.

David Gait

Senior Investment Manager

First State Investment Management (UK) Limited

27 September 2013

Portfolio

as at 31 July 2013

Investment	Sector*	Market valuation £'000	% of total assets less current liabilities	Country of incorporation
Towngas China	Utilities	10,396	5.3	Cayman Islands
AmorePacific	Consumer Staples	9,276	4.7	South Korea
Tech Mahindra	Information Technology	9,164	4.7	India
DBS Group	Financials	8,890	4.5	Singapore
Marico	Consumer Staples	8,709	4.4	India
Taiwan Semiconductor Manufacturing Company	Information Technology	7,505	3.8	Taiwan
Manila Water	Utilities	6,850	3.5	Philippines
Kasikornbank	Financials	6,800	3.5	Thailand
Public Bank	Financials	6,248	3.2	Malaysia
Samsung Fire & Marine Insurance	Financials	6,054	3.1	South Korea
Ten largest investments		79,892	40.7	
Delta Electronics (Thailand)	Information Technology	5,745	2.9	Thailand
Axiata	Telecom Services	5,620	2.8	Malaysia
Dabur India	Consumer Staples	5,590	2.8	India
DGB Financial	Financials	5,281	2.7	South Korea
Globe Telecom	Telecom Services	5,157	2.6	Philippines
Singapore Telecommunications	Telecom Services	4,857	2.5	Singapore
Chroma ATE	Information Technology	4,513	2.3	Taiwan
E.Sun Financial Holdings	Financials	4,350	2.2	Taiwan
Dr. Reddy's Laboratories	Health Care	4,266	2.2	India
Uni- President Enterprise	Consumer Staples	4,161	2.1	Taiwan
Twenty largest investments		129,432	65.8	
Idea Cellular	Telecom Services	3,640	1.9	India
SembCorp Industries	Industrials	3,481	1.8	Singapore
Singapore Post	Industrials	3,127	1.6	Singapore
Hongkong & China Gas	Utilities	3,116	1.6	Hong Kong
Delta Electronics (Taiwan)	Information Technology	2,938	1.5	Taiwan
Infosys	Information Technology	2,870	1.5	India
Bank of the Philippine Islands	Financials	2,786	1.4	Philippines
Sheng Siong	Consumer Staples	2,609	1.3	Singapore
MTR	Industrials	2,401	1.2	Hong Kong
Sabana Shari' ah Compliant REIT	Financials	2,285	1.1	Singapore
Thirty largest investments		158,685	80.7	
Mindray Medical	Health Care	2,205	1.1	Cayman Islands
China Mengniu Dairy	Consumer Staples	2,083	1.0	Cayman Islands
Giant Manufacturing	Consumer Discretionary	1,878	1.0	Taiwan
Linde India	Industrials	1,858	1.0	India
Vitasoy International Holdings	Consumer Staples	1,842	0.9	Hong Kong
Uni- President China	Consumer Staples	1,496	0.8	Cayman Islands
Tube Investments of India	Industrials	1,402	0.7	India
Standard Foods	Consumer Staples	1,055	0.6	Taiwan
Ayala Corporation	Financials	1,012	0.6	Philippines
ENN Energy	Utilities	1,000	0.5	Cayman Islands
Forty largest investments		174,516	88.9	

*MSCI sector classifications

Portfolio

as at 31 July 2013

Continued

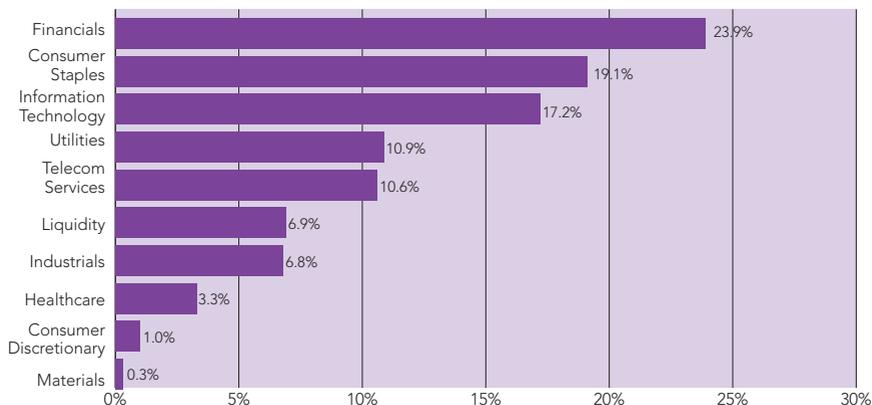
Investment	Sector*	Market valuation £'000	% of total assets less current liabilities	Country of incorporation
National Trust Bank	Financials	974	0.5	Sri Lanka
Kotak Mahindra Bank	Financials	949	0.5	India
XL Axiata	Telecom Services	817	0.4	Indonesia
Bharti Airtel	Telecom Services	809	0.4	India
Simplo Technology	Information Technology	803	0.4	Taiwan
Cholamandalam Investment & Finance	Financials	683	0.3	India
Mahindra Lifespace Developers	Industrials	669	0.3	India
Marico Bangladesh	Consumer Staples	644	0.3	Bangladesh
Swire Properties	Financials	530	0.3	Hong Kong
EID Parry (India)	Materials	505	0.3	India
Fifty largest investments		181,899	92.6	
Hemas Holdings	Industrials	497	0.2	Sri Lanka
Godrej Consumer Products	Consumer Staples	471	0.2	India
Weifu High-Technology Group	Information Technology	179	0.1	China
Total portfolio		183,046	93.1	
Net current assets		13,485	6.9	
Total assets less current liabilities		196,531	100.0	

*MSCI sector classifications

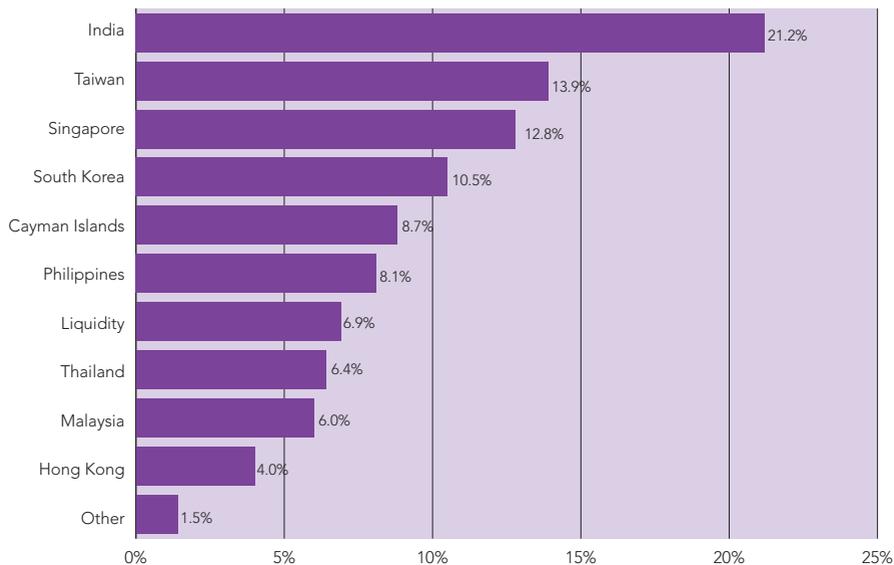
Portfolio Distribution

as at 31 July 2013

Sector Analysis



Geographical Analysis by Country of Incorporation



The Company's Investment Objective states that 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, including Japan, Australia and New Zealand, but whose economic activities are predominantly in the Asia Pacific Region.

Income Statement

for the six months ended 31 July 2013

	(Unaudited) Six months ended 31 July 2013			(Unaudited) Six months ended 31 July 2012			(Audited) Year ended 31 January 2013		
	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	–	11,820	11,820	–	13,489	13,489	–	35,724	35,724
Exchange differences on currency balances	–	61	61	–	(8)	(8)	–	(97)	(97)
Income (note 2)	2,829	–	2,829	2,703	–	2,703	4,168	–	4,168
Investment management, management and performance fees (note 3)	(232)	(2,021)	(2,253)	(187)	(1,121)	(1,308)	(395)	(1,811)	(2,206)
Other expenses	(259)	(2)	(261)	(246)	(3)	(249)	(538)	(19)	(557)
Return on ordinary activities before taxation	2,338	9,858	12,196	2,270	12,357	14,627	3,235	33,797	37,032
Taxation on ordinary activities	(229)	–	(229)	(155)	–	(155)	(262)	–	(262)
Return attributable to equity shareholders	2,109	9,858	11,967	2,115	12,357	14,472	2,973	33,797	36,770
Return per ordinary share (p) (note 4)	1.8	8.4	10.2	1.8	10.6	12.4	2.6	28.9	31.5

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.

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 July 2013

	(Unaudited) Six months ended 31 July 2013 £'000	(Unaudited) Six months ended 31 July 2012 £'000	(Audited) Year ended 31 January 2013 £'000
Opening shareholders' funds	187,602	153,870	153,870
Return for the period	11,967	14,472	36,770
Dividends paid	(3,038)	(3,038)	(3,038)
Closing shareholders' funds	196,531	165,304	187,602

Balance Sheet

as at 31 July 2013

	(Unaudited) As at 31 July 2013 £'000	(Unaudited) As at 31 July 2012 £'000	(Audited) As at 31 January 2013 £'000
Fixed assets			
Investments held at fair value through profit or loss	183,046	157,763	173,990
Current assets			
Debtors	485	894	518
Cash at bank	14,878	7,658	15,124
	15,363	8,552	15,642
Creditors (amounts falling due within one year)	(1,878)	(1,011)	(2,030)
Net current assets	13,485	7,541	13,612
Net assets	196,531	165,304	187,602
Capital and reserves			
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	160,346	129,048	150,488
Revenue reserve	5,355	5,426	6,284
Equity shareholders' funds	196,531	165,304	187,602
Net asset value per ordinary share (p) (note 5)	168.2	141.5	160.6

Cash Flow Statement

for the six months ended 31 July 2013

	(Unaudited) Six months ended 31 July 2013 £'000	(Unaudited) Six months ended 31 July 2012 £'000	(Audited) Year ended 31 January 2013 £'000
Net cash inflow from operating activities	566	1,290	1,904
Servicing of finance	–	–	–
Financial investment			
Purchases of investments	(21,251)	(25,791)	(40,030)
Sales of investments	23,416	28,097	49,277
Net cash inflow from financial investment	2,165	2,306	9,247
Equity dividends paid	(3,038)	(3,038)	(3,038)
(Decrease)/increase in cash	(307)	558	8,113
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash resulting from cash flows	(307)	558	8,113
Exchange differences on currency balances	61	(8)	(97)
Movement in net funds	(246)	550	8,016
Net funds at beginning of period	15,124	7,108	7,108
Net funds at period end	14,878	7,658	15,124
Reconciliation of net return before finance costs and taxation to net cash flow from operating activities			
Net return before finance costs and taxation	12,196	14,627	37,032
Gains on investments	(11,820)	(13,489)	(35,724)
Exchange differences on currency balances	(61)	8	97
Irrecoverable withholding tax on investment income	(213)	(174)	(294)
Changes in working capital and other non-cash items	464	318	793
Net cash inflow from operating activities	566	1,290	1,904

Notes to the Accounts

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 2013 have been applied in these financial statements.

2. Income

	(Unaudited) Six months ended 31 July 2013 £'000	(Unaudited) Six months ended 31 July 2012 £'000	(Audited) Year ended 31 January 2013 £'000
Investment income	2,829	2,703	4,168
Total income	2,829	2,703	4,168

3. Investment Management fee, Management and Performance fees

	(Unaudited) Six months ended 31 July 2013			(Unaudited) Six months ended 31 July 2012			(Audited) Year ended 31 January 2013		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee – First State	185	556	741	151	452	603	318	952	1,270
Management fee – Frostrow	47	140	187	36	109	145	77	232	309
Performance fee accrual*	–	1,325	1,325	–	560	560	–	627	627
	232	2,021	2,253	187	1,121	1,308	395	1,811	2,206

*Details of the performance fee basis can be found in the Report of the Directors on page 14 of the Company's Annual Report for the year ended 31 January 2013.

4. Return per ordinary share

The total return per ordinary share price is based on the total return attributable to Shareholders of £11,967,000 (six months ended 31 July 2012: £14,472,000; year ended 31 January 2013: £36,770,000) and on 116,848,386 shares (six months ended 31 July 2012: 116,848,386; year ended 31 January 2013: 116,848,386), 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 £2,109,000 (six months ended 31 July 2012: £2,115,000; year ended 31 January 2013: £2,973,000) 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 £9,858,000 (six months ended 31 July 2012: £12,357,000; year ended 31 January 2013: £33,797,000) by the weighted average number of shares in issue as above.

5. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to Shareholders of £196,531,000 (31 July 2012: £165,304,000; 31 January 2013: £187,602,000) and on 116,848,386 shares in issue (31 July 2012: 116,848,386; 31 January 2013: 116,848,386).

Notes to the Accounts

Continued

6. 2013 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 2013, 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 2013 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.

Interim Management Report

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 2013. 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.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, and the nature of the portfolio and its expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with applicable accounting standards; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority and Transparency Rules.

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

The Half Year Report was approved by the Board on 27 September 2013 and the above responsibility statement was signed on its behalf by:

David Nichol
Chairman

How to Invest

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

Alliance Trust Savings	http://www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	https://www.barclaysstockbrokers.co.uk/Pages/index.aspx
Club Finance	http://www.clubfinance.co.uk/
Fast Trade	http://www.fasttrade.co.uk/wps/portal
FundsDirect	http://www.fundsdirect.co.uk/Default.asp
Halifax Share Dealing	http://www.halifax.co.uk/Sharedealing/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://investments.hsbc.co.uk/
iDealing	http://www.idealing.com/
IG Index	http://www.igindex.co.uk/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
James Brearley	http://www.jbrearley.co.uk/Marketing/index.aspx
Natwest Stockbrokers	http://www.natweststockbrokers.com/nw/products-and-services/share-dealing.ashx
Saga Share Direct	https://www.sagasharedirect.co.uk/
Selftrade	http://www.selftrade.co.uk/
The Share Centre	https://www.share.com/
Sippdeal	http://www.sippdeal.co.uk/
Saxo Capital Markets	http://uk.saxomarkets.com/
TD Direct Investing	http://www.tddirectinvesting.co.uk/

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 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 Conduct 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.

Information about the Company

Directors

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

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

†Chairman of the Audit Committee and Senior Independent Director

Registered Office

16 Charlotte Square
Edinburgh EH2 4DF

Company Registration Number

SC091052 (Registered in Scotland)

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

Website

www.pacific-assets.co.uk

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

Authorised and regulated by the Financial Conduct Authority

Manager, Company Secretary and Administrator

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25 Southampton Buildings
London WC2A 1AL
Telephone: 0203 008 4910

Email: info@frostrow.com

Website: www.frostrow.com

Authorised and regulated by the Financial Conduct 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.

Brokers

Canaccord Genuity Limited
88 Wood Street
London EC2V 7QR

Registrars

Equiniti Limited
Aspect House
Spencer Road
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West Sussex
BN99 6DA
Shareholder Helpline: 0871 384 2466*
Broker Helpline: 0871 384 2779*
Website: www.equiniti.com

*Calls to these numbers are charged at 8p per minute from a BT landline. Other telephone providers' costs may vary. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting your shareholder reference number. Registered shareholders can obtain further details of their holdings on the internet by visiting www.shareview.co.uk

Custodian Bankers

JPMorgan Chase Bank
125 London Wall
London EC2Y 5AJ

Independent Auditor

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

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh EH2 4DF

Identification Codes

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



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Investment Companies

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