



Pacific Assets Trust plc

Half Year Report & Accounts for the
six months ended 31 July 2012

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



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

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 2012 were £165.3 million and the market capitalisation was £148.1 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, 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 but no single investment may exceed 15% of the Company's total assets at the time of investment. 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.

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.

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.

Capital Structure

The Company's capital structure is composed solely of ordinary shares. At 31 July 2012 there were 116,848,386 ordinary shares in issue (31 January 2012: 116,848,386).

Website

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

Gearing

The Company is not currently geared.

Company Summary

Key Statistics

	As at 31 July 2012	As at 31 January 2012	% change
Share price	126.8p	115.3p	+10.0
Net asset value per share	141.5p	131.7p	+7.4
Discount of share price to net asset value per share	10.4%	12.5%	n/a
Shareholders' funds	£165.3m	£153.9m	+7.4
Market capitalisation	£148.1m	£134.7m	+10.0
	Six months to 31 July 2012	One year to 31 January 2012	
Share price (total return)*	+12.5%	-11.5%	
Net asset value per share (total return)*	+9.5%	-3.0%	
MSCI All Country Asia ex Japan Index (total return, sterling adjusted)*	-0.9%	-5.9%	

*Source: Morningstar and Frostrow Capital LLP

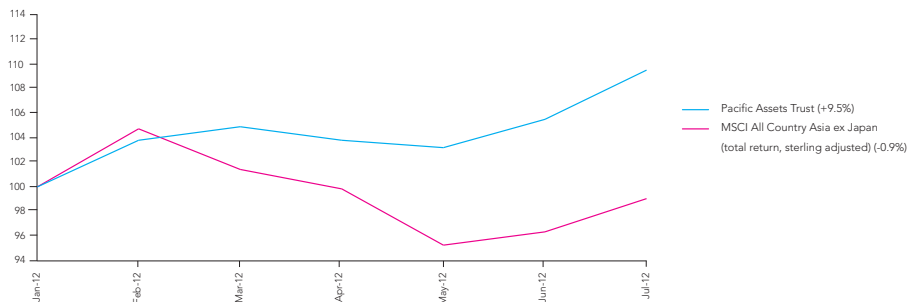
	Year ended 31 January 2012	Year ended 31 January 2011	
Dividends			
Final dividend per share	2.60p	1.29p	+101.6

Half Year's Highs/Lows

	High	Low
Net asset value per share	141.5p	131.4p
Share price	126.8p	113.4p
Discount of share price to net asset value per share†	8.9%	14.0%

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

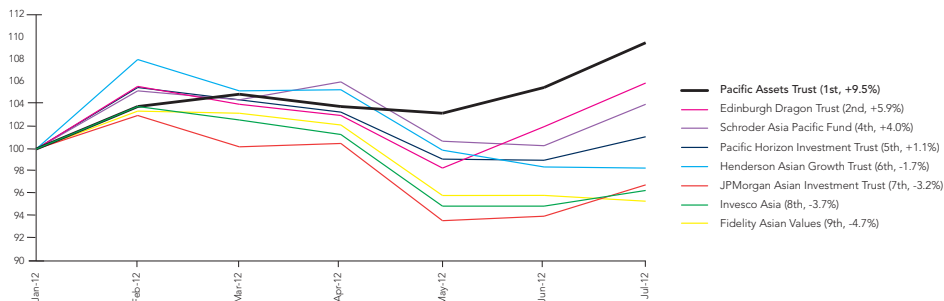
Net Asset Value Total Return and Benchmark Performance for the Six Months to 31 July 2012



Source: Morningstar and Frostrow Capital LLP
Rebased to 100 as at 31 January 2012

Peer Group Performance

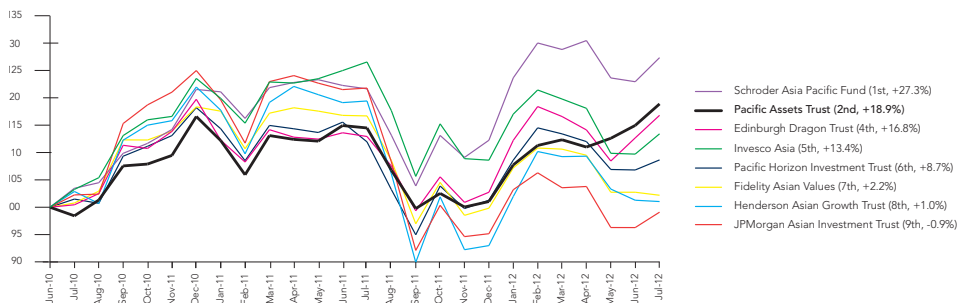
Net Asset Value Total Return Peer Group Performance for the Six Months to 31 July 2012



Source: Morningstar

Note: Total return from the MSCI All Country Asia ex Japan Index for the six months to 31 July 2012 was -0.9%
Rebased to 100 as at 31 January 2012

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) were appointed as Investment Manager, 1 July 2010 to 31 July 2012 was +7.3%

Chairman's Statement



"...during the six month period under review, the Company's net asset value total return was +9.5%, making your Company the best performing investment trust by some margin in our peer group..."

Performance

I am particularly pleased to report that during the six month period under review, the Company's net asset value total return was +9.5%, making your Company the best performing investment trust by some margin 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 +12.5%, reflecting a decrease in the share price discount to net asset value per share from 12.5% as at 31 January 2012 to 10.4% as at 31 July 2012. 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 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.

Revenue Account and Dividend

As mentioned at the year-end, the investments selected by First State Stewart have given rise to an investment portfolio which generates a good level of income. This, together with the Board's continued determination to control costs, has resulted in another strong level of net income for the period of £2.1m (six months ended 31 July 2011: £2.3m). The Board reminds shareholders that it remains the Company's policy to pursue capital growth for shareholders with income being a secondary consideration.

Outlook

Recent gloomy economic reports from Asian nations show that Europe's debt crisis and the broader global downturn are taking a growing toll on the region even as governments respond with extra spending and lower interest rates. Difficult economic conditions and a slowdown across the region generally has adversely affected Asian currencies and is expected to reduce the outlook for exports that are needed to drive the region's growth in the short term. Attempts to stimulate growth have yet to take effect and the short term economic outlook remains uncertain despite relatively robust domestic consumer demand.

Notwithstanding short term economic concerns, your Board continues to believe that the overall prospects for the region remain healthy and that the Company's investment portfolio is well positioned to provide superior investment returns over the longer term.

David Nichol
Chairman

24 September 2012

Investment Manager's Review

"Engagement remains a core part of our investment process."

Political Risk Rising

The greatest threat to long-term returns in Asia remains political risk. On the night of 16 January, two large army units advanced on Delhi, stopped at the city gates and then turned around. While it seems unlikely that this was a genuine attempt at a coup, it is plausible that the Indian army wished to display its dissatisfaction with politicians in Delhi. The recent power cuts which affected more than 600 million residents, is just the latest reminder of how India's politicians are failing their voters in spectacular fashion. Effective demand to purchase electricity exists, despite low income levels. Many Indian families pay extortionate rates for intermittent electricity generated by fuming diesel generators and poor quality water from the back of trucks. The capital to build the power stations and lay the water pipes is also ready and willing, as evidenced by the queues of international and domestic investors lined up to invest in those projects which do get off the ground.

In China, the events surrounding Bo Xi Lai are well known, and despite the recent conclusion of his wife's trial, it is unlikely that political tensions in China have peaked. Meanwhile the rise of China is also creating new border tensions with its neighbours. As bottom-up investors, such political risks often provide opportunities to increase our positions in our favourite companies. However, it also creates serious risks for companies whose franchises have been built with the help of favourable government treatment.

Old versus New Corporate Asia?

We are increasingly wondering whether Asian companies fall into two distinct categories; "Old" and "New". This is undoubtedly too simplistic but there does seem to be a noticeable gap opening up between those Asian companies who continue to believe in "business as usual" and those who believe they need to change significantly in order to stay relevant and fit for purpose.

"Old Asia" companies seem reluctant to change. Instead they are reverting to type by striving to hold onto the insurance of patronage and power. Many Asian companies continue to cite as a key competitive advantage their "good government relationships." Last month we met a water utility and a telecoms company who both made that claim. Such companies fall cleanly into the "Old Asia" category. By contrast, "New Asia" companies recognise their future lies in their ability to secure a license to operate from their customers and broader society. The two approaches could not be further apart. From telecoms to water provision to banking, Asian companies failing to deliver good quality, affordable services are likely to get found out sooner rather than later, regardless of how strong their government relationships are.

A second key factor driving change is the growing realisation that Asia's development path needs to shift away from the resource and consumption intensive route followed historically by Western economies. Here too, there is a gap opening up between companies who are positioning for this change and companies who are not. Perhaps this difference is most noticeable amongst Asia's consumer companies. Companies such as portfolio holdings Dabur and Marico of India, Amorepacific of South Korea and Uni-President of Taiwan are all focused on developing healthier, more environmentally friendly, less resource intensive products for changing Asian consumer preferences. This is not an easy process and often involves a recognition that the current product range will struggle to remain fit for purpose.

Taken together, these changes leave Asian companies with a difficult decision to make. Either they take a leap into uncharted waters in an attempt to make themselves relevant in the twenty first century, or they take an even greater risk and do nothing. "New Asia" companies brave enough to do the former are much more likely to be rewarded over time than "Old Asia" companies who choose to carry on as before.

China and India Slowing Dramatically

The rise in political risk goes hand in hand with slowing economic growth. China and India are both slowing quickly, but for different reasons. China's economy is suffering from a dramatic slowdown in end demand from Europe and the US, coupled with the structural challenges posed by a unique economic development model that is testing the limits of its current design. The result is a slowdown in economic activity across most parts of the economy – cement demand is

Investment Manager's Review

Continued

negative, traffic on the toll roads is contracting, electricity consumption growth is dwindling to a standstill and manufacturing order books are drying up. India's problems, on the other hand are largely home grown, resulting from an astonishing, even by Indian standards, implosion of the political and governance framework needed to enable private investment in the country. The accompanying lack of confidence has thrown into the limelight India's longstanding twin deficit problem. It seems unlikely that the economic fortunes of either China or India are likely to reverse in the short-term, although a collapse in the oil price would give India a little more breathing room. Outside Asia's large "BRIC" markets, the economic outlook is not so bleak. The Philippines is finally reaping the reward of a long period of structural reforms, whilst Thailand, Malaysia and to a lesser extent Singapore are all well positioned to benefit from the renaissance of Burma and the ongoing developments in the greater Mekong region. It is easy to forget that Rangoon used to have Asia's busiest airport!

Significant New Investments

It is rare to find Asian companies these days whose businesses remain confined to their home markets. For example, we have recently increased the Company's position in Marico, an Indian company which started life as a single product consumer company, providing edible grade coconut oil. It has now expanded into a fully fledged consumer staple company, with products ranging from haircare to skincare to healthy foods such as premium, low cholesterol edible oil and healthy breakfast cereals. In addition, the company has expanded geographically, from South Africa and the Middle East to Bangladesh, Burma and Malaysia. Overseas sales now account for 25% of the business and are the fastest growing part of the business. Crucially, the company has a strong license to operate in its chosen markets, providing good quality, affordable consumer products set to benefit from trends towards health and wellbeing. The other significant recent addition is very similar in spirit. Amorepacific is a Korean cosmetics company with a strong focus on positioning the business to benefit from shifting consumer preferences towards natural ingredients, more environmentally sensitive packaging and a general sense of LOHAS (LOHAS is a home grown Asian concept for "sustainable living"). A major long-term investment theme for us is the growing trend towards Asian culture and LOHAS amongst Asian consumers. This may well be nothing but wishful thinking, but there seems to be enough evidence to suggest the trend is real – witness the size and influence of K-Pop and J-Pop today in Asia. Neither Amorepacific nor Marico is cheap, but we have taken the opportunity of mild share price and currency weakness to build up our positions further.

Significant Disposals

The majority of the Company's disposals over the period are related to corporate governance concerns, ranging from the sale of Henderson Land (allegations of corruption in China) to the sale of Chunghwa Telecom (use of minorities' cashflows to buy an airline).

Engagement

Engagement remains a core part of our investment process. Sometimes we engage on environmental, social and governance (ESG) issues to gather information. More often we spend time trying to build up a better understanding of the quality of management by focusing on how they seek to manage specific risks. We also spend time trying to encourage companies to alter their approach to specific ESG issues where appropriate. For example, over recent months we engaged the management of Dabur on allegations that antibiotics have been found in their honey. As a company with a valuable brand heritage based on healthy, natural ingredients, this represented an important risk to the company's franchise if not addressed. Fortunately the company appears to be responding well and we are hopeful that processes are now in place to stop this from happening in the future. Elsewhere, we had an interesting discussion with GlaxoSmithKline (GSK) following its US\$3billion fine from the US Food and Drug Administration. Although your portfolio does not currently contain any GSK related companies, there are three Asian listed GSK-linked companies which are high up our list of potential investments for the Company. As long-term investors in the region, we also believe there is a strong investment case to be made for engaging with other industry participants where appropriate. Over the past few months we have engaged with stock exchange regulators and treasury officials on the topic of market fairness, the head of an Asian broking firm on the topics of client entertainment and conflicts of interest, and regional stock exchanges on the topic of high frequency trading. Many of these discussions are long-term in nature, but we believe that over time they play an important role in helping to generate attractive risk-adjusted returns for investors in the Company.

David Gait

Senior Investment Manager

First State Investment Management (UK) Limited

24 September 2012

Portfolio

as at 31 July 2012

Investment	Sector*	Market valuation £'000	% of total assets less current liabilities	Country of incorporation
Manila Water	Utilities	9,429	5.7	Philippines
Taiwan Semiconductor Manufacturing Company	Information Technology	9,324	5.6	Taiwan
Marico	Consumer Staples	8,372	5.1	India
Amorepacific	Consumer Staples	8,232	5.0	South Korea
DBS Group	Financials	7,783	4.7	Singapore
Kasikornbank	Financials	7,190	4.4	Thailand
Singapore Telecommunications	Telecom Services	6,437	3.9	Singapore
Towngas China	Utilities	6,320	3.8	Cayman Islands
Samsung Fire & Marine Insurance	Financials	5,129	3.1	South Korea
Axiata	Telecom Services	4,865	2.9	Malaysia
Ten largest investments		73,081	44.2	
SMRT	Industrials	4,309	2.6	Singapore
Public Bank	Financials	4,198	2.5	Malaysia
Philippine Long Distance Telephone	Telecom Services	4,047	2.4	Philippines
DGB Financial	Financials	3,938	2.4	South Korea
Satyam Computer Services	Information Technology	3,710	2.3	India
Hongkong & China Gas	Utilities	3,629	2.2	Hong Kong
SembCorp Industries	Industrials	3,591	2.2	Singapore
E.Sun Financial Holdings	Financials	3,287	2.0	Taiwan
Dabur India	Consumer Staples	3,175	1.9	India
Uni-President Enterprises	Consumer Staples	3,098	1.9	Taiwan
Twenty largest investments		110,063	66.6	
Swire Pacific	Financials	2,989	1.8	Hong Kong
Delta Electronics (Thailand)	Information Technology	2,961	1.8	Thailand
Giant Manufacturing	Consumer Discretionary	2,823	1.7	Taiwan
Vitasoy International Holdings	Consumer Staples	2,696	1.6	Hong Kong
Chroma ATE	Information Technology	2,512	1.5	Taiwan
Singapore Post	Industrials	2,483	1.5	Singapore
Infosys	Information Technology	2,277	1.4	India
MTR Corporation	Industrials	2,183	1.3	Hong Kong
E-Mart	Consumer Staples	2,157	1.3	South Korea
KT Corporation ADR	Telecom Services	2,136	1.3	South Korea
Thirty largest investments		135,280	81.8	
Hindustan Unilever	Consumer Staples	1,982	1.2	India
Delta Electronics (Taiwan)	Information Technology	1,980	1.2	Taiwan
Sabana Shari'ah Compliant REIT	Financials	1,961	1.2	Singapore
Ayala Corporation	Financials	1,884	1.1	Philippines
Mindray Medical	Health Care	1,552	0.9	Cayman Islands
XL Axiata	Telecom Services	1,173	0.7	Indonesia
Wipro	Information Technology	1,094	0.7	India
EID Parry India	Materials	927	0.6	India
Simplo Technology	Information Technology	910	0.6	Taiwan
Sheng Siong	Consumer Staples	876	0.5	Singapore
Forty largest investments		149,619	90.5	

*MSCI sector classifications

Portfolio

as at 31 July 2012

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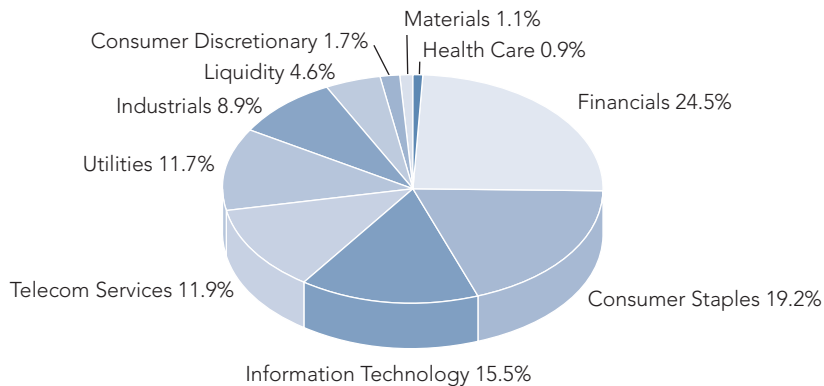
Investment	Sector*	Market valuation £'000	% of total assets less current liabilities	Country of incorporation
Kotak Mahindra Bank	Financials	824	0.5	India
Globe Telecom	Telecom Services	802	0.5	Philippines
Ayala Land	Financials	790	0.5	Philippines
Chugoku Marine Paints	Materials	770	0.5	Japan
Tube Investments of India	Industrials	737	0.4	India
Taiflex Scientific	Industrials	595	0.4	Taiwan
ITEQ	Information Technology	571	0.3	Taiwan
Transport International Holdings	Industrials	546	0.3	Bermuda
Swire Properties	Financials	520	0.3	Hong Kong
China Mengniu Dairy	Consumer Staples	474	0.3	Cayman Islands
Fifty largest investments		156,248	94.5	
Godrej	Consumer Staples	393	0.2	India
Hemas Holdings	Industrials	324	0.2	Sri Lanka
Marico Bangladesh	Consumer Staples	273	0.2	Bangladesh
Idea Cellular	Telecom Services	263	0.1	India
Dialog Axiata	Telecom Services	171	0.1	Sri Lanka
Simplo Technology	Information Technology	91	0.1	Taiwan
Total portfolio		157,763	95.4	
Net current assets		7,541	4.6	
Total assets less current liabilities		165,304	100.0	

*MSCI sector classifications

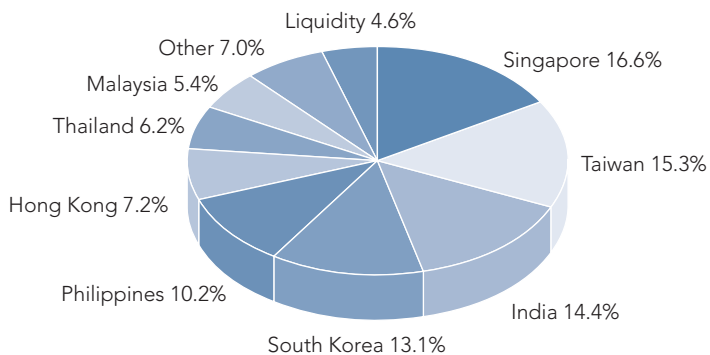
Portfolio Distribution

as at 31 July 2012

Sector Analysis



Geographical Analysis by Country of Incorporation



Income Statement

for the six months ended 31 July 2012

	(Unaudited) Six months ended 31 July 2012			(Unaudited) Six months ended 31 July 2011			(Audited) Year ended 31 January 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	13,489	13,489	–	2,273	2,273	–	(7,333)	(7,333)
Exchange differences on currency balances	–	(8)	(8)	–	(31)	(31)	–	(1)	(1)
Income (note 2)	2,703	–	2,703	3,043	–	3,043	4,923	–	4,923
Investment management, management and performance fees (note 3)	(187)	(1,121)	(1,308)	(186)	(558)	(744)	(358)	(1,074)	(1,432)
Other expenses	(246)	(3)	(249)	(336)	(2)	(338)	(629)	(9)	(638)
Return on ordinary activities before taxation	2,270	12,357	14,627	2,521	1,682	4,203	3,936	(8,417)	(4,481)
Taxation on ordinary activities	(155)	–	(155)	(246)	–	(246)	(256)	–	(256)
Return attributable to equity shareholders	2,115	12,357	14,472	2,275	1,682	3,957	3,680	(8,417)	(4,737)
Return per ordinary share (p) (note 4)	1.8	10.6	12.4	2.0	1.4	3.4	3.2	(7.2)	(4.0)

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 2012

	(Unaudited) Six months ended 31 July 2012 £'000	(Unaudited) Six months ended 31 July 2011 £'000	(Audited) Year ended 31 January 2012 £'000
Opening shareholders' funds	153,870	160,086	160,086
Return for the period	14,472	3,957	(4,737)
Dividends paid	(3,038)	(1,507)	(1,507)
Return of unclaimed dividends	–	28	28
Closing shareholders' funds	165,304	162,564	153,870

Balance Sheet

as at 31 July 2012

	(Unaudited) As at 31 July 2012 £'000	(Unaudited) As at 31 July 2011 £'000	(Audited) As at 31 January 2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	157,763	152,135	146,882
Current assets			
Debtors	894	853	359
Cash at bank	7,658	10,216	7,108
	8,552	11,069	7,467
Creditors (amounts falling due within one year)	(1,011)	(640)	(479)
Net current assets	7,541	10,429	6,988
Net assets	165,304	162,564	153,870
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	129,048	126,790	116,691
Revenue reserve	5,426	4,944	6,349
Equity shareholders' funds	165,304	162,564	153,870
Net asset value per ordinary share (p) (note 5)	141.5	139.1	131.7

Cash Flow Statement

for the six months ended 31 July 2012

	(Unaudited) Six months ended 31 July 2012 £'000	(Unaudited) Six months ended 31 July 2011 £'000	(Audited) Year ended 31 January 2012 £'000
Net cash inflow from operating activities	1,290	1,175	1,899
Servicing of finance	–	–	–
Financial investment			
Purchases of investments	(25,791)	(27,633)	(48,945)
Sales of investments	28,097	27,993	45,443
Net cash inflow/(outflow) from financial investment	2,306	360	(3,502)
Equity dividends paid	(3,038)	(1,507)	(1,507)
Return of unclaimed dividends	–	28	28
Equity dividends	(3,038)	(1,479)	(1,479)
Increase/(decrease) in cash	558	56	(3,082)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash resulting from cash flows	558	56	(3,082)
Exchange differences on currency balances	(8)	(31)	(1)
Movement in net funds	550	25	(3,083)
Net funds at beginning of period	7,108	10,191	10,191
Net funds at period end	7,658	10,216	7,108
Reconciliation of net return before finance costs and taxation to net cash flow from operating activities			
Net return/(loss) before finance costs and taxation	14,627	4,203	(4,481)
(Gains)/losses on investments	(13,489)	(2,273)	7,333
Exchange differences on currency balances	8	31	1
Irrecoverable withholding tax on investment income	(174)	(135)	(242)
Changes in working capital and other non-cash items	318	(651)	(712)
Net cash inflow from operating activities	1,290	1,175	1,899

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 2012 have been applied in these financial statements.

2. Income

	(Unaudited) Six months ended 31 July 2012 £'000	(Unaudited) Six months ended 31 July 2011 £'000	(Audited) Year ended 31 January 2012 £'000
Investment income	2,703	3,041	4,921
Interest receivable	–	2	2
Total income	2,703	3,043	4,923

3. Investment Management fee, Management and Performance fees

	(Unaudited) Six months ended 31 July 2012			(Unaudited) Six months ended 31 July 2011			(Audited) Year ended 31 January 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	151	452	603	150	449	599	288	864	1,152
Management fee	36	109	145	36	109	145	70	210	280
Performance fee accrued*	–	560	560	–	–	–	–	–	–
	187	1,121	1,308	186	558	744	358	1,074	1,432

*Details of the performance fee basis can be found in the Report of the Directors on page 17 of the Annual Report for the year ended 31 January 2012.

4. Return per ordinary share

The total return per ordinary share price is based on the total return attributable to Shareholders of £14,472,000 (six months ended 31 July 2011: £3,957,000; year ended 31 January 2012: loss £4,737,000) and on 116,848,386 shares (six months ended 31 July 2011: 116,848,386; year ended 31 January 2012: 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 £2,115,000 (six months ended 31 July 2011: £2,275,000; year ended 31 January 2012: £3,680,000) 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 £12,357,000 (six months ended 31 July 2011: £1,682,000; year ended 31 January 2012: loss £8,417,000) 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 £165,304,000 (31 July 2011: £162,564,000; 31 January 2012: £153,870,000) and on 116,848,386 shares in issue (31 July 2011: 116,848,386; 31 January 2012: 116,848,386).

Notes to the Accounts

Continued

6. 2012 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 2012, 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 2012 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 2012. 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.

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 24 September 2012 and the above responsibility statement was signed on its behalf by:

David Nichol
Chairman

How to Invest

Alliance Trust Savings Limited

The Company's shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior 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 or email contact@alliancetrust.co.uk. Calls to this number may be recorded for monitoring purposes.

An Individual Savings Account ('ISA') and Junior ISA are tax efficient methods of investment for an individual which gives the opportunity to invest in the Company up to £11,280 in the tax year 2012/2013 for an ISA and £3,600 for a Junior ISA 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 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.

Information about the Company

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

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 Services Authority

Manager, Company Secretary and Administrator

Frostrow Capital LLP
 25 Southampton Buildings
 London WC2A 1AL

Telephone: 0203 008 4910

Email: info@frostrow.com

Website: 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.

Brokers

Canaccord Genuity Limited
 88 Wood Street
 London EC2V 7QR

Registrars

Equiniti Limited
 Aspect House
 Spencer Road
 Lancing
 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

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

†Chairman of the Audit Committee and Senior Independent Director



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