Pacific Assets Trust plc

Annual Report

for the year ended 31 January 2020

www.pacific-assets.co.uk

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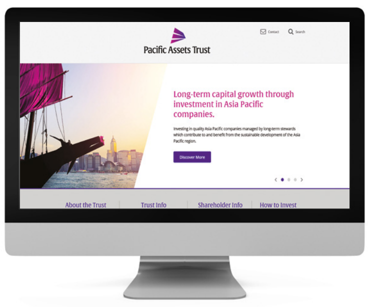
Pacific Assets Trust plc



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For more information about Pacific Assets Trust plc visit our website. Please use the 'contact us' button to ask a question or to register for fact sheets, quarterly and annual reports, and webcasts.

Financial Highlights

4.2%*

Net asset value per share total return^

2020[1]	4.2%*
2019[2]	4.7%*

(0.8)%*

Share price total return^

2020[1]	(0.8)%*
2019[2]	8.1%*

7.5%*

UK Consumer Price Index ("CPI") + 6%†

2020[1]	7.5%[4]
2019[2]	8.4%[4]

0.5%*

Average discount of share price to net asset value per share during the year^

2020[1]	0.5%[3]
2019[2]	3.1%[3]

5.0%*

MSCI All Country Asia ex Japan Index total return

2020[1]	5.0%*
2019[2]	(7.7%)*

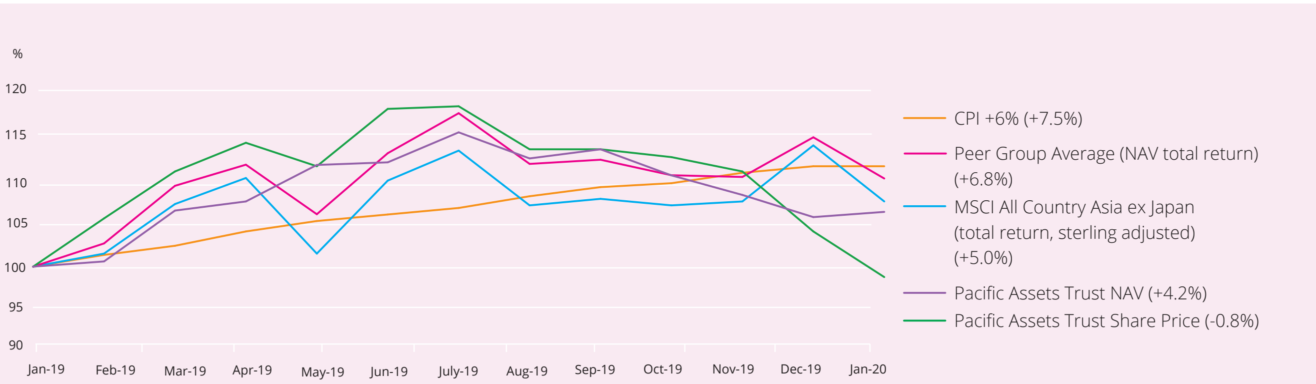
1.2%

Ongoing charges^

2020[1]	1.2%[3]
2019[2]	1.2%[3]

1 For the year ended 31 January 2020
2 For the year ended 31 January 2019
3 Source: Frostrow Capital LLP
4 Source: Factset
* Source: Lipper
† The Company's Performance Objective. See Glossary beginning on page 73.
^ Alternative Performance Measure (See Glossary beginning on page 73)

Net Asset Value Per Share Total Return for the Year to 31 January 2020



Source: Morningstar
Rebased to 100 as at 31 January 2019

Key Information

Pacific Assets Trust plc (the "Company" or the "Trust") aims 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, (as defined above); at least 25% of their economic activities (at the time of investment) are within the Asia Pacific Region with this proportion being expected to grow significantly over the long term.

Investment Manager

Stewart Investors have been the Company's Investment Manager since 1 July 2010 and they adopt a sustainable investment strategy in selecting the investments that make up the Company's portfolio. Stewart Investors is a semi-autonomous business within First State Investments. It operates through the legal entities and regulatory licences of First State Investments. First State Investment Management (UK) Limited is the legal entity that Pacific Assets Trust plc has appointed as Investment Manager.

Investment Philosophy

Stewart Investors seek to invest in good quality companies with a focus on the quality of management, franchise and financials. By analysing the sustainable development performance and positioning of companies they believe they can better measure less tangible elements of quality and identify less obvious risks.

Stewart Investors strive to make investment decisions with a minimum five-year time horizon. They have an absolute return mind-set and define risk as that of losing client money, rather than deviation from any benchmark index. They focus as much on the potential downside of investment decisions as on the anticipated upside. They believe that the identification of long-term sustainable development risks is an extremely important way of managing risk.

Their willingness to differ substantially from index weightings, both country and company, means they are not obliged to invest in any company or country if they have particular sustainability concerns.

What does Stewart Investors mean by Sustainable Development?

The root causes of the sustainable development challenges the world is facing are numerous and complex. In order to tackle these challenges both developed and developing countries will have to shift from a resource-intensive, consumption-driven, debt-dependent model of development and growth to a more sustainable one.

How does this apply to investment?

Stewart Investors invest in those companies which they believe are particularly well-positioned to deliver positive long-term returns in the face of the huge sustainable development challenges facing all countries today. These challenges include population pressure, land and water scarcity and degradation, resource constraints, income inequality, ethnic and gender inequalities and extreme levels of poverty.

Their emphasis is on sustainable development and not 'green', 'clean tech' or 'ethical' investing.

They devote a significant amount of time to engaging with management teams of the companies in which they invest. They engage on a wide range of issues, including strategy, governance, alignment of interests and reputation.

How to Invest

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. Further details can be found on page 76.

Company Performance

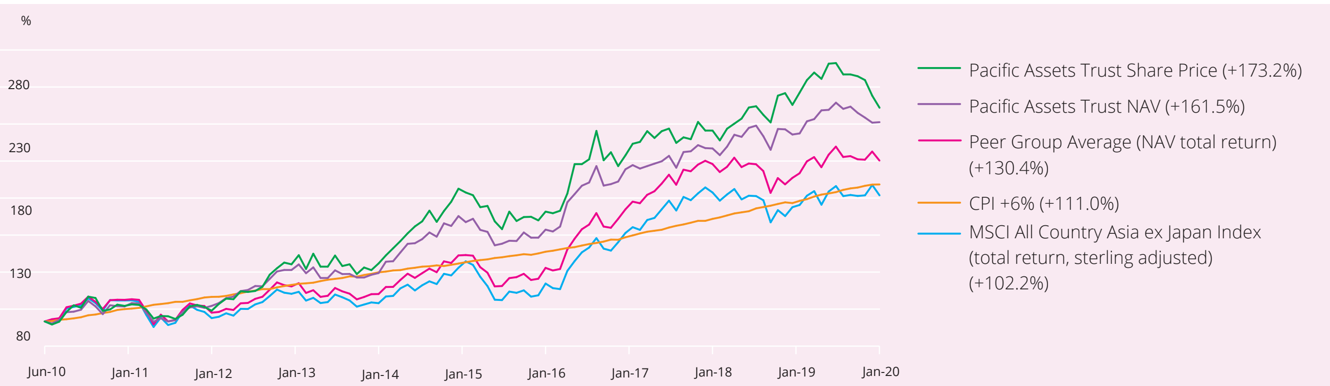
Performance Summary

	As at 31 January 2020	As at 31 January 2019	% Change
Shareholders' funds	£345.7m	£332.7m	3.9%
Market capitalisation	£324.2m	£327.3m	(0.9)%

Performance	One year to 31 January 2020	One year to 31 January 2019
Share price total return*^	(0.8)%	8.1%
Net asset value per share total return*^	4.2%	4.7%
CPI +6%[1]	7.5%	8.4%
MSCI All Country Asia ex Japan Index total return, sterling adjusted*	5.0%	(7.7)%
Average discount of share price to net asset value per share*^	0.5%	3.1%
Ongoing charges^	1.2%	1.2%
Revenue return per share†	3.3p	3.5p
Dividend per share	3.0p	3.0p

*Source: Morningstar
† See Glossary beginning on page 73
^ Alternative Performance Measure (see Glossary beginning on page 73)
1 The Company's Performance Objective (see Glossary beginning on page 73)

Total Return Performance since the Appointment of Stewart Investors as Investment Manager



Source: Morningstar
Rebased to 100 as at 30 June 2010

Performance Assessment

Pacific Assets Trust plc exists in a competitive environment and aims to be a leader in its peer group, defined as 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 to five-year basis. An analysis of this performance can be found in the Chairman's Statement beginning on page 6 and the Investment Manager's Review beginning on page 13.

Peer Group Net Asset Value per Share Total Return*

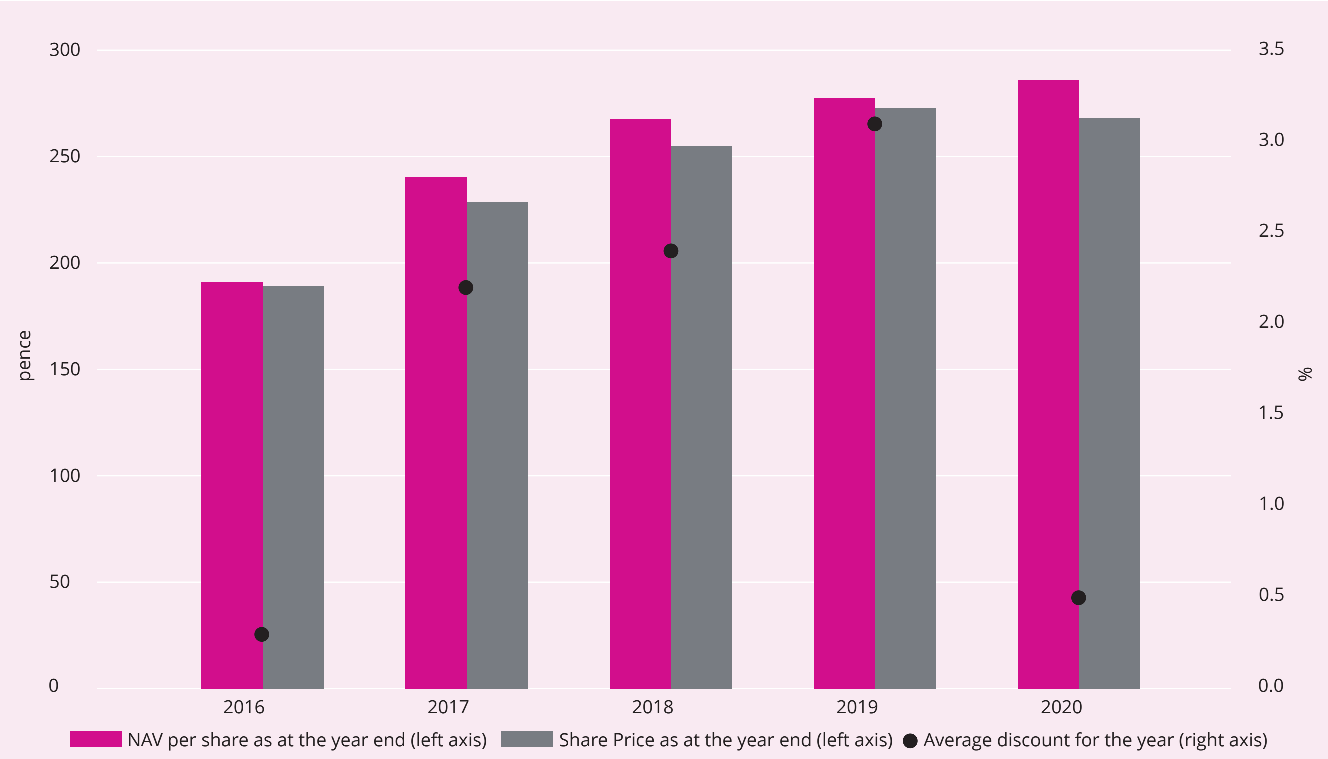
	1 Year £	Rank	3 years £	Rank	5 years £	Rank
Pacific Horizon	116.7	1	142.0	1	161.2	3
Asian Total Return	109.9	3	135.5	3	170.6	1
JP Morgan Asian	107.6	5	136.2	2	167.0	2
Schroder Asia Pacific	107.8	4	128.2	4	161.0	4
Asia Dragon Ord	110.1	2	128.1	5	147.5	6
Pacific Assets Trust	**104.2**	**7**	**122.6**	**6**	**145.4**	**7**
Invesco Asia	103.8	8	121.3	7	156.6	5
iShares MSCI Asia ex Jpn ETF	104.3	6	120.7	8	141.1	9
Fidelity Asian Values	96.7	9	105.1	9	145.1	8
Peer Group Average	**106.8**	**-**	**126.6**	**-**	**155.1**	**-**
CPI + 6%†	**107.5**	**-**	**127.4**	**-**	**146.1**	**-**
MSCI AC Asia ex Japan	**105.0**	**-**	**123.1**	**-**	**145.9**	**-**

Source: Morningstar. Figures show the value of £100 invested at the start of the period as at 31 January 2020.

* Alternative Performance Measure. See Glossary beginning on page 73.

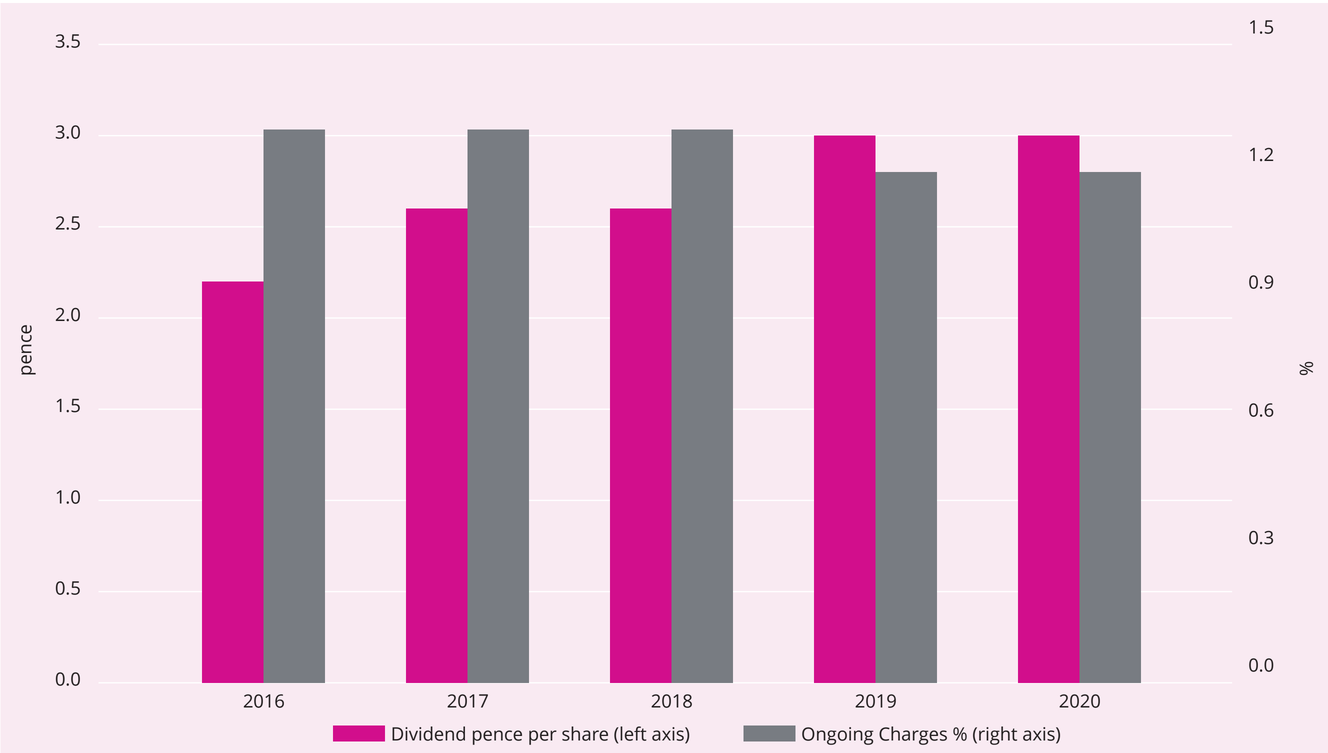
† The Company's Performance Objective. See Glossary beginning on page 73.

Five Year Record – Net Asset Value Per Share, Share Price and Discount



Source: Morningstar. Data for Pacific Assets Trust plc.

Five Year Record – Dividend and Costs



Source: Morningstar. Data for Pacific Assets Trust plc.

Chairman's Statement

"The net asset value per share total return for the year ending 31 January 2020 was 4.2%. Over the last three years, the annualised return was 7.0%, and over five years 7.8%."

Outcomes for the Year to 31 January 2020.

The net asset value per share total return for the year ending 31 January 2020 was 4.2%*. Over the last three years, the annualised return was 7.0%, and over five years 7.8%.

The one-year figure lies behind the performance objective of UK CPI plus 6%, which was 7.5%*. Over the longer periods of three and five years, the Trust is also slightly behind this measure; the annualised return of the performance objective over three years was 8.4% and it was 7.9% over five years. Taking account of the peer group of Asia Pacific investment companies, the Trust over all periods lies behind the average.

These figures are obviously disappointing even when taking the longer-term perspective of three to five years, which we regard as being the appropriate time frame to view the performance of an investment manager. Within the long term, there are many short terms. In the last quarter of the Trust's financial year, three of the larger holdings, Marico, Vitasoy, and Mahindra & Mahindra all suffered for different reasons. I mention this because it shows how some dramatic short-term moves can impact the longer-term numbers. Although only 7% of the portfolio was held in the Philippines at the start of that quarter, the exposure there proved to be a detractor. However, to put this into the longer-term context, Vitasoy (mentioned above) has been one of the Trust's stand out performers providing a 694 basis point return over three years, and 1,190 basis points over five years.

The stock markets of Asia have not been able to match the returns of developed markets around the world in the last 12 months with both the United States and Europe leading performance. Although the Trust's exposure to China has been minimal, there is no doubt that the escalating rhetoric from the United States government over Chinese trade practices and perceived technological piracy, has had some impact on wider sentiment. This cloud is not going to evaporate, and we face a long period of adjustment in transpacific terms of trade. Within this wider picture, there were political headwinds with increasingly authoritarian moves by governments in India and the Philippines, for example, being prepared to exceed their constitutional authority, while the Hong Kong government struggled to deal with continuing unrest.

* Alternative Performance Measure (see Glossary beginning on page 73).

Coronavirus

The points above shrink into insignificance as the global health crisis has unfolded, the impact after the closure of the Company's financial year. As we write, it appears that the centre of the storm has moved away from Asia to other parts of the world, with consequent impact on asset prices almost everywhere. The de-rating of markets reflects uncertainty over future profits, credit defaults, and the timing of the peak of the crisis. It is too early to assess the economic impact, but all risk assets continue to be fundamentally re-priced to reflect the uncertainty created from the spread of infection, and the measures that are being taken to lock down major countries and their communications. In spite of this being a short period to measure, we note that the net asset value of the Trust had fallen by 17.4% between 1 February and 2 April, the latest practicable date before the date of this report.

The Sustainability Question

1 July 2020 will mark the tenth anniversary of Stewart Investors' management of the Trust. Ten years ago, the Investment Manager expressed their strong preference for owning companies that paid close attention to their impact on the environment around them. An investment would only qualify for inclusion in the Trust's portfolio if the management and the board supported exemplary corporate behaviour, whether in their treatment of employees, or in their probity in business environments that were often marred by corruption. At the time and subsequently, there were many who felt that such an approach was unworkable in an emerging market environment and was out of line with normal practice. Back handers, ecological destruction and misogyny to take some examples, were all meant to be part and parcel of the Asian investment experience. Indeed, in China, the largest market capitalisation, our Investment Manager has always had difficulty in reconciling the covert or indeed overt state interference in the business sector, with a viable investment opportunity. Hence throughout the last ten years there has been virtually no direct exposure to Chinese listed companies.

Times have changed. Companies, the world over, are aiming their business models at stakeholders rather than just shareholders. The phrase, 'responsible capitalism' is widely used. Annual meetings are highly focussed on environmental impact, or on preventing corporate larceny in one form or another. Even oil companies are setting targets to become carbon neutral. The terms of the debate have changed, as has the regulatory environment in which businesses operate. Economic historians may look back on this period as being a new version of the industrial revolution in the ways that businesses set their priorities. Perhaps the identification of stakeholders over shareholders will be comparable to when limited liability was introduced to joint stock companies in the nineteenth century. However, we would argue that while the seeds have been sown, the outcomes are still deficient and there is a long way to travel before business practice is aligned to the high ideals that are now being paraded. There is also a lack of leadership from some governments, most notably in the United States.

We are long term investors. Our portfolio turns over less than 25% a year and has averaged 20% over the last five years. Many stocks in the Company's portfolio have been there since the start of our Investment Manager's tenure. The long term to some people can mean the use of a dividend discount model that looks far into the future, but whose inputs have limited credibility in today's easily disrupted business world. Longer term is perhaps better understood by having confidence that a company has the ingrained culture that it is not going to diminish the returns of tomorrow, by short term actions that may enhance the returns of today.

The enthusiasm for ESG (Environmental, Social, Governance) principles across the investment management industry is heartening because it adds weight to the current trend of listed companies re-thinking their business models. We applaud the steps that many professional investors are taking, not least where there is a younger generation of managers coming forward arguing that they have the influence, as voting shareholders, with companies to turn the wheel a bit further. New analytics have been introduced to score adherence to these principles, although in our view they remain inadequately developed, and can be frequently misleading.

Pacific Assets Trust and Stewart Investors, our investment manager, will continue to look at ways of improving interaction with companies that we own, and then lock in positions for the long term, enabling a continuous constructive dialogue with the owners and the managers.

Measurement and Investment Management

One of our most important roles as directors of the Company is to scrutinise the manager on behalf of shareholders. The metrics that we use must be consistent, and we need to understand why sometimes our returns have fallen short, as they have in the last 12 months. The Trust's investment decisions are not undertaken in an opportunistic way. Market timing, momentum, or popular trends do not feature in decisions that are taken. Our Investment Manager has emphasised consistency of style, and in our meetings with shareholders, we have generally found a good recognition of this.

Last year in my Chairman's statement, I discussed the move to a form of measurement which did not have the misleading qualities of the MSCI All Country Asia ex-Japan Index to which our investment portfolio maintains minimal adherence. I do not plan to rehearse this but would like to explain the measures that we look at to ensure consistency.

The indicators that the Board looks at are additional to the performance measures relating to the peer group and to CPI plus 6%. Our suite of style measures includes volatility and turnover, which we would expect to be low. We look at downside protection during periods of market weakness and would be surprised if all the upside was to be captured in a momentum driven rising market. The final measure is 'active share' to see whether there is any drift towards the index, counter to a style that seeks to invest and build on bottom up investments. The Board uses these metrics to identify signals of any deviation from what for ten years has been an entirely consistent approach. This provides a coherent framework for discussion should one or more of these measures appear to deviate from its longer-term trend.

The Board formally reviews the Company's investment management arrangements annually. We looked at the ownership, the organisation and the approach of Stewart Investors. We considered the stability of the team, their ability to cover a wide-ranging set of markets, and their investment style. We looked to see consistency of their stated investment approach with the implementation of their decisions. In performance terms, we have evaluated them over a five-year period against the CPI plus 6% objective and against a peer group of Asian focussed investment companies. The Board also joined members of the Stewart Investors team in October for three days in Hong Kong visiting companies that the Company owns or that have the potential to become part of the portfolio.

The Board is satisfied that the interests of shareholders are well served by Stewart Investors continuing to manage the assets of the Trust.

Costs

We recognise a trend for active management fees to come down. We also note that the ongoing charges ratio* of the Trust has been higher than most of the peer group. However, shareholders should also be aware that the Trust's relatively low turnover, and the absence of any cost of capital associated with gearing, will mean

* Alternative Performance Measure (see Glossary beginning on page 73).

that the Trust's overall running costs are not necessarily as high as some other investment vehicles, should these be added into the ongoing cost ratio.

With effect from 1 February 2020, the start of the new financial year of the Trust, the annual management charge payable to Stewart Investors fell from 0.9% to 0.85% per annum, based on the net asset value of the Trust at the end of each quarter. This follows a reduction in the fees paid to Frostrow, our Manager, Company Secretary and Administrator, two years ago and the removal of the Investment Manager's performance fee three years prior to that.

While we are pleased by this reduction, we also recognise that there is a cost for the Trust to access some of the smaller, harder to find or to research companies, and that the Investment Manager should be appropriately equipped to achieve this.

The Board

Terry Mahony, our longest serving board member retired at the end of the financial year. Terry has brought his remarkable insight into the Asian sphere to our boardroom table. His knowledge and experience have enabled the Board to scrutinise and sometimes challenge the decisions of our managers, and thus keep everyone on top of their game. He is a fine example of how a non-executive director can bring additional value to the relationship between an investment manager and a board. We thank him.

Edward Troughton has joined the Board and will be standing for election at the AGM. Ed has lived and worked in Asia in the past, and brings with him knowledge of the Asian region, experience of investment companies, and a deep understanding of the way fund management companies work. Ed is a partner of Oldfield Partners LLP, a highly regarded global investment boutique.

We pay close attention to the capacity of individual Directors to carry out their work on behalf of the Company. In recommending individual Directors to shareholders for re-election, we considered their other Board positions and their time commitments and are satisfied that each Director is fully engaged with the Company's business. In the biographies of Directors, there is a section on what each one brings to the work of the Board.

Dividend

The Company made a revenue profit of 3.3p per share during the year (2019: 3.5p). The Company usually recommends for shareholders' approval at the AGM the payment of a final dividend to allow the Company to comply with the investment trust rules regarding distributable income. However, in light of the ongoing response to the coronavirus pandemic, this year the Board has decided to declare an interim dividend of 3.0p per share, to be paid on 2 July 2020 to shareholders on the register on 29 May 2020. The associated ex-dividend date will be 28 May 2020.

Declaring an interim dividend means that shareholders will be paid a dividend irrespective of whether the AGM is able to proceed as planned. Instead of voting to approve the payment of a dividend, shareholders will instead be able to vote on the Company's dividend policy (set out on page 23) at the forthcoming AGM. However, this will not affect the payment of the dividend itself. It is expected that the Company will revert to paying a final dividend next year.

Share Issuance

During the year, favourable demand for the Company's shares led to the issue of a total of 1,085,000 new shares, raising £3.2 million. The net proceeds received from the issue of these new shares were invested in line with the Company's investment objective. This coincides with our policy of enlarging the Company's invested capital to the benefit of all shareholders, rather than seeing the share price rise to a material premium to NAV per share in the market.

The issuance of new shares takes place only at a premium to the NAV per share, incorporates any associated costs and is accretive to existing shareholders. Share issuance can also improve the liquidity of the Company's shares and contribute to the reduction of the ongoing charges ratio, as operating costs are spread over a larger capital base.

As at 31 January 2020, the Company had 120,958,386 shares of 12.5p each in issue (31 January 2019: 119,873,386). At the last Annual General Meeting ("AGM") in June 2019, shareholders granted the Board authority to issue up to 10% of the Company's issued share capital without pre-emption rights. The Board will ask for the same authority again, to issue up to 10% of issued share capital without pre-emption rights, at the forthcoming AGM.

Discount and the Share Price

The Company's shares have traded at an average discount to the net asset value per share of 0.5%* through the year, compared to an average discount of 3.1% in the previous year. For the year, the share price total return was -0.8% compared with the net asset value per share total return of 4.2%. However, the discount has widened since the year end, affected by the volatility of markets coming to terms with the impact of the new coronavirus.

The Board monitors the share price discount closely and considers ways in which it may be addressed, including through share buybacks and the Company's marketing strategy. The Board considers it desirable that the Company's shares do not trade at a price which, on average, represents a discount that is out of line with the Company's peer group. The Board will continue to monitor the discount and, should a material and sustained deviation emerge in the Company's discount from that of its peer group, it has the authority to buy back shares in the market.

Shareholder approval to renew the authority to repurchase existing shares in the market will be sought at the forthcoming AGM.

Annual General Meeting

This year's AGM will be held at 12 noon on Thursday, 25 June 2020, and will be held at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL. The Board has considered how best to deal with the potential impact of the coronavirus outbreak on arrangements for the AGM. We are required by law to hold an AGM, but we are concerned for the safety and wellbeing of our shareholders and other attendees. Given these unprecedented circumstances, the Board has decided that we will conduct only the statutory, formal business to meet the minimum legal requirements. There will be no presentation from our Investment Manager and no opportunity to interact with the Directors. We will not be providing any refreshments after the meeting in order to minimise contact. It may also prove to be necessary to postpone the meeting to a later date.

The Board strongly encourages all shareholders to exercise their votes in respect of the meeting in advance and to submit any questions they may have to the Company Secretary whose contact details are on page 84. Voting by proxy will ensure that your votes are registered in the event that attendance at the AGM is not possible or restricted, or if the meeting is postponed (your votes will still be valid when the meeting is eventually held). The Board will continue to monitor the Government's advice and urge all shareholders to comply with any restrictions in place at the time of the AGM.

Of course, in the event that the situation has improved and we are able to hold a meeting with full participation from the Board and the Investment Manager, we will do so. We will keep shareholders updated via the Company's website, www.pacific-assets.co.uk, in this regard.

The Outlook

Since the year end there has been a momentous change to the landscape which has left no market untouched. Stocks in February and March have endured a severe loss in value, and volatility has risen to levels never previously seen. When considering the outlook, one must account for the almost deafening noise as authorities take steps which effectively close their economies. It is hard to see how even the most stress tested business model can anticipate the challenges that the global health crisis has introduced. We would suggest that much of the volatility and the damage to asset prices within such a short time frame results from market seizure as liquidity evaporates, with many actors being forced sellers as downward momentum accelerates.

It is too early to comment on the resilience of the Trust's portfolio. However, owning companies that have the combination of strong and liquid balance sheets and secure franchises should under most circumstances provide defensive qualities, if the inevitable recession and loss of confidence were to linger. Unprecedented monetary and fiscal assistance combined with the benefit to consumers from a much lower oil price should all help to mitigate some of the worst effects of the social and economic closure that faces us, but there remain many unknowns.

Pacific Assets Trust is designed to provide its shareholders with exposure to quality businesses that not only have inner resilience but are also engaged with the growth opportunities that Asia's upwardly mobile societies will continue to provide. As I write there seems to be virtually no comfort to be taken from the near-term outlook. However, we have faith in the managements of the companies that we own in the Trust to weather the great turbulence that is now taking place, and to be positioned to benefit from a return to stability which will inevitably happen.

James Williams
Chairman
6 April 2020

* Alternative Performance Measure (see Glossary beginning on page 73).

Investment Portfolio

as at 31 January 2020

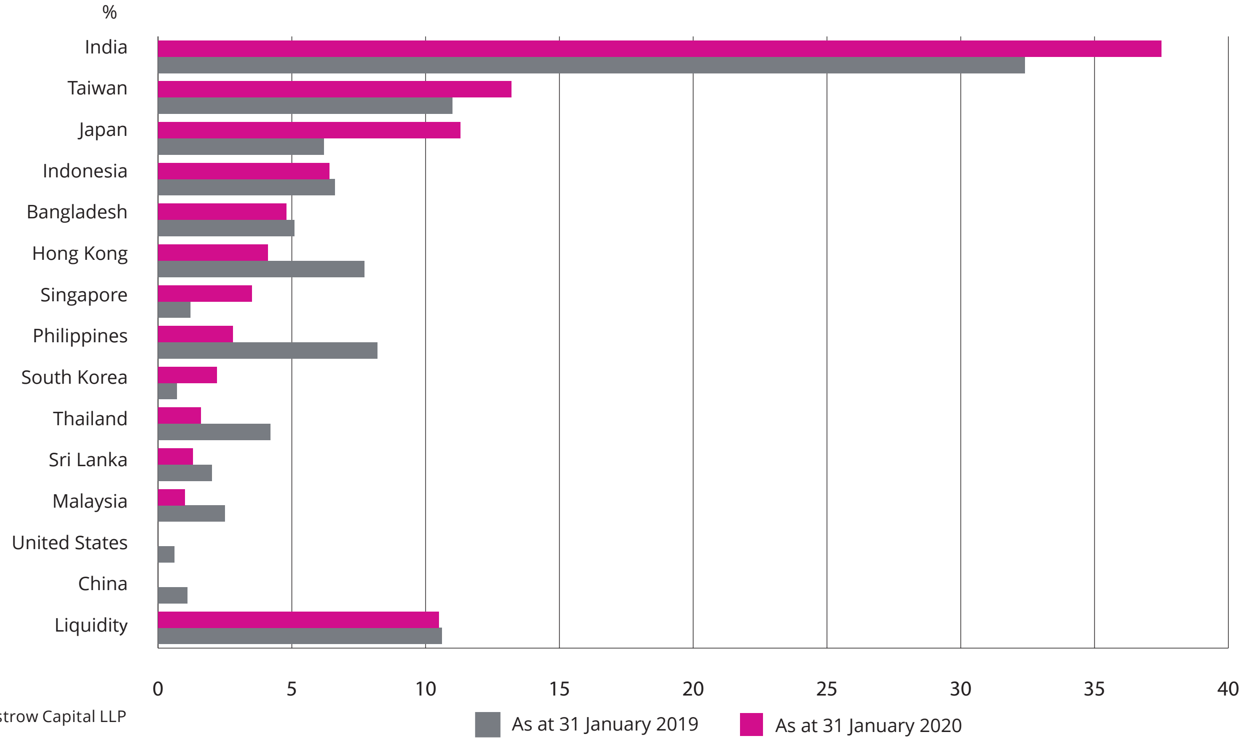
Company	Country	MSCI sector	Market valuation £'000	% of total assets less current liabilities
Tech Mahindra	India	Information Technology	21,078	6.1
Unicharm	Japan*	Consumer Staples	15,843	4.6
Vitasoy International Holdings	Hong Kong	Consumer Staples	14,023	4.1
Hoya	Japan*	Health Care	12,147	3.5
Oversea-Chinese Banking Corporation	Singapore	Financials	12,107	3.4
Kotak Mahindra Bank	India	Financials	11,804	3.4
Mahindra & Mahindra	India	Consumer Discretionary	11,388	3.3
Housing Development Finance	India	Financials	10,944	3.2
Marico	India	Consumer Staples	9,683	2.8
Dr. Lal PathLabs	India	Health Care	9,529	2.8
Ten largest investments			**128,546**	**37.2**
Sundaram Finance	India	Financials	9,217	2.7
Dabur India	India	Consumer Staples	8,821	2.5
Tube Investments of India	India	Consumer Discretionary	8,413	2.4
Chroma ATE	Taiwan	Information Technology	8,269	2.4
Delta Electronics	Taiwan	Information Technology	7,627	2.2
Koh Young Technology	South Korea	Information Technology	7,467	2.2
Bank OCBC NISP	Indonesia	Financials	7,012	2.0
Tata Consultancy Services	India	Information Technology	6,653	1.9
Nippon Paint	Japan*	Materials	6,086	1.8
Advantech Co	Taiwan	Information Technology	5,992	1.7
Twenty largest investments			**204,103**	**59.0**
President Chain Store	Taiwan	Consumer Staples	5,907	1.7
Selamat Sempurna	Indonesia	Consumer Discretionary	5,667	1.6
Kasikornbank	Thailand	Financials	5,532	1.6
Uni-President Enterprise	Taiwan	Consumer Staples	5,531	1.6
Delta Brac Housing Finance	Bangladesh	Financials	5,368	1.6
Philippine Seven	Philippines	Consumer Staples	5,099	1.5
Pigeon	Japan*	Consumer Staples	5,046	1.4
Dr. Reddy's Laboratories	India	Health Care	4,938	1.4
E.Sun Financial	Taiwan	Financials	4,929	1.4
Godrej Consumer Products	India	Consumer Staples	4,577	1.3
Thirty largest investments			**256,697**	**74.1**

Company	Country	MSCI sector	Market valuation £'000	% of total assets less current liabilities
Cyient	India	Information Technology	4,563	1.3
Elgi Equipments	India	Industrials	4,223	1.2
Uni-Charm Indonesia	Indonesia	Consumer Staples	4,022	1.2
Voltronic Power Technology	Taiwan	Industrials	3,976	1.2
Brac Bank	Bangladesh	Financials	3,881	1.1
Square Pharmaceuticals	Bangladesh	Health Care	3,649	1.1
Marico Bangladesh	Bangladesh	Consumer Staples	3,563	1.0
ViTrox	Malaysia	Information Technology	3,424	1.0
Taiwan Semiconductor Manufacturing	Taiwan	Information Technology	3,375	1.0
Robinsons Retail	Philippines	Consumer Staples	3,144	1.0
Forty largest investments			**294,517**	**85.2**
Bank Central Asia	Indonesia	Financials	3,060	0.9
Mahindra Logistics	India	Industrials	2,783	0.8
Commercial Bank of Ceylon	Sri Lanka	Financials	2,259	0.7
Kalbe Farma	Indonesia	Health Care	2,236	0.6
Hemas Holdings	Sri Lanka	Industrials	2,170	0.6
Concepcion Industrial	Philippines	Industrials	1,286	0.4
Shanthi Gears	India	Industrials	1,094	0.3
Humanica	Thailand	Information Technology	112	0.0
Total portfolio			**309,517**	**89.5**
Net current assets			**36,200**	**10.5**
Total assets less current liabilities			**345,717**	**100.0**

*Economic activity takes place principally in the Asia Pacific Region

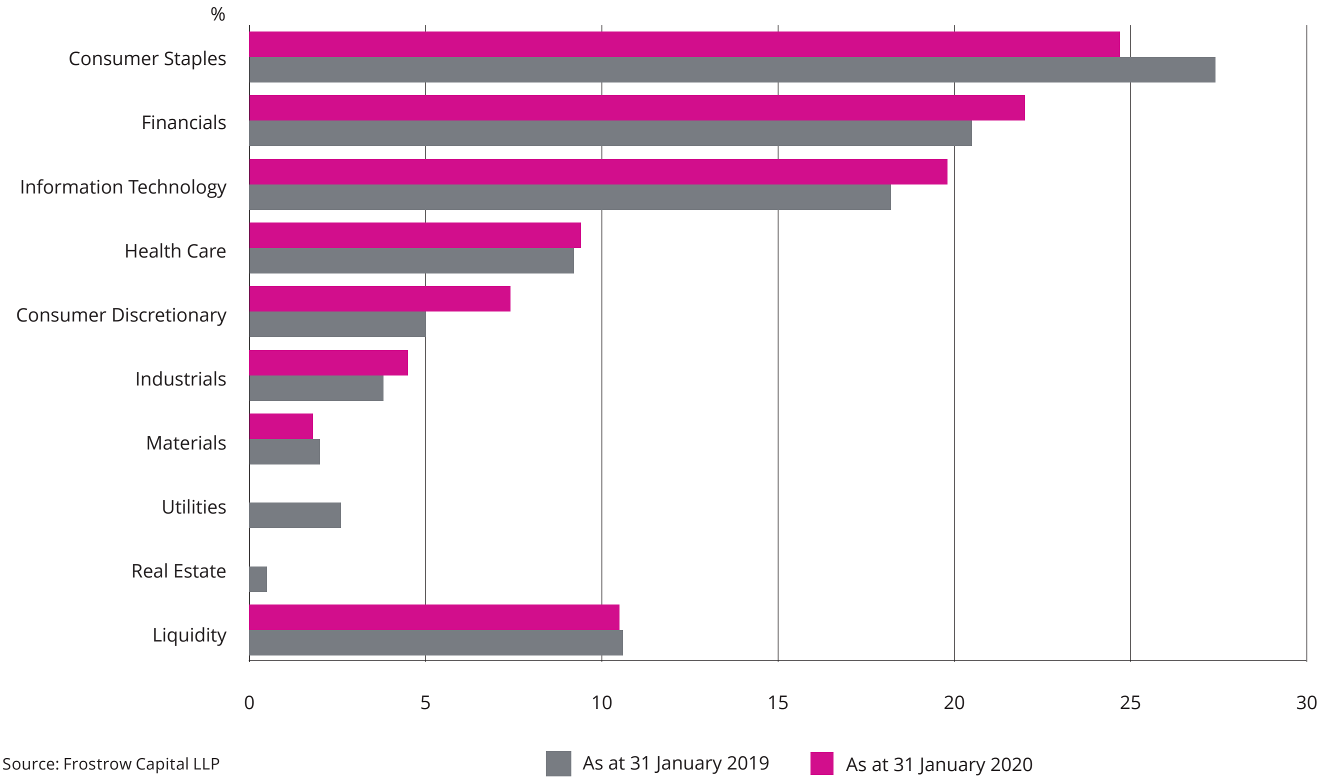
Portfolio Distribution

Geographical Analysis



Source: Frostrow Capital LLP

Sector Analysis



Source: Frostrow Capital LLP

Investment Manager's Review

"Over the financial year, the Trust's net asset value per share total return was 4.2%."

Over the financial year, the Trust's net asset value per share total return was 4.2%. This return lagged both the performance objective of CPI +6% (+7.5%) and the performance of the MSCI Asia All Country ex-Japan Index (the "Index") (+5.0%, measured on a total return, sterling-adjusted basis). The Trust's relative underperformance was more significant towards the end of the calendar year when Asian markets had one of their strongest quarters outside of a post-crash recovery – a market that our investment philosophy will tend to lag. However, in January, the Trust protected capital well, with the NAV rising 0.1%, against the broader market which fell 4.0%.

Comparison with Peers

We find it hard to comment on relative performance but given the underperformance of the Trust, it is worth touching on a few points.

Firstly, we have not owned the largest companies in the Index which have fuelled much of the gains over recent years. As we have discussed on a number of occasions, our philosophy struggles to own the large Chinese internet companies Alibaba and Tencent. We have doubts over their governance, the quality and sustainability of their business models and the opaqueness of their financials.

The Trust does not own the large Korean technology company Samsung Electronics, again due to concerns around the quality of the people behind the business, specifically the integrity of the company's founding family where successive Chairmen have been imprisoned on charges of corruption. Although they have proven themselves competent technologists, Samsung's businesses are cyclical, suffer from price deflation and are coming under increasing pressure from emerging Chinese competition. **Taiwan Semiconductor Manufacturing** ("TSMC") is another large position in the Index. We have held this high quality semiconductor company for close to a decade but more recently we chose to reduce the Trust's holding due to concerns that the very full valuations we were being asked to pay failed to reflect the cyclicality of the cash flows.

These four companies, Tencent, Alibaba, TSMC and Samsung account for 23% of the Index and are currently very popular holdings in many Asian portfolios. Our decision to have minimal exposure to these names has cost the Trust in a relative sense.

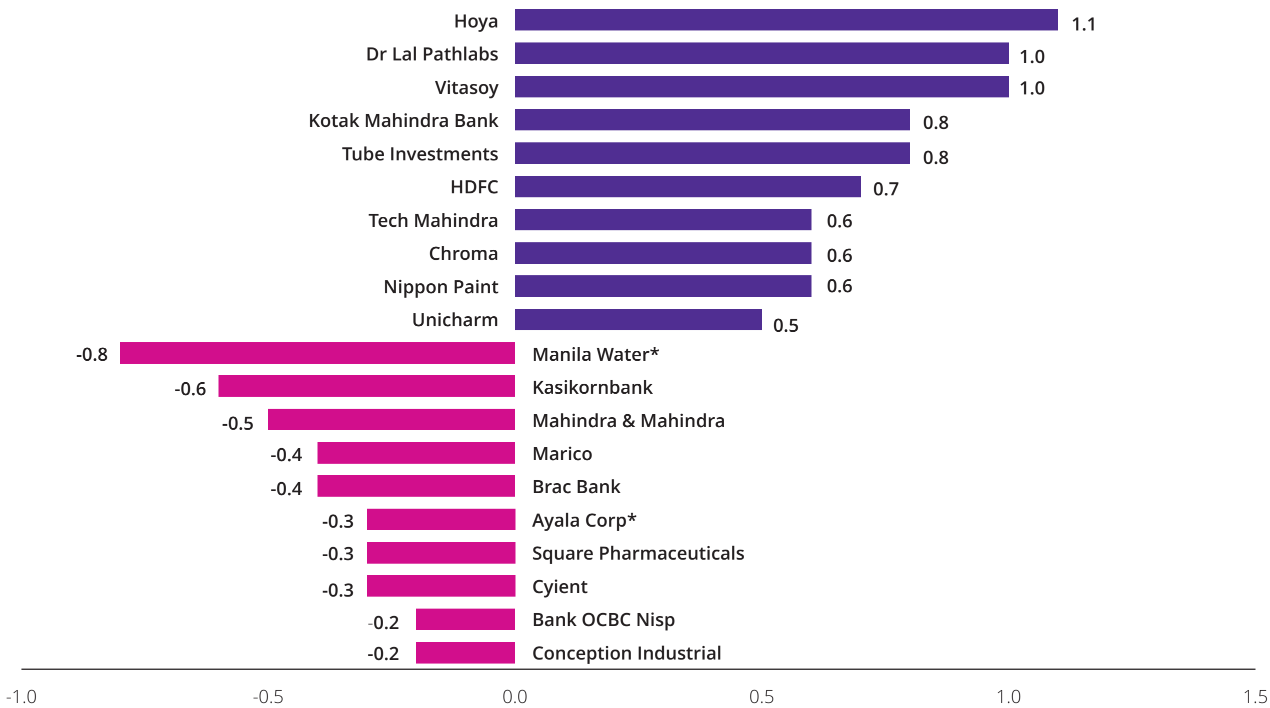
Secondly, when comparing recent performance with peers, a lack of gearing is a likely detractor in recent rising markets. We did not use any gearing when first appointed as Investment Manager in 2010 and the Trust has been unable to employ gearing since registering as a Small Registered UK AIFM in 2014. However given our concerns about valuations and our focus on capital preservation, even if gearing was possible we would still opt to run a net cash balance rather than gearing the Trust with debt. Whilst such leverage works in the good times, as has proven recently, it increases the likelihood of a permanent impairment of capital in the bad times. This is a risk we are uncomfortable taking, especially in expensive markets such as these.

Thirdly, in strong, liquidity fuelled markets our philosophy will nearly always underperform. Even with the benefit of hindsight we would change very little. This is not meant to sound stubborn but is a reflection of faith in our philosophy to deliver attractive, risk-adjusted returns over the long-term. Such outcomes require remaining disciplined and not digressing in order to chase performance whenever our philosophy is relatively unpopular.

Contributors and Detractors

Over the year, the Trust had a number of strong performers that are successfully taking advantage of long-term structural growth trends. **Hoya** is a Japanese-listed manufacturer of health care products (e.g. contact lenses, lenses for eyeglass and endoscopes) and critical inputs to the semiconductor and data centre industries. It has a number of attractive qualities that we look for: a competent, aligned steward with an impressive track record of capital allocation, a net cash balance sheet, success overseas and world-class products that generate attractive rates of return. Going forward, both Hoya's healthcare and IT portfolios are well placed to benefit from sustainable development. We believe Hoya will be one of the leaders in providing access to the more than two billion people who have yet to receive corrected vision, most of which are in Asia. Not only is there significant profit opportunity for Hoya by providing sight to billions of people, their products have a substantial impact on the development of the region. Providing glasses to adults with poor eyesight improves their chance of overcoming illiteracy, getting a job, and remaining in the work force for longer. Less obvious benefits include better road safety and a greater participation in the economic benefits that come from the use of technology.

Contribution by investment for the year ended 31 January 2020
Top 10 contributors to and detractors from absolute performance (%)



* Not held at end of period.

Contribution Data. Source: Stewart Investors. Data calculated in GBP for Pacific Assets Trust plc. Contributions are calculated at the investee company level before the deduction of any fees incurred at Trust level (e.g. the management and administration fee) but after the deduction of transactional costs. Contribution data is calculated from the full portfolio and includes cash.

Dr. Lal PathLabs is the leading health diagnostic chain in India. Like financial services, the diagnostic industry tends to be accident prone, so values such as quality and conservatism are critical to long-term success. The powerful combination of a family steward and professional management at Dr Lal's has been vital in ensuring the company's culture and brand is renowned for its quality. As we have seen globally, the diagnostics industry's role in screening, early detection and monitoring plays an important part in reducing costs elsewhere in the healthcare industry. Historically only spending 4% of its GDP on healthcare, India has significantly underinvested relative to other nations. This level of investment is unsustainable, especially when the country has a growing prevalence of chronic and lifestyle related disease. We believe Dr Lal can both improve access to healthcare and support the Indian healthcare system to develop in a financially sustainable manner. This low base of healthcare penetration and the fragmented nature of the Indian diagnostic industry provides the opportunity for Dr Lal to sustain their growth for a long time to come.

Vitasoy International Holdings, the leading soy milk provider in China, continues to deliver on its long-term commitment to provide affordable nutrition to the masses. Their trusted brand and established distribution network in China puts them in a great position to benefit as China's middle class looks to consume a healthier diet and become more aware of the need to tread lighter on the country's fragile natural resources: soy milk's nutritional value and resource intensity positions it very favourably relative to other sources of protein. We continue to engage with the company on improving the recyclability of their packaging and the transparency of its supply chain. By doing so we hope to improve the quality of Vitasoy's cash flows by reducing potential regulatory and consumer risks.

Kotak Mahindra Bank also performed well over the year. India's economy continues to struggle for a number of structural and cyclical reasons. One of the more pressing cyclical challenges has been the pressure on the country's financial institutions as they work through the waves caused by the default of a major lender. It is in times of stress that financial institutions prove their mettle. As we would have hoped, given their long track record of conservatism and quality lending, Kotak not only survived but has come out stronger as depositors increasingly lose trust in lesser quality lenders and move their hard-earned savings to Kotak. Sound, trusted financial institutions are critical to the long-term development of an economy. Given India's relatively low financial penetration level there is significant opportunity for Kotak to continue its long track record of attractive, risk-aware, growth.

There will always be detractors but this year one of the major disappointments came from a company listed in the Philippines. **Manila Water**, frustratingly became the subject of unexpected political attention. The company is owned and run by the Ayala Family, a family that for more than two centuries has managed its businesses with the utmost respect for all its stakeholders. Over the last few years we had been reducing the Trust's position size in Manila Water, not over stewardship concerns but due to questions over their ability to grow in a sustainable manner outside of Manila. In hindsight, we should have been far more aggressive in selling as over the last twelve months the company became a target of the Philippines' President, Rodrigo Duterte. The share price came under intense stress as the President threatened to remove Manila Water's licence after they successfully won an appeal in an international court over their right to raise water tariffs. This served as a great tool for Duterte's populist agenda.

We have since exited the position as we see little opportunity to make our money back in such an environment. In fact, our concerns were confirmed as the Ayalas were forced to sell a significant stake in Manila Water to a businessman with a long track record of questionable integrity. Such transactions sadly serve as a great example of what is required for success in the Philippines today and despite our trust in the likes of the Ayalas, we have waning trust in the independence of the country's institutions. This led us to sell our Filipino companies with significant regulatory risk: **Ayala Corp** and **Bank of Philippine Islands.** For now, we are comfortable with our remaining holdings as they serve the retail market and are thus less politically exposed.

Another significant detractor was the Trust's holding in **Mahindra and Mahindra**. While we misjudged the Indian auto and tractor cycles, which are now in the pits of the deepest cycle in decades, we remain confident in the long-term opportunity. During the depths of the pain, Mahindra and Mahindra has strengthened its balance sheet, improved its margins and embarked on a major leadership transition. These factors set the company up well to benefit from a turn in the cycle and in the longer term, from increased investment in Indian infrastructure and the development of its vast agricultural industry.

India Exposure

At the end of January, the Trust had 37.2% of the portfolio invested in Indian listed companies. This is entirely the result of bottom-up stock picking and not driven by a view on politics or macroeconomics – nevertheless we are often asked to comment on India by shareholders. Focusing on the Trusts' Indian exposure purely from a listing perspective misses the diverse cash flows generated by the underlying holdings. For example, on a weighted average basis, the Indian companies in the portfolio generate roughly half of their sales from the domestic market, with the rest being derived overseas.

The Trusts' Indian listed Information Technology companies (**Tata Consultancy Services ('TCS'), Tech Mahindra** and **Cyient**) are internationally competitive and make the majority of their cash flows helping customers in the US and Europe who trust them to transform their businesses through the use of technology. These businesses have proven to be resilient in previous economic downturns and continue to be very well positioned as companies globally become increasingly dependent on technology and look to partner with the likes of TCS to help in their evolution. The Trust's healthcare companies (for example **Dr Reddy's Laboratories**) are also globally competitive and generate a large portion of their sales selling affordable medicine outside India. The cash flows of the consumer companies (**Marico, Dabur India,** and **Godrej Consumer Products**) come from selling, low-priced daily necessities (e.g. toothpaste, shampoo, and household insecticides) to millions of Indians every day. These companies have also built formidable businesses throughout Asia. For example, Marico's brands in Bangladesh and Godrej's in Indonesia account for 10% and 15% of their sales respectively.

Whilst there are a large number of families in India whom we deliberately avoid investing alongside, we are able to find a large number of extremely high quality family owned companies, with long histories of treating stakeholders fairly, particularly in times of stress. We believe the quality of these stewards, combined with a diverse set of cash flows, provide the portfolio with an appropriate level of resilience against the unexpected, while continuing to offer attractive opportunities for long-term growth.

Outcomes of Our Philosophy

Our philosophy of owning high-quality companies and our focus on capital preservation has remained unchanged since we took over management of the Trust almost ten years ago. It will remain unchanged over the next ten.

Despite the volatility and uncertainty that comes with equity markets, especially in developing countries, we hope shareholders are comfortable with the relative predictability of how we invest and the outcomes, both short-term and long-term, of our approach.

Bottom-up approach

Our bottom-up, benchmark agnostic process is reflected in the Trust's active share consistently sitting above 90%. The active share measure is simply a short-hand ratio used to calculate how different a fund looks relative to an index. The higher the number, the less the Trust looks like the Index. With such a meaningful difference comes performance that is meaningfully different to the Index and to other funds with a significant overlap with the Index. Although this can appear frustrating, especially in strong markets where the Trust has historically lagged, we are grateful to shareholders and to the Board for allowing us to invest with such an active approach.

Longer-term time horizon

When we look to allocate the Trust's capital we do so with a time horizon of at least five years. With this time horizon, we avoid much of the meaningless noise that entraps equity markets and focus on the enduring values of a company: the quality of the people, quality of the franchise, quality of the financials, as well as its sustainability positioning. It is these values that drive long-term earnings and share prices.

The turnover[2] of the Trust has averaged 20% over the last five years. It is worth highlighting that this number includes transactions where we have either chosen to trim positions because valuations reached excessive levels, or have added to existing names. It is not the result of constantly chopping and changing the names in the Trust based on short-term noise. One example is **Vitasoy International Holdings.** As discussed in last year's interim report, Vitasoy's valuation had been inflated to excessive levels by unrealistic expectations of extreme growth and its inclusion in a worldwide index which led to indiscriminate buying from passive funds.

2 Turnover is calculated by dividing the average total trading by the manager as a percentage of the portfolio's market value over the period. Source: Stewart Investors.

3 Source: Bloomberg

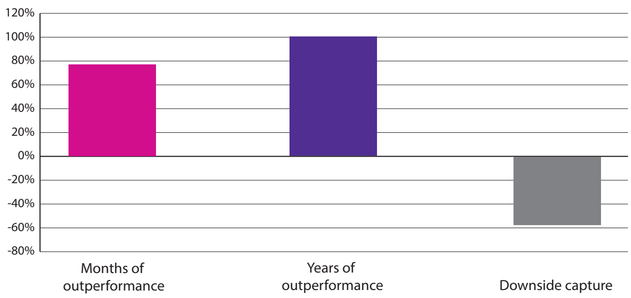
4 Source: Bloomberg

These forces pushed the share price up 60%[3] in the first six months of the year, far ahead of the growth in the underlying business. At its peak, Vitasoy's position in the Trust's portfolio was above 8%. We subsequently more than halved the position size to a level more in line, despite its quality, with the extreme rating. Over the rest of the year, as passive buyers dissipated and expectations of growth became more realistic, Vitasoy's share price and valuations came back to more acceptable levels. We have since added to the Trust's position and brought it back to a top three position.

Underlying the turnover number, ten of the 49 holdings in the portfolio at the time of writing were bought when Stewart Investors took over management of the Trust. 19 names were held five years ago. Those original ten companies currently account for 26% of the Trust's portfolio and since their initial purchase, have returned on average 17% per annum in GBP[4]. This is arguably a better reflection of our true portfolio turnover and an outcome of our conviction in holding quality companies for the long-term.

Capital preservation

It is very easy for a manager to achieve a high active share. All they need to do is own companies different to the index. However, what matters is not only being different but ensuring those companies are of high quality and capable of protecting capital in down markets. Below are a couple of ways of expressing how the Trust performs in such markets.

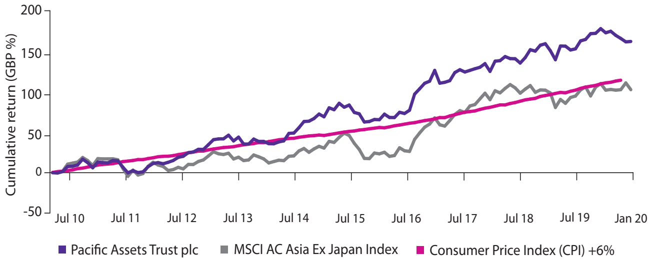


Source: Stewart Investors

The bars on the left and in the centre of this chart measure the proportion of the Trust's outperformance in down markets. Since Stewart Investors was appointed, the Trust has outperformed 75% of months where the Index has fallen and outperformed in 100% of rolling 12-month periods where the Index has fallen. The bar on the right, Downside Capture, is a way of expressing the magnitude of the Trust's ability to protect capital. Over the last five years, the Trust's downside capture ratio is 55%. This means, on average, the Trust has fallen close to half that of the Index in down months (100% would have meant that the Trust fell exactly the same amount as the Index).

This ability to preserve capital in such markets has been critical to the long-term cumulative performance of the Trust.

Long term cumulative performance



Source: Lipper IM/Bloomberg, Factset. CPI Data is quoted on a one-month lag. Chart performance is shown from 1 July 2010 to reflect the period since Stewart Investors became Investment Manager of the Trust.

Risk Management over Return Measurement

By prioritizing risks and ensuring we own quality companies, we believe the Trust has the ability to protect capital in bear markets (lose less) and deliver higher returns (greater capital gains over a full market cycle).

As discussed last year, the environment in which the Trust is invested has become increasingly fragile. Despite growing macro political risk, record levels of debt, drought, floods, pandemics and stagnating earnings growth, markets march relentlessly upward. Much of the recent gains has been fuelled by an expansion in valuations (and the expectation of interest rates staying lower for longer) rather than growth in the underlying business. There is a long list of examples across the US and Asia of companies where earnings were flat or even fell, some significantly, yet share prices were up more than 50%. This means generating returns is finite given valuations can't continue to expand indefinitely and, at some point, share prices have to be grounded by a company's fundamentals.

Strong markets always invoke the fear of missing out or at least being left behind and as a result, the focus tends to turn away from risk and toward returns. Today is no different. Many poor quality or extremely valued companies have been some of the best performers. From an outcome perspective, these companies haven't seemed risky (they haven't gone down) and in turn, they remain popular, and owners of these companies have been handsomely rewarded.

However, there is a difference between risk outcomes and risk exposure: the latter being a risk that hasn't yet materialised but has the potential to cause permanent loss of capital. It is this exposure that hurts when sentiment reverses from a short-term focus on return measurement toward the management of risk. Examples today would include the popularity of severely indebted companies, companies without earnings or cash flows, cyclical companies that believe that there will never be a cycle again, management teams publishing increasingly aggressive accounting practices and companies on valuation multiples that extrapolate extreme growth. These are all risks to which we are unwilling to expose the Trust.

Instead we try to actively manage the risk exposure of the Trust with:

- Our focus on **stewardship**. For example, 70% of the Trust's portfolio is invested in companies owned and run by high-quality family stewards who are similarly focused on protecting and growing their wealth over the long-term. Where there isn't a family, we ensure that the people behind the business are suitably aligned from both a financial and cultural perspective.
- 80% of the Trust's portfolio being invested in companies with **net cash balance sheets** and thus relatively resilient to external shock and well-placed to invest counter-cyclically.
- Owning **quality franchises** with the potential for **attractive long-term earnings growth.**
- Our focus on ensuring companies are well positioned to benefit and contribute from sustainable development and consequently have earnings streams that are **less at risk from consumer, political and environmental headwinds.**

Comments on ESG

It is becoming increasingly popular to use third-party ESG (environmental, social and governance) scores as a way of excluding companies and demonstrating the sustainability credentials of a portfolio. We do not use these services. We believe that our bottom-up analysis incorporates ESG factors naturally.

When investing with a long-term time horizon, sustainability and quality become critical to wealth preservation and growth. Understanding how a company is positioned relative to the development challenges facing our planet forms a key part of how we think about growth and risk. Challenges include population pressure, resource constraints, income inequality, ethnic and gender inequalities, and extreme levels of poverty. We are looking for companies which are well-positioned to deliver positive long term returns in the face of these challenges.

Companies positioned well for sustainability themes can make poor long term investments. There are many companies or sectors that, despite being well-positioned to contribute to sustainable development, have untrustworthy or incompetent management teams, franchises incapable of generating economic returns, or balance sheets loaded with debt. Popular examples today would be manufacturers of electric vehicles, providers of plant-based meat, and solar panel manufacturers. We believe that quality is critical if businesses, and shareholders, are to benefit from the long-term tailwinds enjoyed by an attractive sustainable development position.

Many of the factors used by third party ESG providers represent a very simplistic, top-down view of what constitutes 'good ESG'. Scores are often dependent on the ability of companies to provide reporting on various 'ESG measures' rather than considerations of quality. Many of the Trust's holdings do not receive a score – often because companies lack the resources to complete the required reporting or are too small to be covered by ESG providers. In addition, providers often apply a negative view to all family owned companies. We do not agree that such a scoring system provides the resiliency to long term risks and opportunities arising from ESG factors that these providers claim.

Significant Changes During the Year

Rationales for transactions are discussed in the quarterly reports over the course of the year but we will repeat them here.

Five new companies entered the Trust over the course of the year.

We initiated a position in V**oltronic Power Technology** (Taiwan). Voltronic is a manufacturer of uninterruptible power supplies (UPS); products that provide critical backup systems for their customers e.g. emergency power for factories, hospital equipment and data centres. We are comfortable investing alongside the very capable founder and industry veteran, Alex Hsieh, and his aim to build a franchise renowned for its quality and trustworthiness. The high product mix, low volume nature of the business means new entrants can't just throw capital at the problem (a popular strategy of Chinese industrial companies) and success requires years of effort in building a broad product offering and reputation in the industry. The high rates of return that Voltronic earns on its capital reflect their unique model. Although having some cyclical elements to demand, Voltronic is well placed to benefit from both the structural growth of the industry and taking market share from less quality peers.

The Trust participated in the IPO of **Uni-Charm Indonesia**. This listing allows the Trust to hold a direct stake in a franchise very well positioned to benefit from the growing use of female sanitary products and baby nappies from what is currently a low level relative to more developed markets. The Trust has held a position in the Japanese-listed parent company for a number of years and so we are very comfortable with the quality of the steward at Uni-Charm Indonesia. We believe the growth opportunity provided by under-penetration and margins that are materially below that of the parent company offer the potential for attractive levels of growth over the long term.

We initiated a position in **ViTrox** (Malaysia). ViTrox is a Penang-based, founder-run company focused on the design, development and assembly of vision inspection equipment. Attractive margins and returns are reflective of how essential ViTrox is to their customers' ability to ensure defective products do not leave the factory floor and in reducing costs as they remove the dependence on the human eye in a repetitive and demanding environment. ViTrox's founders remain the company's largest shareholders and in our conversations with them, we have been very impressed with their integrity and technology-focused culture. Despite being relatively early in their evolution, with sales of less than US$100m, ViTrox has developed world-class technology and is very well placed to benefit as vision inspection is utilised in a growing number of industries.

Bank Central Asia (BCA) is the leading commercial bank in Indonesia and possesses what we look for in banking franchises: a strong low-cost deposit base that enables attractive returns despite the bank participating in largely low-risk parts of the market. One unique feature of Indonesian banking law is that directors, including independents, are personally liable for the bank's solvency; unsurprisingly, they, including BCA, tend to be very conservatively run with little leverage and lots of excess capital. Indonesia's relatively low level of credit to GDP and an economy that is largely driven by private consumption provides an appealing environment for a quality bank such as BCA to continue compounding its earnings at an attractive, risk-aware rate.

Concepcion Industrial is the largest manufacturer and distributor of air conditioners in the Philippines and has a number of quality attributes. It is owned and managed by the Concepcion family – a steward we believe to be long-term, competent and suitably risk-aware. Their leading market share, strong brands and established distribution network offer an attractive position from which to benefit as air conditioning penetration in the Philippines increases.

Over the year we disposed of a number of smaller positions in the Trust as we lacked the long-term conviction to make them more meaningful weightings. As mentioned earlier, due to growing political risk and questions over future growth we exited all of the Ayala owned companies: **Manila Water, Ayala Corp** and **Bank of the Philippine Islands.**

Over the year, we commissioned a couple of pieces of research work on the palm oil industry that provided valuable insight into the mounting consumption and supply chain headwinds facing the sector. On the back of this work, we sold our small position in the Malaysian palm oil company United Plantations. Despite **United Plantations** being the industry and sustainability leader, the headwinds facing the industry are likely to be too great for any player to be able to offer attractive levels of long-term returns.

We sold our small position in **Public Bank**. Although we believe it to be the most conservative bank in Malaysia, the high indebtedness of the Malaysian household reduces the opportunity for quality growth while increasing the fragility of the loan book. We believe Bank Central Asia to be a more attractive place to protect and grow capital over the long-term.

We sold the Trust's position in the Indian generic pharmaceutical company **Cipla**. Although being one of the leading suppliers of medicines in India, we believe the quality of Cipla's franchise to be headed in the wrong direction. Ambitions of building a meaningful presence in the US requires having to contend with a consolidated base of powerful intermediaries and the unpredictability of constantly going head-to head with capable peers to market new drugs. Both of these factors contribute to a more volatile earnings stream and increasing pressure on profit margins.

We sold **Kansai Paint** listed in Japan, having held it in the Trust for less than a year. We initiated the original position as we believed Kansai to offer an attractive way of gaining exposure to Asia's growing demand for paint. However, recent company presentations and their interest in a large US acquisition suggest Asia is unlikely to be the key driver of growth over the coming years. We never like to see companies come in and out of the Trust so quickly but there will be instances, such as these, where selling and admitting a mistake is preferable to holding on.

Outlook

Last year, many companies favoured by the market delivered high returns driven by interest rate-fuelled valuation inflation. Going forward, it is hard to see such an environment repeating itself and returns are likely to be much more a function of earnings growth, which is usually the case.

The outbreak of coronavirus adds another major variable to the mix. We will refrain from making any exact predictions on how it will impact both demand and supply for the global economy and the Trust's holdings – it is too early to tell. So far the selling has been indiscriminate and dramatic, which is often the case in the initial stages of a significant correction. We expect to see more discernment emerging as the world adjusts to the new environment of reduced economic activity. In the long-term the impacts of COVID-19 will be wide and unparalleled. We are still at the beginning of the beginning. These are extraordinary times, but we have been here before. Who would have thought that 3 million South Koreans would queue up in 1997 to hand over US$2bn worth of their own gold to the Government to help pay the national debt. The history of Asian markets is full of extraordinary times. Fortunately, the resilience of Asian companies, and particularly their emphasis on net cash balance sheets, should leave good quality Asian companies well placed to weather this storm, just as they have done many times before. What we can do is ensure that the companies we own are as resilient as possible to uncertainty. Corporate memory of historic crisis, non-discretionary cash flows and strong balance sheets are all valuable assets in such scenarios.

As discussed earlier, we believe the Trust has significant exposure to such companies while our cash balance provides the opportunity to add to some quality companies if they fall foul of discriminate selling. Going forward, we believe the quality of the companies in the Trust provides an attractive balance between safety and growth. This positions the Trust well to continue delivering long-term capital growth through investment in the Asian region.

Stewart Investors
Investment Manager
6 April 2020

Portfolio Case Studies

These are examples of companies that the Investment Manager believes are driving sustainable development.

Pigeon

Description:	One of Asia's leading providers of baby products with commanding market share in Japan, China and throughout South East Asia.
Quality of people:	The Nakata family, who founded the company in 1957, continues to own 4%. The professional management team at Pigeon have shown themselves not only to be very competent in their ability to allocate capital but also capable stewards of Pigeon's products' reputation for quality: a critical criteria for parents purchasing products for their babies.
Quality of franchise:	A renowned brand name, track record of innovation and attractive returns put Pigeon in a strong position to benefit from growing demand for baby products in countries with a fast-growing consumer class where parents are looking for high-quality products they can trust.
Quality of financials:	Minimal capital requirements and high margins allow Pigeon to generate attractive levels of free cash flow while running a net cash balance sheet.

Koh Young Technology

Description:	A leading manufacturer of 3D inspection equipment, headquartered in Seoul. Koh Young's testing equipment has become essential in the electronics manufacturing process as components become both more complex and smaller in size making manual checking insufficient to ensure quality.
Quality of people:	Koh Young is stewarded by Dr Kwangil Koh who founded the business in 2002 and owns 19% of the company. Dr Koh has proven himself technologically competent and admirably able to defer profits today (through investment) to reap grater rewards in the future.
Quality of franchise:	Through well-spent investment in R&D, Koh Young has managed to maintain a significant lead over peers. Their industry leadership allows them to generate attractive margins and returns which they can re-invest in future growth. Koh Young's inspection devices will continue to become more ubiquitous in electronics manufacturing while increasingly being used in a growing number of industries such as auto and medical devices.
Quality of financials:	Koh Young has managed their working capital and balance sheet (net cash) as well as we would expect for a cyclical company.

OCBC Bank

OCBC

Description:	A leading South East Asian bank.
Quality of people:	OCBC exhibits many of the qualitative characteristics we look for in a financial institution: longevity (founded in 1932), a long term steward (Lee family owns 20% of the bank) and a preference for quality over quantity of growth.
Quality of franchise:	A strong, low cost deposit base (built on their reputation as a quality financial institution) allows the bank to earn attractive returns despite choosing to operate in relatively low risk parts of the economy.
Quality of financials:	The conservatism and long-termism of the steward shines through in the bank's relatively unlevered balance sheet and a track record of industry leading non-performing loans. Their withdrawal from lending to coal-fired power stations, the first bank to do so in South East Asia, improves the quality of their balance sheet and serves as an example of their want to be a positive force in the development of the region.

Business Review

The Strategic Report, set out on pages 1 to 29, contains a review of the Company's business model and strategy, an analysis of its performance during the financial year and its future developments and details of the principal risks and challenges it faces. Its purpose is to inform shareholders and help them to assess how the Directors have performed their duty to promote the success of the Company.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Business Model

The Company is an externally managed investment trust and its shares are listed on the premium segment of the Official List and traded on the main market of the London Stock Exchange. The Company is a small registered UK Alternative Investment Fund Manager under the European Union's Alternative Investment Fund Managers Directive.

The purpose of the Company is to provide a vehicle for investors to gain exposure to a portfolio of companies in the Asia Pacific Region, through a single investment.

The Company's strategy is to create value for shareholders by addressing its investment objective, which is set out on page 2.

As an externally managed investment trust, all of the Company's day-to-day management and administrative functions are outsourced to service providers. As a result, the Company has no executive directors, employees or internal operations.

The Board has retained responsibility for risk management and has appointed Stewart Investors to manage its investment portfolio. Company management, company secretarial and administrative services are outsourced to Frostrow Capital LLP (see page 41 for further information).

The Board remains responsible for all aspects of the Company's affairs, including setting the parameters for monitoring the investment strategy and the review of investment performance and policy. It also has responsibility for all strategic policy issues, including share issuance and buy backs, share price and discount/premium monitoring, corporate governance matters, dividends and gearing.

Further information on the Board's role and the topics it discusses with the Investment Manager is provided in the Corporate Governance Report beginning on page 32.

Investment Objective

The Company's investment objective along with Stewart Investors' investment approach is set out on page 2.

Investment Policy

The Company invests in companies which Stewart Investors believe will be able to generate long-term growth for shareholders.

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 only able to invest in unlisted securities with the Board's prior approval. It is the 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 Company decides to continue to hold or is required to do so.

Risk is diversified by investing in different countries, sectors and stocks within the Asia Pacific Region. There are no defined limits on countries or sectors but no single investment may exceed 7.5% of the Company's total assets at the time of investment. This limit is reviewed from time to time by the Board and may be revised as appropriate.

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 Company has the power under its Articles of Association to borrow up to two times the adjusted total of capital and reserves. However, in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"), the Company was registered by the FCA as a Small Registered UK Alternative Investment Fund Manager ("AIFM") with effect from 30 April 2014. To retain its Small Registered UK AIFM status, the Company is unable to employ gearing. Notwithstanding this, the Company's approach is not to gear the portfolio.

The use of derivatives is permitted with prior Board approval and within agreed limits. However, Stewart Investors are unlikely to use derivatives.

Dividend Policy

It is the Company's policy to pursue capital growth for shareholders with income being a secondary consideration. This means that the Company's Investment Manager is frequently drawn to companies whose future growth profile is more important than the generation of dividend income for shareholders.

The Company complies with the United Kingdom's investment trust rules regarding distributable income which require investment trusts to retain no more than 15% of their income from shares and securities each year. The Company's dividend policy is that the Company will pay a dividend as a minimum to maintain investment trust status.

The Board

At the date of this report, the Board of the Company comprises James Williams (Chairman), Charlotta Ginman, Sian Hansen, Robert Talbut and Edward Troughton. All of these Directors are non-executive, independent Directors.

All of the Directors served throughout the year except Mr Troughton, who was appointed to the Board on 18 December 2019. Terence Mahony served as a Director until his retirement on 31 January 2020.

Further information on the Directors can be found on pages 30 and 31.

Key Performance Indicators

The Board of Directors reviews performance against the following measures (KPIs). During the year, the Board changed the Company's performance objective to refer to inflation rather than the MSCI Index. The first KPI reflects this change, accordingly. The other KPIs are unchanged from the prior year.

- Net asset value total return against the Consumer Price Index +6% (the "Performance Objective")* ^
- Net asset value total return against the peer group* ^
- Average discount/premium of share price to net asset value per share over the year^
- Ongoing charges ratio^

* Measured over three to five years
^ Alternative Performance Measure (see Glossary beginning on page 73).

Net asset value total return – Performance Objective

The Directors regard the Company's net asset value total return as being the overall measure of value delivered to shareholders over the long term. Total return reflects both the net asset value growth of the Company and the dividends paid to shareholders. During the year, the performance objective of the Company was amended to refer to inflation (represented by the Consumer Price Index) plus 6% (a fixed element to represent what the Board considers to be a reasonable premium on investors' capital which investing in the faster-growing Asian economies ought to provide over time), measured over three to five years. This change was designed to reflect that the Investment Manager's approach does not consider index composition when investing.

During the year under review, the net asset value per share showed a total return of +4.2% underperforming the Performance Objective by 3.3% (2019: +4.7%, underperforming the Performance Objective by 3.7%). Over the past three years, the Company's net asset value has produced an annualised total return of 7.0%, underperforming the Performance Objective by 1.4%. Over five years, the annualised NAV total return was 7.8%, underperforming the Performance Objective by 0.1%.

A full description of performance during the year under review is contained in the Investment Manager's Review beginning on page 13.

Net asset value total return – peer group

The Company exists in a competitive environment and aims to be a leader in its peer group, defined as 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 to five-year basis.

Over the three years ended 31 January 2020, the Company ranked sixth in its peer group of the Company, an exchange traded fund and seven other investment trusts with a similar investment objective; over five years it was ranked seventh. The Company's performance is discussed in the Chairman's Statement beginning on page 6 and the Investment Manager's Review beginning on page 13.

Average discount/premium of share price to net asset value per share

The Board believes that an important driver of an investment trust's share price discount or premium over the long term is investment performance together with a proactive marketing strategy. However, there can be volatility in the discount or premium during the year. Therefore, the Board takes powers each year to buy back and issue shares with a view to limiting the volatility of the share price discount or premium.

During the year under review 1,085,000 new shares were issued by the Company at a 1.2% premium to the Company's cum income net asset value per share at the time of issue. No shares were bought back by the Company. The Company's share price discount to the net asset value per share was consistently narrower than the peer group average.

Average discount of share price to net asset value per share*^ during the year ended

31 January 2020	31 January 2019
0.5%	**3.1%**
Peer group average discount **5.0%**	Peer group average discount **5.9%**

* Source: Morningstar
^ Alternative Performance Measure (see Glossary beginning on page 73)

Ongoing charges ratio

Ongoing charges represent the costs that shareholders can reasonably expect to pay from one year to the next, under normal circumstances. The Board continues to be conscious of expenses and works hard to maintain a sensible balance between high quality service and costs. The Board therefore considers the ongoing charges ratio to be a KPI and reviews the figure both in absolute terms and in relation to the Company's peers.

Ongoing charges ratio^

31 January 2020	31 January 2019
1.2%	**1.2%**
Peer group average **0.9%**	Peer group average **1.0%**

^ Alternative Performance Measure (see Glossary beginning on page 73)

Shareholders should be aware that the Trust's relatively low turnover, and the absence of any cost of capital associated with gearing, will mean that the Trust's overall running costs are not necessarily as high as some other investment vehicles, should these be added into the ongoing cost ratio. It should also be noted that the Trust does not have a performance fee, which are not included in published charges for peers.

Risk Management

The Board is responsible for the management of the risks faced by the Company. The Board has carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Audit Committee on behalf of the Board regularly reviews these risks and how they are managed. The risks faced by the Company have been categorised under three headings as follows:

- Investment risks (including financial risks)
- Strategic risks
- Operational risks (including cyber crime, corporate governance, accounting, legal and regulatory)

A summary of these risks and their mitigation is set out below:

Principal Risks and Uncertainties	Mitigation	Change in assessment of risk over the last financial year

Investment Risks (including financial risks)

Market and Foreign Exchange Risk

By the nature of its activities, the Company's portfolio is exposed to fluctuations in market prices (from both individual security prices and foreign exchange rates) in the regions and sectors in which it invests. Emerging markets in the Asia Pacific region, in which the portfolio companies operate, are expected to be more volatile than developed markets. As such, investors should be aware that by investing in the Company they are exposing themselves to market risk.

To manage this risk the Board have appointed Stewart Investors to manage the portfolio within the remit of the investment objective and policy. Compliance with the investment objective and investment policy limits is monitored daily by Frostrow and Stewart Investors and reported to the Board monthly. The investment policy limits ensure that the portfolio is diversified, reducing the risks associated with individual stocks and markets. Stewart Investors' approach is expected to lead to performance that will deviate from that of comparators, including both market indices and other investments companies investing in the Asia Pacific region. Stewart Investors report at each Board meeting on the performance of the Company's portfolio, which encompasses the rationale for investment decisions, the make-up of the portfolio, and the investment strategy.

The Board undertakes, at least annually, a strategic review of the Company, its investment objective and policy, and Stewart Investors' approach to managing the mandate.

As part of its review of the going concern and viability of the Company, the Board also considers the sensitivity of the Company to changes in market prices and foreign exchange rates (see note 14 beginning on page 68), how the portfolio would perform during a market crisis, and the ability of the Company to liquidate its portfolio if the need arose. Further details are included in the Going Concern and Viability Statements on pages 44 and 40 respectively.

The Board have also considered the impact of passive funds on market prices in the Asia Pacific region as an emerging risk. The Board believe that flows into/out of passive funds are likely to increase volatility in the shorter term as they inflate/deflate prices of companies in the relevant indices. However, the Board believes that over the longer term, active management and a focus on the fundamentals of each investment will prove beneficial.

Counterparty Risk

The Company is exposed to credit risk arising from the use of counterparties. If a counterparty were to fail, the Company could be adversely affected through either delay in settlement or loss of assets. The most significant counterparty to which the Company is exposed is J.P. Morgan Chase Bank, the Custodian, which is responsible for the safekeeping of the Company's assets.

Counterparty risk is managed by the Board through:

- reviews of the arrangements with, and services provided by, the Custodian to ensure that the security of the Company's custodial assets is being maintained;
- monitoring of the Custodian, including reviews of internal control reports and sub-custodial arrangements, as appropriate; and
- reviews of Stewart Investors' approved list of counterparties, the process for monitoring and adding to the approved counterparty list, and the Company's use of those counterparties.

Under the terms of the contract with J.P. Morgan Chase Bank, the Company's investments are required to be segregated from J.P. Morgan Chase Bank's own assets.

Further information on other financial risks can be found in note 14 beginning on page 68.

Principal Risks and Uncertainties	Mitigation	Change in assessment of risk over the last financial year

Strategic Risks

Geopolitical Risk

Geopolitical events around the world may have an adverse impact on the Company's performance by causing exchange rate volatility, changes in tax or regulatory environments, a reduced investment universe and/or a fall in market prices.

The Board regularly discusses global geopolitical issues and general economic conditions and developments.

Political changes in recent years, particularly in the US and Asia Pacific region, have increased uncertainty and volatility in financial markets. The Board discusses developments and how they may impact decision making processes with Stewart Investors.

The Board is also aware of the potential impact of climate change on the portfolio as an emerging risk and discusses this with Stewart Investors. Given Stewart Investors focus on sustainability, the Board considers the portfolio to be well positioned in this regard.

Investment Management Key Person Risk

There is a risk that the individual(s) responsible for managing the Company's portfolio may leave their employment or may be prevented from undertaking their duties.

The Board manages this risk by:

- appointing an Investment Manager which operates a team environment such that the loss of any individual should not impact on service levels;
- receiving regular reports from the Investment Manager, including any significant changes in the make-up of the team supporting the Company;
- meeting the wider team supporting the designated lead manager, at both Board meetings and at the Investment Manager's offices; and
- delegating to the Engagement & Remuneration Committee responsibility to perform an annual review of the service received from the Investment Manager, including, *inter-alia*, the team supporting the lead manager and their succession planning.

Shareholder Relations

The Company is also exposed to the risk, particularly if the investment strategy and approach are unsuccessful, that the Company underperforms its peer group and fails to achieve its Performance Objective, resulting in the Company becoming unattractive to investors and a widening of the share price discount to the net asset value per share.

In managing this risk the Board:

- reviews the Company's investment objective and policy, and Stewart Investors' investment approach in relation to the investment performance, market and economic conditions and the operation of the Company's peers;
- regularly discusses the Company's future development and strategy;
- undertakes a regular review of the level of the share price discount/premium to net asset value per share and considers ways in which share price performance may be enhanced, including the effectiveness of marketing, share issuance and share buy backs, where appropriate; and
- reviews an analysis of the shareholder register at each Board meeting and is kept informed of shareholder sentiment.

In addition, the Chairman contacts the major shareholders annually to understand their views of the Company.

Principal Risks and Uncertainties	Mitigation	Change in assessment of risk over the last financial year

Operational Risk

Service Providers

As an externally-managed investment trust, the Company is reliant on the systems of its service providers for dealing, trade processing, administrative services, financial and other functions. If such systems were to fail or be disrupted (including as a result of cyber-crime or a pandemic) this could lead to a failure to comply with applicable laws, regulations and governance requirements and/or to a financial loss.	To manage these risks the Board: • visited all key service providers to gain an understanding of their control environment, and the processes in place to mitigate any disruptive events; • receives a monthly report from Frostrow Capital LLP, which includes, *inter alia*, confirmation of compliance with applicable laws and regulations; • reviews internal control reports and key policies (including disaster recovery procedures and business continuity plans) of its service providers; • maintains a risk matrix with details of risks to which the Company is exposed, the approach to those risks, key controls relied on and the frequency of the controls operation; • receives updates on pending changes to the regulatory and legal environment and progress towards the Company's compliance with such changes; and • has considered the increased risk of cyber-attacks and received reports and assurance from its service providers regarding the information security controls in place.	▲▲

Impact of Brexit

The Board has considered whether Brexit poses a discrete risk to the Company. At the date of this report, the UK had entered into a "transition period" while it negotiates new arrangements with the EU. There is, therefore, still considerable uncertainty about the effects of Brexit.

As the Company is priced in sterling and the Company's portfolio companies are priced in foreign currencies sharp movements in exchange rates can affect the net asset value (see page 69 for the foreign currency sensitivity analysis).

Furthermore, whilst the Company's current shareholders are predominantly UK based, sharp or unexpected changes in investor sentiment, or tax or regulatory changes, could lead to short term selling pressure on the Company's shares which potentially could lead to the share price discount widening.

Overall, however, the Board believes that over the longer term, Brexit is unlikely to affect the Company's business model or whether the Company's shares trade at a premium or discount to the net asset value per share. The Board will continue to monitor developments as they occur.

Coronavirus

The Board has identified the emergence and spread of the new coronavirus (COVID-19) as an emerging risk facing the Company. The Board has reviewed the business continuity plans of each of the Company's principal service providers in relation to the steps being taken to combat the spread of the virus and will continue to monitor developments as they occur. See the Chairman's Statement beginning on page 6 and the Investment Manager's Review beginning on page 13 for further comments.

Stakeholder Interests and Board Decision-Making (Section 172 Statement)

Under new reporting regulations and the new AIC Code, the Directors must now explain more fully how they have discharged their duties under Section 172 of the Companies Act 2006 in promoting the success of the Company for the benefit of the members as a whole. This includes the likely consequences of the Directors' decisions in the long-term and how they have taken wider stakeholders' needs into account.

The Directors aim to act fairly as between the Company's shareholders. The Board's approach to shareholder relations is summarised in the Corporate Governance Report beginning on page 32. The Chairman's Statement beginning on page 6 provides an explanation of actions taken by the Directors during the year to achieve the Board's long-term aim of ensuring that the Company's shares trade at a price close to the NAV per share.

As an externally managed investment trust, the Company has no employees, customers, operations or premises. Therefore, the Company's key stakeholders (other than its shareholders) are considered to be its service providers. The need to foster business relationships with the service providers and maintain a reputation for high standards of business conduct are central to the Directors' decision-making as the Board of an externally managed investment trust. The Directors believe that fostering constructive and collaborative relationships with the Company's service providers will assist in their promotion of the success of the Company for the benefit of all shareholders.

The Board engages with representatives from its service providers throughout the year. Representatives from Stewart Investors and Frostrow are in attendance at each Board meeting. As the Investment Manager and the Manager, Company Secretary and Administrator respectively, the services they provide are fundamental to the long-term success of the Company. The Chairman's Statement, and the Report of the Directors on pages 41 and 42, describe relevant decisions taken during the year relating to Stewart Investors and Frostrow. In particular, they describe changes to the Company's performance measurement and the reduction in the Investment Management Fee which were decisions taken in consultation with Stewart Investors and which both parties believe will be of benefit to shareholders over the longer term. Further details about the matters discussed in Board meetings and the relationship between Stewart Investors and the Board are set out in the Corporate Governance Report. Stewart Investors' emphasis on sustainable development and their commitment to effective stewardship are particularly valued by the Board. The Chairman's Statement discusses this in further detail.

Representatives from other service providers are asked to attend Board meetings when deemed appropriate. During the year under review, the Audit Committee conducted a series of risk-focussed deep dives at the offices of each of the principal service providers in order to better understand their operations, the risks facing their businesses and the potential impact on the Company should such risks materialise. The Audit Committee also approved an increase in the fee for the external audit. Further information is provided in the Audit Committee Report beginning on page 46.

Social, Human Rights and Environmental Matters

As an externally-managed investment trust, the Company does not have any employees or maintain any premises, nor does it undertake any manufacturing or other physical operations itself. All its operational functions are outsourced to third party service providers. Therefore, the Company has no material, direct impact on the environment or any particular community and the Company itself has no environmental, human rights, social or community policies.

The Investment Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and the development of their policies on social, community and environmental matters. The Investment Manager (under their parent, legal entity name, First State Investments) is a Tier 1 signatory to the UN Principles of Responsible Investment, an investor signatory of Climate Action 100+ and an investor member of the Institutional Investors Group on Climate Change.

Performance and Future Developments

The Board concentrates its attention on the Company's investment performance, Stewart Investors' investment approach and on factors that may have an effect on this approach.

The Board monitors the performance of the Company's investment portfolio in relation to the Performance Objective and also its peer group.

The Board is regularly updated by Frostrow Capital LLP on wider investment trust industry issues and regular discussions are held concerning the Company's future development and strategy.

A review of the Company's year, its performance and the outlook for the Company can be found in the Chairman's Statement on pages 6 to 9 and in the Investment Manager's Review on pages 13 to 19.

The Company's overall strategy remains unchanged.

By order of the Board

Frostrow Capital LLP
Company Secretary
6 April 2020

Board of Directors

James Williams

Independent Non-Executive Chairman

Joined the Board in 2013 and became Chairman in June 2015

James is Chairman of the Nomination Committee.

Shareholding in the Company: 50,000

Skills and Experience

James has worked in investment management for over 45 years. He was formerly the Chief Investment Officer of Baring Asset Management. He was a founder in Asia of the Henderson Baring group. James has also held several non-executive directorships.

His leadership of the Board draws on his long and varied experience on investment company boards, and the fund management industry. His focus is on long-term strategic issues, which are a key characteristic of Board discussion.

Other Appointments

James is currently a non-executive Director of BMO UK High Income Trust plc.

Standing for re-election

Yes

Charlotta Ginman, FCA

Independent Non-Executive Director

Joined the Board in 2014

Charlotta is Chair of the Audit Committee and the Senior Independent Director.

Shareholding in the Company: 13,789

Skills and Experience

Charlotta has held senior positions in the investment banking and the technology/telecom sectors.

As an FCA Charlotta brings to the Board, and especially the Audit Committee under her Chairmanship, an incisive and detailed perspective of the Company's financial position and its risk control environment. Charlotta is not afraid to confront complex issues on a range of topics.

Other Appointments

Charlotta is a non-executive Director and Chair of the Audit Committee of Polar Capital Technology Trust plc and Keywords Studios plc. She is also a non-executive Director of Unicorn AIM VCT plc.

Standing for re-election

Yes

Sian Hansen

Independent Non-Executive Director

Joined the Board in 2015

Sian is Chair of the Engagement & Remuneration Committee.

Shareholding in the Company: 10,096

Skills and Experience

Previously Sian was Executive Director of the Legatum Institute and before this, Managing Director of the UK think tank Policy Exchange. Earlier in her career Sian was a senior equity analyst and Co-Director of Sales for Asian Emerging Markets at Société Générale.

Sian enhances the Board's knowledge of sustainability, enabling meaningful debates with the Investment Manager to take place. As a thought leader in political and other forums she brings a valuable perspective on geo-political matters.

Other Appointments

Sian is currently chief operating officer of CIT Group and a non-executive Director of the JP Morgan Multi-Asset Trust PLC.

Standing for re-election

Yes

Robert Talbut

Independent Non-Executive Director

Joined the Board in 2016

Shareholding in the Company: 9,611

Skills and Experience

Robert was formerly a director and Chief Investment Officer at Royal London Asset Management Limited.

Robert is well prepared to take a contrary position on issues that may come up. His understanding of today's corporate governance and the matters that a Board must confront, helps to ensure that the Company is run in accordance with best practice.

In addition, his ongoing knowledge of the asset management industry and the strategies adopted by portfolio managers is useful in many board debates.

Other Appointments

Robert is non-executive Chairman of Shires Income PLC and a non-executive Director of Schroder UK Mid Cap Fund PLC, and JP Morgan American Investment Trust plc.

Standing for re-election

Yes

Edward Troughton

Independent Non-Executive Director

Joined the Board in 2019

Shareholding in the Company: 18,157

Skills and Experience

Edward was previously the Principal Representative Officer of Bank of London and the Middle East in Dubai. Before that he was Managing Director of Alliance Trust Investments for seven years and Managing Director at BlackRock with various responsibilities including Head of Asia, based in Hong Kong. He started his career at Baring Asset Management as an Asian Equity portfolio manager.

Edward's experience in the investment sector and first-hand knowledge of living and working in Asia enables the Board to engage authoritatively with the Investment Manager on their investment strategy.

Other Appointments

Edward is a partner at Oldfield Partners LLP.

Standing for election

Yes

Corporate Governance

The Board and Committees

Responsibility for effective governance lies with the Board whose role is to promote the long-term success of the Company. The governance framework of the Company reflects the fact that as an externally-managed investment company it has no employees and outsources portfolio management to Stewart Investors and company management, company secretarial and administrative services to Frostrow Capital LLP. The Board generates value for shareholders through its oversight of the service providers and management of costs associated with running the Company.

The Board

Chairman – James Williams

Senior Independent Director – Charlotta Ginman

Three additional non-executive Directors, all considered independent.

Key responsibilities:

- to provide leadership and set strategy, values and standards within a framework of effective controls which enable risk to be assessed and managed;
- to ensure that a robust corporate governance framework is implemented; and
- to challenge constructively and scrutinise performance of all outsourced activities.

Engagement & Remuneration Committee

Chair

Sian Hansen

All Independent Directors

Key responsibilities:

- to review the contracts, the performance and remuneration of the Company's principal service providers;
- to set the remuneration policy of the Company; and
- to review the terms and conditions of the Directors' appointments.

Audit Committee

Chair

Charlotta Ginman, FCA

All Independent Directors

Key responsibilities:

- to review the Company's financial reports;
- to oversee the risk and control environment; and
- to have primary responsibility for the relationship with the Company's external auditor, to review their independence and performance, and to determine their remuneration.

Nomination Committee

Chairman

James Williams

All Independent Directors

Key responsibilities:

- to review the Board's structure and composition; and
- to make recommendations for any changes or new appointments.

Copies of the full terms of reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary and will be available for inspection at the Annual General Meeting. They can also be found on the Company's website at www.pacific-assets.co.uk.

Corporate Governance Statement

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance published in February 2019 (the "AIC Code"). The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and provisions of the AIC Code (which has been endorsed by the Financial Reporting Council) will provide better information to shareholders. By reporting against the AIC Code, the Company meets its obligations under the UK Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) and as such does not need to report further on issues contained in the UK Code which are irrelevant to the Company as an externally-managed investment company, including the provisions relating to the role of the chief executive, executive directors' remuneration and the internal audit function.

The AIC Code is available on the AIC's website www.theaic.co.uk and the UK Code can be viewed on the Financial Reporting Council website www.frc.org.uk. The AIC Code includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the principles and provisions of the AIC Code.

The Corporate Governance Statement on pages 32 to 38 forms part of the Report of the Directors on pages 39 to 43.

Board Leadership and Purpose

Purpose and Strategy

The purpose and strategy of the Company are described in the Strategic Report on page 22.

Strategy issues and all material operational matters are considered at Board meetings.

Board Culture

The Board aims to fully enlist differences of opinion, unique vantage points and areas of expertise. The Chairman encourages open debate to foster a supportive and co-operative approach for all participants. Strategic decisions are discussed openly and constructively. The Board aims to be open and transparent with shareholders and other stakeholders, and for the Company to conduct itself responsibly, ethically and fairly in its relationships with service providers.

Shareholder Relations

During the year, the Board met with institutional shareholders to understand their views on governance and the Company's performance. The Chairman also met with the Company's largest institutional shareholders to discuss the performance measurement changes outlined in the Chairman's Statement beginning on page 6. In general, representatives of Stewart Investors and Investec Bank plc, the Company's corporate stockbroker, meet regularly with institutional shareholders and private client asset managers to discuss investment strategy, any issues or concerns and, if applicable, corporate governance matters. Reports on investor sentiment and the feedback from investor meetings are discussed with the Directors at the following Board meeting.

Shareholder Communications

The Directors welcome the views of all shareholders and place considerable importance on communications with them. Shareholders wishing to communicate with the Chairman, or any other member of the Board, may do so by writing to the Company Secretary at the offices of Frostrow Capital LLP. Shareholders are usually encouraged to attend the Annual General Meeting, where they are normally given the opportunity to question the Chairman, the Board and representatives of Stewart Investors. In addition, Stewart Investors usually make a presentation to shareholders covering the investment performance and strategy of the Company at the Annual General meeting. However, in light of government advice relating to the coronavirus outbreak at the date of this report, the Board has made different arrangements for the forthcoming AGM and these are explained in the Chairman's Statement beginning on page 6.

Significant Holdings and Voting Rights
Details of the shareholders with substantial interests in the Company's shares, the Directors' authorities to issue and repurchase the Company's shares, and the voting rights of the shares are set out in the Report of the Directors on pages 39 to 43.

Conflicts of Interest
Company Directors have a statutory obligation to avoid a situation in which they (and connected persons) have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. In line with the Companies Act 2006, the Board has the power to authorise any potential conflicts of interest that may arise and impose such limits or conditions as it thinks fit. A register of interests and potential conflicts is maintained and is reviewed at every Board meeting. No conflicts of interest arose during the year under review.

Division of Responsibilities

Responsibilities of the Chairman and the SID
The Chairman's primary role is to provide leadership to the Board, assuming responsibility for its overall effectiveness in directing the company. The Chairman is responsible for:

- taking the chair at general meetings and Board meetings, conducting meetings effectively and ensuring all Directors are involved in discussions and decision-making
- setting the agenda for Board meetings and ensuring the Directors receive accurate, timely and clear information for decision-making
- taking a leading role in determining the Board's composition and structure
- overseeing the induction of new directors and the development of the Board as a whole
- leading the annual board evaluation process and assessing the contribution of individual Directors
- supporting and also challenging the Investment Manager (and other suppliers where necessary)
- ensuring effective communications with shareholders and, where appropriate, stakeholders
- engaging with shareholders to ensure that the Board has a clear understanding of shareholder views

The Senior Independent Director (SID) serves as a sounding board for the Chairman and acts as an intermediary for the other Directors and the shareholders. The SID is responsible for:

- working closely with the Chairman and providing support
- leading the annual assessment of the performance of the Chairman
- holding meetings with the other non-executive Directors without the Chairman being present, on such occasions as necessary
- carrying out succession planning for the Chairman's role
- working with the Chairman, other Directors and shareholders to resolve major issues
- being available to shareholders and other Directors to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e. through the Chairman or the Investment Manager)

Director Independence
The Board consists of five non-executive Directors, each of whom is independent of Stewart Investors and the Company's other service providers. Each of the Directors, including the Chairman, was independent on appointment and continues to be independent when assessed against the circumstances set out in Provision 13 of the AIC Code (and Provision 12 of the AIC Code which relates specifically to the Chairman). The Board carefully considers these guidelines but places particular weight on the view that independence is evidenced by an individual being independent of mind, character and judgement. The Board considers that all of the Directors are independent and there are no relationships or circumstances which are likely to impair or could appear to impair their judgement.

Directors' Other Commitments
During the year, none of the Directors took on any significant new commitments or appointments. All of the Directors consider that they have sufficient time to discharge their duties.

Board Meetings
The Board meets formally at least five times each year. The primary focus at regular Board meetings is the review of investment performance and associated matters, including asset allocation, marketing/investor relations, peer group information and industry issues. The Board reviews key investment and financial data, revenue and expenses projections, analyses of asset allocation, transactions, customised performance metrics and performance comparisons, share price and net asset value performance. The Board's approach to addressing the Investment Manager's and the Company's share price performance during the year is described in the Chairman's Statement beginning on page 6.

The Board is responsible for setting the Company's corporate strategy and reviews the continued appropriateness of the Company's investment objective, investment strategy and investment restrictions at each meeting.

Matters Reserved for Decision by the Board
The Board has adopted a schedule of matters reserved for its decision. This includes, inter alia, the following:

- Decisions relating to the strategic objectives and overall management of the Company, including the appointment or removal of the Investment Manager and other service providers, establishing the investment objectives, strategy and performance comparators, the permitted types or categories of investments and the proportion of assets that may be invested in them, and the markets in which transactions may be undertaken.
- Requirements under the Companies Act 2006, including approval of the half year and annual financial statements, recommendation of the final dividend (if any), declaration of any interim dividends, the appointment or removal of the Company Secretary, and determining the policy on share issuance and buybacks.
- Matters relating to certain Stock Exchange requirements and announcements, the Company's internal controls, and the Company's corporate governance structure, policies and procedures.
- Matters relating to the Board and Board committees, including the terms of reference and membership of the committees, and the appointment of directors (including the Chairman and the SID).

Day-to-day investment management is delegated to Stewart Investors and operational management is delegated to Frostrow.

The Board takes responsibility for the content of communications regarding major corporate issues, even if Stewart Investors or Frostrow acts as spokesman. The Board is kept informed of relevant promotional material that is issued by Stewart Investors.

Relationship with the Investment Manager
A representative from Stewart Investors is in attendance at each Board meeting to provide updates and address questions on specific matters and to seek approval for specific transactions which they are required to refer to the Board.

The Engagement and Remuneration Committee evaluates Stewart Investors' performance and reviews the terms of the Investment Management Agreement at least annually. The outcome of this year's review is described on pages 41 and 42.

Relationship with Other Service Providers
Representatives from Frostrow are in attendance at each Board meeting to address questions on the Company's operations, administration and governance requirements. The Engagement and Remuneration Committee monitors and evaluates all of the Company's other service providers, including Frostrow, and also the Custodian, the Registrar and the Broker. At the most recent review in December 2019, the Committee concluded that all the service providers were performing well and should be retained on their existing terms and conditions.

Stewardship and the Exercise of Voting Powers
The Board and the Investment Manager support the UK Stewardship Code, which sets out the principles of effective stewardship by institutional asset owners and asset managers. Stewart Investors (under their legal parent entity name, First State Investments) is a Tier 1 signatory to the UK Stewardship Code. First State Investments produce an annual Responsible Investment and Stewardship Report which is published on their website www.firststateinvestments.com.

The Board has delegated authority to Stewart Investors (as Investment Manager) to engage with companies held in the portfolio and to vote the shares owned by the Company.

Stewart Investors have a strong commitment to effective stewardship and their approach, including their consideration of environmental, social and governance issues, is set out in their Stewardship and Corporate Engagement policy which can be found on their website www.stewartinvestors.com. During the year, the Board reviewed quarterly reports from Stewart Investors on their voting and engagement and is satisfied with their approach.

Independent Professional Advice
The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the Company's expense. No such advice was sought during the year.

Company Secretary
The Directors have access to the advice and services of an investment trust specialist Company Secretary through its appointed representative, which is responsible for advising the Board on all governance matters. The Company Secretary ensures governance procedures are followed and that the Company complies with applicable statutory and regulatory requirements.

Composition, Succession and Evaluation

Board Evaluation
During the year, the performance of the Board, its committees and the individual Directors (including each Director's independence) was evaluated through a formal assessment process led by the Chairman. This involved the circulation of a Board effectiveness questionnaire, tailored to suit the nature of the Company, followed by discussions between the

The number of scheduled Board and Committee meetings held during the year and the number of meetings attended by each Director is set out below:

Number of meetings	Board (5)	Audit Committee (3)	Engagement & Remuneration Committee (1)	Nomination Committee (2)
James Williams[1]	5	3	1	2
Charlotta Ginman	5	3	1	2
Sian Hansen	5	3	1	2
Terence Mahony[2]	5	3	1	2
Robert Talbut	5	3	1	2

1 The Chairman of the Board ceased to be a member of the Audit Committee on 26 September 2018 however, at the Committee's request, continued to attend meetings and was reappointed on 17 December 2019.

2 Retired from the Board on 31 January 2020.

Note: Edward Troughton was appointed as a Director on 18 December 2019 and to the Committees with effect from 1 February 2020. Mr Troughton attended a Board meeting on 17 December 2019 as an observer and there were no subsequent meetings until after the year end.

Other ad hoc meetings of the Board and Committees are held in connection with specific events as and when necessary. All the Directors (who were appointed at the time) attended the Annual General Meeting held on 27 June 2019.

Chairman and each of the Directors. The performance of the Chairman was evaluated by the other Directors under the leadership of Charlotta Ginman as the Senior Independent Director. The review concluded that the Board was working well.

All Directors submit themselves for election and annual re-election thereafter by shareholders (unless they intend to retire from the Board). The particular contribution of each individual Director is summarised on pages 30 and 31. Following the evaluation process, the Board recommends that shareholders vote in favour of the Directors' re-election at the forthcoming AGM.

As an independent external review of the Board was last undertaken in 2017, it is the Board's intention that the next such review will be held towards the end of 2020. It is expected that the results of that review will be summarised in the next Annual Report.

Succession Planning
The Board, meeting as the Nomination Committee, regularly considers its structure and recognises the need for progressive refreshment.

The Board has an approved succession planning policy to ensure that (i) there is a formal, rigorous and transparent procedure for the appointment of new directors; and (ii) the Board is comprised of members who collectively display the necessary balance of professional skills, experience, length of service and industry/Company knowledge. The policy is reviewed annually and at such other times as circumstances may require.

During the year, the Board reviewed the policy on Directors' tenure and considered the overall length of service of the Board as a whole. A new Director, Edward Troughton, was appointed, succeeding Terence Mahony who retired at the year end.

Policy on the Tenure of the Chairman and other Non-Executive Directors
The tenure of each independent, non-executive director, including the Chairman, is not ordinarily expected to exceed nine years. However, the Board has agreed that the tenure of the Chairman may be extended briefly provided such an extension is conducive to the Board's overall orderly succession. The Board believes that this more flexible approach to the tenure of the Chairman is appropriate in the context of the regulatory rules that apply to investment companies, which ensure that the chair remains independent after appointment, while being consistent with the need for regular refreshment and diversity.

Appointments to the Board
The Nomination Committee considers annually the skills possessed by the Directors and identifies any skill shortages to be filled by new directors. The rules governing the appointment and replacement of directors are set out in the Company's Articles of Association and the aforementioned succession planning policy. Where the Board appoints a new director during the year, that director will stand for election by shareholders at the next AGM. The minimum number of directors is two and the maximum is seven. When considering new appointments, the Board endeavours to ensure that it has the capabilities required to be effective and oversee the Company's strategic priorities. This will include an appropriate range, balance and diversity of skills, experience and knowledge. The Company is committed to ensuring that any vacancies arising are filled by the most qualified candidates.

During the year, Edward Troughton was appointed to the Board. The Board engaged the services of a specialist recruitment platform, Nurole, to assist with the search process. Nurole sourced and prepared a long list of potential candidates for consideration by the Nomination Committee. The Nomination Committee then selected a short list of candidates to interview, following which a recommendation was made to the Board that Mr Troughton be appointed as a Director. Nurole has no other connection with the Company.

Diversity Policy
The Board supports the principle of Boardroom diversity, of which gender is one important aspect and the recommendations of Lord Davies review and the Hampton-Alexander review. The Company's policy is that the Board should be comprised of directors who collectively display the necessary balance of professional skills, experience, length of service and industry

knowledge and that appointments to the Board should be made on merit, against objective criteria, including diversity in its broadest sense.

The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. The Directors believe that this will make the Board more effective at promoting the long-term sustainable success of the Company and generating value for shareholders by providing a range of perspectives and the challenge needed to support good decision-making. To this end achieving a diversity of perspectives and backgrounds on the Board will be a key consideration in any Director search process.

The gender balance of three men and two women meets the original recommendation of Lord Davies' report on Women on Boards and the more recent target set for FTSE 350 companies. The Board is aware that targets concerning ethnic diversity have been recommended for FTSE 250 companies. While the Company is not a FTSE 350 constituent and the Board is small in size, the Directors will continue to monitor developments in these areas and to consider diversity during any director search process.

Audit, Risk and Internal Control

The Statement of Directors' Responsibilities on pages 44 and 45 describes the Directors' responsibility for preparing this report.

The Audit Committee Report, beginning on page 46, explains the work undertaken to allow the Directors to make this statement and to apply the going concern basis of accounting. It also sets out the main roles and responsibilities and the work of the Audit Committee throughout the year, and describes the Directors' review of the Company's risk management and internal control systems.

A description of the principal risks facing the Company and an explanation of how they are being managed is provided in the Strategic Report on pages 24 to 27.

The Board's assessment of the Company's longer-term viability is set out in the Report of the Directors on pages 40 and 41.

Remuneration

The Directors' Remuneration Report beginning on page 51 sets out the levels of remuneration for each Director and explains how Directors' remuneration is determined.

Frostrow Capital LLP
Company Secretary
6 April 2020

Report of the Directors

The Directors present this Annual Report on the affairs of the Company together with the audited financial statements and the Independent Auditor's Report for the year ended 31 January 2020.

Business and Status of the Company

The Company is registered as a public limited company in Scotland (Registered Number SC091052) and is an investment company within the terms of Section 833 of the Companies Act 2006 (the 'Act'). Its shares are listed on the premium segment of the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange, which is a regulated market as defined in Section 1173 of the Act.

The Company has applied for and been accepted as an investment trust under Section 1158 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 February 2012. The Directors are of the opinion that the Company has conducted its affairs so as to be able to retain such approval.

It is the Directors' intention that the Company should continue to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares components of an Individual Savings Account ('ISA') and Junior ISA.

The Company is a member of the Association of Investment Companies ('AIC').

Alternative Performance Measures

The Financial Statements (on pages 59 to 71) set out the required statutory reporting measures of the Company's financial performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts, which are summarised on page 1 and explained in greater detail in the Strategic Report, under the heading 'Key Performance Indicators' on pages 23 and 24. The Directors believe that these measures enhance the comparability of information between reporting periods and investors in understanding the Company's performance.

The measures used for the year under review have remained consistent with the prior year.

Definitions of the terms used and the basis of calculation adopted are set out in the Glossary beginning on page 73.

Annual General Meeting

THE FOLLOWING INFORMATION TO BE DISCUSSED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 12 Authority to allot shares

Resolution 13 Authority to disapply pre-emption rights

Resolution 14 Authority to buy back shares

Resolution 15 Authority to hold General Meetings (other than the AGM) on at least 14 clear days' notice

The full text of the resolutions can be found in the Notice of Annual General Meeting on pages 77 to 81. Explanatory notes regarding the resolutions can be found on pages 82 and 83.

Results and Dividend

The results attributable to shareholders for the year are shown on page 59. Details of the Company's dividend record can be found on page 5 and the dividend policy is outlined in the Strategic Report on page 23.

An interim dividend of 3.0p per ordinary share will be paid on 2 July 2020 to shareholders on the register on 29 May 2020. The associated ex-dividend date is 28 May 2020.

Capital Structure

As at 31 January 2020 there were 120,958,386 ordinary shares of 12.5p each ('shares') in issue (2019: 119,873,386). All shares rank equally for dividends and distributions. Each shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held. Details of the substantial shareholders in the Company are listed on page 42.

At the start of the year under review, the Directors had shareholder authority to issue up to 11,987,338 ordinary shares of 12.5 pence each on a non-pre-emptive basis and to buy back up to 17,969,020 ordinary shares in the market. At the Company's annual general meeting held on Thursday, 27 June 2019, these authorities expired and new authorities to allot up to 12,068,338 ordinary shares (representing 10% of the Company's issued share capital) on a non-pre-emptive basis and to buy back up to 18,090,439 ordinary shares (representing 14.99% of the Company's issued share capital) were granted.

During the year, 1,085,000 new shares were issued (2019: nil) at a minimum premium of 1.2% to the last published cum-income net asset value per share. Details are provided in the notes to the financial statements.

No shares were repurchased during the year and there are no shares held in Treasury.

The giving of powers to issue or buy-back the Company's shares requires the relevant resolution to be passed by shareholders. Proposals for the renewal of the Board's authorities to issue and buy-back shares are detailed in the Notice of AGM beginning on page 77.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no restrictions on voting rights; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, debtors and creditors which arise directly from its operations such as sales and purchases awaiting settlement, and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 14 to the financial statements, beginning on page 68.

Viability Statement

The Directors have carefully assessed the Company's current position and prospects as described in the Chairman's Statement and the Investment Manager's Review, as well as the Principal Risks and Uncertainties outlined on pages 24 to 27 and have formed a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years.

The particular factors the Directors have considered in assessing the prospects of the Company, its ability to liquidate its portfolio, and in selecting a suitable period for this assessment are as follows:

- the Company is a long-term investor and the Investment Manager adopts a long-term view when making investments. When making new investments, the anticipated holding period can be five years or more. The Board believes this also reflects the investment horizons of the majority of the Company's shareholders. While anticipated holding periods can be longer than five years, due to the limitations inherent in predicting market conditions, the Directors have determined that five years is the longest period for which it is reasonable to make this assessment;
- the portfolio is comprised of investments traded on major international stock exchanges and there is a spread of investments by country and by size

of company. The Directors have taken into account an assessment of the liquidity of the portfolio and considered the viability of the Company under various scenarios. Using historic market crashes and the recent global economic crisis caused by the coronavirus pandemic as base cases, the tests modelled the effects of severe stock market volatility on the Company's NAV and its ability to meet its liabilities. Further information is provided in the Audit Committee report beginning on page 46. Based on the results of the tests, the Directors concluded that the schedule of investment limits and restrictions put in place by the Board and the mitigating actions for the principal risks would protect the value of the Company's assets to a sufficient degree;
- the closed-ended nature of the Company means that, unlike an open-ended fund, it does not need to realise investments when shareholders wish to sell their shares; and
- the expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments currently foreseen which would alter that position.

In carrying out their assessment, the Directors have made the following assumptions:

- investors will wish to continue to have exposure to the type of companies that the Company invests in, namely companies listed in the Asia Pacific region;
- the performance of the Company will be satisfactory;
- the threats to the Company's solvency or liquidity, outlined in the Principal Risks and Uncertainties, will be managed or mitigated as outlined on pages 24 to 27; and
- there will be no material change in strategy or objectives, nor any events that would prevent the Company from continuing to operate as an investment trust.

Principal Service Providers

Investment Manager

The Company's investment portfolio is managed by Stewart Investors which had approximately £17.9 billion in assets under management as at 31 December 2019.

Stewart Investors are engaged under the terms of an Investment Management Agreement (the "IMA") effective from 1 February 2015. The IMA is terminable by six months' notice. Stewart Investors have complied with the terms of the IMA throughout the year to 31 January 2020. During the year under review, a management fee of 0.9% of net assets was payable. With effect from 1 February 2020, the management fee has reduced to 0.85% of net assets per annum. Further information is provided overleaf and in the Chairman's Statement beginning on page 6.

Manager, Company Secretary and Administrator

Frostrow Capital LLP acts as the Company's Manager, Company Secretary and Administrator. It is an independent provider of services to the investment companies sector and currently has 13 other investment trust clients whose assets totalled approximately £6.9 billion as at 18 March 2020.

Frostrow Capital LLP provides company management, company secretarial and administrative services to the Company under the terms of a Management, Administrative and Secretarial Services Agreement, effective from 1 February 2015. During the year under review Frostrow received a fixed fee of £60,000 per annum plus 0.11% per annum of net assets up to £150 million, plus 0.075% per annum of net assets in excess of £150 million up to £500 million. Frostrow's appointment can be terminated by either party by giving six months' notice.

Further details of the fees payable to Stewart Investors and Frostrow Capital LLP are set out in note 3 to the accounts on page 62.

Custodian

J.P. Morgan Chase Bank have been appointed as the Company's Custodian. The Custodian's fees are charged according to the jurisdiction in which the holdings are based. Variable transaction fees are also chargeable.

Investment Manager and Manager Evaluation and Re-Appointment

The review of the performance of Stewart Investors as Investment Manager and Frostrow Capital LLP as Manager, Company Secretary and Administrator is a continuous process carried out by the Board and the Engagement and Remuneration Committee (the "ERC"), with a formal evaluation being undertaken each year. As part of this process the Board monitors the services provided by Stewart Investors and Frostrow and receives regular reports and views from them. The Board also receives comprehensive performance measurement reports to enable it to determine whether or not the performance objective set by the Board has been met.

The ERC formally reviewed the appointment of Stewart Investors in December 2019. The ERC agreed with Stewart Investors a reduction in the investment management fee, with a recommendation being made to the Board. It was agreed that the investment management fee would reduce from 0.9% to 0.85% of the Company's net asset value, with effect from 1 February 2020.

The Board believes the continuing appointment of Stewart Investors, under the terms described above, is in the interests of shareholders. In coming to this decision the Board took into consideration the following additional reasons:

- the terms of the Investment Management Agreement, in particular the level and method of remuneration and the notice period, and the comparable arrangements of a group of the Company's peers; and
- the quality and depth of experience of Stewart Investors and the level of performance of the portfolio in absolute terms and also by reference to the Company's Performance Objective and the Company's peer group over the medium to longer term.

The ERC also formally reviewed Frostrow's appointment in December 2019 with a formal recommendation being made to them. The Board believes the continuing appointment of Frostrow Capital LLP, under the terms described on page 41 is in the interests of shareholders. In coming to this decision, the Board took into consideration the quality and depth of experience of the management, administrative and company secretarial team that Frostrow Capital LLP allocates to the Company.

Directors

Directors' and Officers' Liability Insurance Cover

Directors' and Officers' liability insurance cover was maintained by the Board during the year ended 31 January 2020. It is intended that this policy will continue for the year ending 31 January 2021 and subsequent years.

Directors' Indemnities

As at the date of this report, a deed of indemnity has been entered into by the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his role as a Director of the Company. Each Director is indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at the offices of Frostrow during normal business hours and will be available for inspection at the Annual General Meeting.

Articles of Association

Amendment of the Company's Articles of Association requires a special resolution to be passed by shareholders.

Substantial Interests in Share Capital

As at 29 February 2020, being the latest practicable date before publication of the Annual Report, the Company was aware of the following substantial interests in the voting rights of the Company:

	Number of shares held	% held
Brewin Dolphin Capital Investments (Ireland)	12,068,457	9.98
Rathbones	11,628,066	9.61
Brewin Dolphin Stockbrokers	10,101,009	8.35
Smith & Williamson	6,503,859	5.38
Interactive Investor	5,509,467	4.55
Charles Stanley	5,234,862	4.33
Hargreaves Lansdown	4,856,968	4.02
AJ Bell	4,040,332	3.34
Veritas Investment Management	3,750,393	3.10

Beneficial Owners of Shares – Information Rights

The beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, Equiniti, or to the Company directly.

Modern Slavery Act 2015

The Company does not provide goods or services in the normal course of business, and as a financial investment vehicle, does not have customers. Therefore, the Directors do not consider that the Company is required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking. The Company's suppliers are typically professional advisers and the Company's supply chains are considered to be low risk in this regard.

Anti-Bribery and Corruption Policy

The Board has adopted a zero tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company.

The Board applies the same standards to its service providers in their activities for the Company.

A copy of the Company's Anti Bribery and Corruption Policy can be found on its website at www.pacific-assets.co.uk. The policy is reviewed annually by the Audit Committee.

Prevention of the Facilitation of Tax Evasion

In response to the implementation of the Criminal Finances Act 2017, the Board adopted a zero-tolerance approach to the criminal facilitation of tax evasion. A copy of the Company's policy on preventing the facilitation of tax evasion can be found on the Company's website www.pacific-assets.co.uk. The policy is reviewed annually by the Audit Committee.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Reports and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

Political Donations

The Company has not made and does not intend to make any political donations.

Corporate Governance

The Corporate Governance report, which includes the Company's Corporate Governance policies is set out on pages 32 to 38.

Common Reporting Standard (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The reporting obligation began in 2016 and will be an annual requirement going forward. The Registrars, Equiniti, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

Listing Rule 9.8.4

The Directors confirm that there are no disclosures to be made in regard of Listing Rule 9.8.4.

By order of the Board

Frostrow Capital LLP
Company Secretary
6 April 2020

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, which is maintained by the Company's Investment Manager. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

The content of the Company's portfolio, investment activity, the Company's cash balances and revenue forecasts, and the trends and factors likely to affect the Company's performance are reviewed and discussed at each Board meeting. The Board has considered a detailed assessment of the Company's ability to meet its liabilities as they fall due, including stress and liquidity tests which modelled the effects of substantial falls in markets and significant reductions in market liquidity (including further stressing the current economic conditions caused by the coronavirus pandemic) on the Company's NAV and its expenses. Further information is provided in the Audit Committee report beginning on page 46. In light of the results of these tests, the conclusions drawn in the Viability Statement on pages 40 and 41, the Company's cash balances, the liquidity of the Company's investments and the absence of any gearing, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she might reasonably be expected to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Responsibility Statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and the return for the year ended 31 January 2020; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of information required by 4.1.8R to 4.1.11R of the FCA's Disclosure Guidance and Transparency Rules.

We consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

James Williams
Chairman
6 April 2020

Audit Committee Report

for the year ended 31 January 2020

Introduction from the Chair

I am pleased to present the fifth Audit Committee report to shareholders, for the year ended 31 January 2020, since I was appointed Chair of the Committee in 2015.

Composition

As all the Directors on the Board are independent non-executive directors, the Committee comprises the whole Board.

At least one member of the Committee has recent and relevant financial experience and the Committee as a whole has competence relevant to the investment trust sector. I am a Fellow of the Institute of Chartered Accountants in England and Wales and I chair the audit committees of two other listed investment companies; the other Committee members have a combination of financial, investment and other relevant experience gained throughout their careers. The experience of the Committee members can be assessed from the Directors' biographies set out on pages 30 and 31.

In light of the Chairman of the Board's relevant financial experience, his continued independence and his valued contributions in Committee meetings, the Audit Committee considers it appropriate that he is a member.

Role and Responsibilities

A comprehensive description of the Committee's role, its duties and responsibilities, can be found in its terms of reference, which are available on the Company's website www.pacific-assets.co.uk

In summary, the Committee's principal functions are:

- to monitor the integrity of the Company's annual and half-year financial statements and any announcements relating to the Company's financial performance;
- to review the internal controls and risk management systems of the Company and its third-party service providers;
- to make recommendations to the Board regarding the appointment, re-appointment or removal of the external Auditor, and to be responsible for leading an audit tender process at least once every ten years;
- to have primary responsibility for the Company's relationship with the external Auditor, including reviewing the external Auditor's independence and objectivity as well as the effectiveness of the external audit process;
- to agree the scope of the external Auditor's work and to approve their remuneration; and
- to develop and implement policy on the engagement of the external Auditor to supply non-audit services and to review and approve any non-audit work to be carried out by the external Auditor.

Financial Statements

The Board asked the Audit Committee to confirm that, in its opinion, the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's financial position, performance, business model and strategy. In doing so, the Committee considered:

- the procedures followed in the production of the Annual Report, including the processes in place to assure the accuracy of factual content;
- the extensive levels of review that were undertaken in the production process, by Frostrow and also by the Committee; and
- the internal control environment operated by Stewart Investors (the Investment Manager), Frostrow Capital LLP ('Frostrow', the Manager, Company Secretary and Administrator), JP Morgan (the Custodian) and other service providers.

Significant Issues

Significant Reporting Matters

Issue Considered	How the issue was addressed
Valuation of Investments	The Committee took steps to reconfirm its understanding of the processes in place to record investment transactions and to value the portfolio. It was noted that established pricing vendors are used to source and verify the prices of the Company's investments. The correct recording of investment transactions was established through regular reconciliations of both cash and securities by Frostrow with the Custodian or relevant bank.
Existence and Ownership of Investments	The Committee received assurance that all investment holdings and cash/deposit balances had been agreed by Frostrow to an independent confirmation from the Custodian or relevant bank. The Committee reviewed the internal controls reports of Frostrow and JP Morgan, the Custodian.

Other Reporting Matters

Recognition of Revenue from Investments

Frostrow confirmed to the Committee that all dividends, both received and receivable, had been accounted for correctly. It was noted that there was an appropriate segregation of duties between Frostrow and JP Morgan.

Accounting Policies

The Committee ensured that the accounting policies set out in the notes to the financial statements were applied consistently throughout the year.

Going Concern

The Committee reviewed the Company's financial position and concluded that it was appropriate to adopt the going concern basis of accounting. Further detail is provided on page 44.

Viability Statement

The Committee considered the longer-term viability of the Company in connection with the Board's statement in the Report of the Directors (see pages 40 and 41). The Committee reviewed the Company's financial position (including its cash flows and liquidity position), the principal risks and uncertainties and the results of a series of stress tests and scenarios which considered the impact of severe stock market and currency volatility on shareholders' funds. This included modelling a further substantial market fall, and significantly reduced market liquidity, to that experienced recently in connection with the coronavirus pandemic.

The stress tests applied values to a number of the Company's principal risks and the effect on the portfolio of those risks materialising was projected over a five year period. The results demonstrated the impact on the Company's NAV, its expenses and its ability to meet its liabilities over the same five year period. The Committee concluded it was reasonable for the Board to expect that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years.

Internal Controls and Risk Management

The Board has overall responsibility for the Company's risk management and internal control systems and for reviewing their effectiveness. The Company applies the guidance published by the Financial Reporting Council on internal controls. Internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the business objective and can provide only reasonable and not absolute assurance against material misstatement or loss. These controls aim to ensure that the assets of the Company are safeguarded, that proper accounting records are maintained, and that the Company's financial information is reliable.

A description of the principal risks facing the Company and an explanation of how they are being managed is provided in the Strategic Report on pages 24 to 27. The Directors have a robust process for identifying, evaluating and managing the risks faced by the Company, including emerging risks, which are recorded in a risk matrix. The Audit Committee, on behalf of the Board, considers each risk as well as reviewing the mitigating controls in place. The likelihood of occurrence and the impact of each risk is assessed, and the resultant numerical rating determines its ranking into 'Principal/Key', 'Significant' or 'Minor'. The Committee also considers at each meeting whether there are any emerging risks to which the Company is becoming increasingly exposed. As an externally managed investment trust, the Company is reliant on the systems utilised by its service providers. Therefore, the process also involves the Audit Committee receiving and examining internal control reports from the Company's principal service providers. The Audit Committee then reports to the Board on its findings.

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems at each of its meetings during the year. There were no changes to the Company's risk management processes during the year and no significant failings or weaknesses were identified.

The Committee also conducted its annual review of internal controls reports from Stewart Investors, Frostrow, JP Morgan and Equiniti (the Registrar). Following its review, the Committee concluded that there were no significant control weaknesses or other issues that were required to be brought to the attention of the Board. The Committee is satisfied that appropriate systems have been in place for the year under review and up to the date of approval of this report.

Investment Trust Status

The Committee sought and received confirmation from Frostrow that the Company continues to comply with Section 1158 of the Corporation Tax Act 2010, so that its status as an investment trust is maintained.

Withholding Tax

The Committee also monitored the reclamation of withholding tax, receiving regular updates from Frostrow on the process and the appointment of specialist local agents in jurisdictions such as Taiwan, India and Bangladesh.

Taxation

In 2018 the rules on the taxation of Indian capital gains changed. Previously, short term capital gains (defined as capital gains on securities that had been held for less than a year) were subject to a 15% tax rate and long term capital gains were not subject to tax. Following the changes, long term capital gains became subject to a tax rate of 10%. The Committee has been monitoring the provision for Indian capital gains tax, which has increased to £1,767,000 as at 31 January 2020 (2019: £94,000), receiving regular updates on the position. A local tax specialist has been appointed to ensure that tax returns and any tax due are calculated accurately and in line with the relevant legislation.

Internal Audit

The Committee considered whether there was a need for the Company to have an internal audit function. As the Company delegates its day-to-day operations to third parties and has no employees, the Committee concluded that there was no such need.

Other Activities During the Year

The Committee met three times during the year with all members attending each meeting.

In addition to carrying out the principal functions listed above, the Committee also reviewed:

- the Committee's terms of reference, updated to reflect the new AIC Code of Corporate Governance published in February 2019;
- the revised, 2020 UK Stewardship Code published by the Financial Reporting Council and Stewart Investors' Stewardship and Corporate Engagement Policy;
- Stewart Investors' list of approved brokers, commission rates and the amount of commission paid by the Company throughout the year;
- the cyber security and data storage arrangements put in place by the Company's service providers;
- the whistleblowing policies of the Company's service providers;
- the Company's anti-bribery and corruption policy;
- the Company's commitment to the prevention of the criminal facilitation of tax evasion;
- the Company's audit tender guidelines; and
- the Company's gifts and hospitality policy.

At the end of the previous financial year and throughout the year under review, the Committee also undertook a series of 'deep dive' visits to the offices of the Company's principal service providers: Stewart Investors, Frostrow, JP Morgan and Equiniti Limited. These visits helped the Committee to better understand the operations and internal control environments of the Company's service providers. The visits focused primarily on areas such as risk and control management, fraud identification, cyber security and business resiliency. At the visit to JP Morgan, the Committee also examined the management of the network of sub-custodians and the efficacy of their monitoring processes. No issues arose as a result of these visits.

External Auditor

The Audit

The Committee reviewed KPMG LLP's audit plan, including the nature and scope of the audit, on 25 September 2019. The Committee also met with KPMG on 3 March 2020 to discuss the progress of the audit and the draft Annual Report. The Committee then met KPMG on 17 March 2020 to formally review the outcome of the audit.

This year, in addition to their usual work on the financial statements, the Committee discussed with the Auditor our reporting on the emerging risk of the new coronavirus (see page 27), the presentation of our Alternative Performance Measures (see Glossary beginning on page 73), the statement on how the Directors' have complied with duties under section 172 of the Companies Act (see page 27), and our reporting under the revised AIC Code of Corporate Governance (see the Corporate Governance Report beginning on page 32).

Remuneration

The Committee approved a fee of £27,000 for the audit in 2020. This represents an increase of £5,400 or 25% from the previous year. The Committee believes that the increase is reflective of the increased level of work required to audit a listed company and that the level of the increase is in line with wider trends in the audit industry.

Independence and Effectiveness

The Committee evaluated the independence of the Auditor and the effectiveness of the external audit. In order to fulfil this responsibility, the Committee reviewed:

- the senior audit personnel in the audit plan, in order to ensure that there were sufficient, suitably experienced staff with knowledge of the investment trust sector working on the audit;
- the steps the Auditor takes to ensure its independence and objectivity;
- the statement by the Auditor that they remain independent within the meaning of the relevant regulations and their professional standards;
- the extent of any non-audit services provided by the Auditor (there were none during the year under review);
- the Company's policy on former employees of the Auditor (and other service providers) joining the Board;
- the Auditor's fulfilment of the agreed audit plan, including their ability to communicate with management and to resolve any issues promptly and satisfactorily;
- the presentation of the audit findings; and
- feedback from KPMG and also Frostrow as the Manager, Company Secretary and Administrator on their working relationship.

The Committee is satisfied with the Auditors' independence and the effectiveness of the audit process.

Appointment and Tenure

KPMG has been the appointed external auditor since 2008, meaning that they have carried out the external audit for the past 12 years. The last audit tender process was held in 2017, following which the Committee recommended to the Board that KPMG be reappointed. In accordance with current legislation, the Company is required to instigate an audit tender process at least every 10 years and to change its auditor after a maximum of 20 years. Based on these requirements, another tender process will be conducted no later than 2027, with the audit for the year ending 31 January 2028 being the last that KPMG may undertake. The Committee will, however, continue to consider annually the need to go to tender for audit quality, remuneration or independence reasons.

Mr Waterson has been the audit partner allocated to the Company since 2018. Audit legislation requires the audit partner to rotate after serving a maximum of five years with the Company; it is therefore anticipated that

Mr Waterson will serve as audit partner until completion of the audit process in 2022.

The re-appointment of KPMG as Auditor to the Company is subject to shareholder approval at the next Annual General Meeting to be held in June 2020, and details can be found in the Notice of AGM beginning on page 77.

Non-Audit Services

The Committee develops and implements the Company's policy on the provision of non-audit services by the Auditor. Any non-audit services to be provided by the Auditor must be pre-approved by the Committee. Such services are only permissible where the service is not expressly prohibited by audit legislation, where no conflicts of interest arise, where the independence of the Auditor is non likely to be impinged by undertaking the work, and the quality and objectivity of both the audit and non-audit work will not be compromised. Non-audit services may be provided if they are inconsequential or would have no direct effect on the Company's financial statements and the audit firm would not place significant reliance on the work for the purposes of the statutory audit. In addition, non-audit fees must not exceed 70% of the average audit fees in the last three years.

No non-audit services were provided by the Auditor in the year under review or in the prior year.

Effectiveness of the Committee

A formal, internal Board review which included an assessment of the Committee's effectiveness, was led by the Chairman of the Board during the year. The outcome was positive with no significant concerns expressed. The last externally facilitated review was held in 2017. The next such review will be undertaken later in 2020.

Charlotta Ginman FCA
Chair of the Audit Committee
6 April 2020

Directors' Remuneration Report

for the year ended 31 January 2020

Statement from the Chair

As Chair of the Engagement and Remuneration Committee, I am pleased to present the Directors' Remuneration Report to shareholders. The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution for the approval of this report will be put to shareholders at the Company's forthcoming Annual General Meeting (AGM).

The law requires the Company's Auditor to audit certain disclosures provided in this report. Where disclosures have been audited, they are indicated as such and the Auditor's audit opinion is included in its report to shareholders on pages 54 to 58.

The Engagement & Remuneration Committee considers the framework for the remuneration of the Directors. It reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of Directors by reference to the activities of the Company and in comparison with other companies of a similar structure and size. This is in-line with the AIC Code.

The simple fee structure reflects the non-executive nature of the Board, which itself reflects the Company's business model as an externally-managed investment trust (please refer to the Business Review beginning on page 22 for more information). Accordingly, statutory requirements relating to executive directors' and employees' pay do not apply.

The Engagement & Remuneration Committee met once during the year and it was agreed to increase the fees paid to the Directors with effect from 1 February 2020 as follows: Chairman £38,000 pa (previously £36,000 pa, an increase of 5.6%); Chair of the Audit Committee £31,000 pa (previously £30,000 pa, an increase of 3.3%) ; Director £27,000 pa (previously £26,000 pa, an increase of 3.8%). The last increase to the fees paid to the Directors took effect from 1 February 2019.

Directors' Fees

The Directors as at the date of this report received the fees listed in the table on page 52. These exclude any employer's national insurance contributions, if applicable. No other forms of remuneration were received by the Directors and so fees represent the total remuneration of each Director.

No communications have been received from shareholders regarding Directors' remuneration and no remuneration consultants were engaged during the year.

Article 117 of the Company's Articles of Association provides that Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

Under HMRC guidance, travel expenses and other out of pocket expenses may be considered as taxable benefits for the Directors. Where expenses reimbursed to the Directors are classed as taxable under HMRC guidance, they are shown in the taxable expenses column of the Directors' remuneration table along with the associated tax liability which is settled by the Company.

Approval

A resolution to approve the Remuneration Report was put to shareholders at the AGM of the Company held on 27 June 2019. Of the votes cast, 98.2% were in favour and 1.8% were against; this resolution will be put to shareholders again this year. A binding resolution to approve the Remuneration Policy was last put to shareholders at the AGM held on 29 June 2017. Of the votes cast, 97.3% were in favour and 2.7% were against. A resolution to approve the Remuneration Policy will be put to shareholders at the forthcoming AGM to be held on 25 June 2020.

Directors' Remuneration for the Year (audited)

The Directors who served in the year received the following remuneration:

	Date of Appointment to the Board	Fixed Fees 2020 £	Taxable Expenses 2020 £	Total Remun-eration 2020 £	Fixed Fees 2019 £	Taxable Expenses 2019 £	Total Remun-eration 2019 £
James Williams	1 October 2013	36,000	535	36,535	35,000	887	35,887
Charlotta Ginman	9 October 2014	30,000	–	30,000	30,000	–	28,500
Sian Hansen	3 August 2015	26,000	–	26,000	25,000	–	25,000
Terence Mahony*	1 February 2004	26,000	–	26,000	25,000	–	25,000
Robert Talbut	23 September 2016	26,000	338	26,338	25,000	370	25,370
Edward Troughton	18 December 2019	3,167	–	3,167	–	–	–
		147,167	873	148,040	138,500	370	139,457

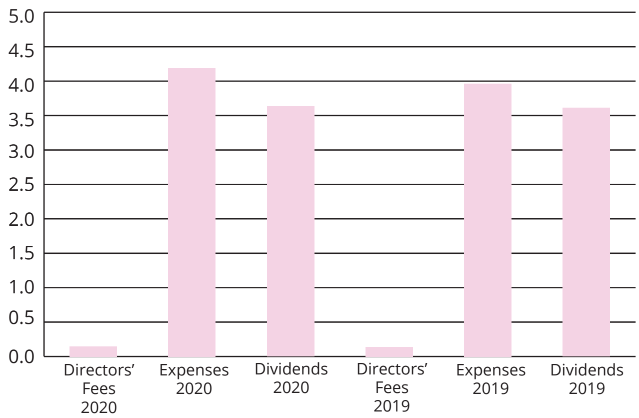
* Mr Mahony retired as a Director on 31 January 2020

Loss of Office

Directors do not have service contracts with the Company but are engaged under letters of engagement. These specifically exclude any entitlement to compensation upon leaving office for whatever reason.

Relative Cost of Directors' Remuneration

The bar chart below shows the comparative cost of Directors' fees compared with the level of dividend distribution and Company expenses for the years ended 31 January 2019 and 2020.



Directors' Interests in Shares (audited)

The interests of the Directors who served in the year in the share capital of the Company are shown in the table below:

		Number of shares held 31 January 2020	31 January 2019
James Williams	Beneficial	50,000	40,000
Charlotta Ginman	Beneficial	13,789	9,716
Sian Hansen	Beneficial	10,096	4,680
Terence Mahony[1]	Beneficial	25,000	25,000
Robert Talbut	Beneficial	9,611	9,611
Edward Troughton[2]	Beneficial	18,157	0
Total		126,653	89,007

1 Retired from the Board on 31 January 2020

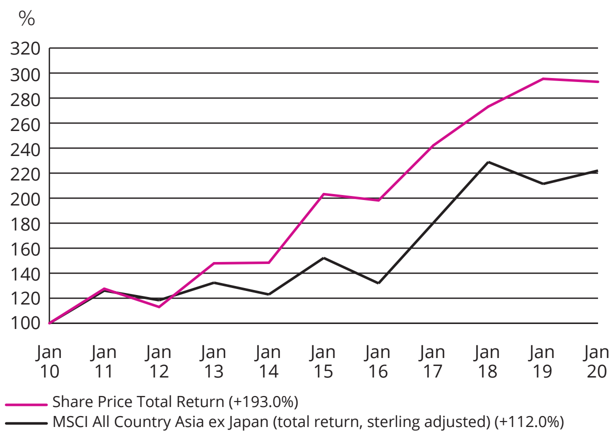
2 Appointed to the Board on 18 December 2019

Since the year end there have not been any changes in the Directors' interests.

Share Price Total Return

The Board has adopted the MSCI All Country Asia ex Japan Index measured on a total return, sterling adjusted basis as a comparator for the Company's performance. In accordance with statutory reporting purposes, this report is required to compare the Company's share price total return to that of the Index. The chart below provides this comparison.

Total Shareholder Return for the Ten Years to 31 January 2020



Source: Morningstar
Rebased to 100 as at 31 January 2010

Directors' Remuneration Policy

The Directors' Remuneration Policy is subject to a binding shareholder vote every three years. It is due to be brought before shareholders again at the forthcoming AGM. There have been no changes to the Remuneration Policy during the year and no changes are proposed for the year ending 31 January 2021. If, however, the Remuneration Policy is varied, shareholder approval for the new policy will be sought at the AGM following such variation. The Board has agreed that the Directors Remuneration Policy will be reviewed at least once a year to ensure that it remains appropriate.

The Directors' Remuneration Policy provides that fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited. Directors are remunerated in the form of fees payable monthly in arrears, paid to the Director personally. There are no long-term incentive schemes, bonuses, share option schemes or pension arrangements and the fees are not specifically related to the Directors' performance, either individually or collectively. The Company does not have any employees.

The remuneration for the non-executive Directors is determined within the limits set out in the Company's Articles of Association. The present limit is £200,000 in aggregate per annum.

Any new Director being appointed to the Board that has not been appointed as either Chairman, Chair of the Audit Committee or Senior Independent Director will, under the current level of fees, receive £27,000 per annum.

None of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to election at the first AGM after their appointment and to re-election annually thereafter. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

Sian Hansen
Chair of the Engagement & Remuneration Committee
6 April 2020

Independent Auditor's Report

to the members of Pacific Assets Trust plc

1. Our opinion is unmodified

We have audited the financial statements of Pacific Assets Trust plc (the "Company") for the year ended 31 January 2020 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and the related notes, including the accounting policies set out in the notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2020 and of its return for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 9 June 2008. The period of total uninterrupted engagement is for the 12 financial years ended 31 January 2020. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: financial statements as a whole		£3.5m (2019: £3.3m) 1% (2019: 1%) of Total Assets
Key audit matters		**vs 2019**
Recurring risks	Carrying value of quoted investments	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2019), in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The risk	Our response
Carrying amount of quoted investments (£309.5 million; 2019: £297.3m) *Refer to page 47 (Audit Committee Report), page 66 (accounting policy and financial disclosures).*	**Low risk, high value:** The Company's portfolio of investments make up 88% (2019: 89%) of the total assets (by value) and are considered to be the key driver of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement, because they comprise liquid quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our procedures included: – **Test of detail:** agreeing the valuation of 100% of investments in the portfolio to externally quoted prices; and – **Enquiry of custodians:** Agreeing 100% of the investment holdings in the portfolio to independently received third party confirmations from investment custodians. Our results – We found the carrying value of quoted investments to be acceptable (2019: acceptable).

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £3.5m (2019: £3.3m), determined with reference to a benchmark of total assets, of which it represents 1% (2019: 1%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.18m (2019: £0.17m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the company was undertaken to the materiality level specified above and was all performed at KPMG's offices in London and Edinburgh.

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if:

– we have anything material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or

– the related statement under the Listing Rules set out on page 44 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosure of emerging and principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation on page 24 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the Viability statement. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or

- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 44 and 45, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors, the manager and the administrator (as required by auditing standards), and discussed with the directors and manager the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and its qualification as an Investment Trust under UK tax legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: the Listing Rules and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Waterson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

6 April 2020

Income Statement

for the year ended 31 January 2020

		Year ended 31 January 2020			Year ended 31 January 2019		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	8	-	14,154	14,154	-	13,192	13,192
Exchange differences		-	(260)	(260)	-	414	414
Income	2	5,964	-	5,964	6,120	-	6,120
Investment management and management fees	3	(888)	(2,665)	(3,553)	(832)	(2,496)	(3,328)
Other expenses	4	(637)	-	(637)	(636)	-	(636)
Return on ordinary activities before taxation		**4,439**	**11,229**	**15,668**	**4,652**	**11,110**	**15,762**
Taxation on ordinary activities	5	(507)	(1,714)	(2,221)	(459)	(243)	(702)
Return after taxation attributable to equity shareholders		**3,932**	**9,515**	**13,447**	**4,193**	**10,867**	**15,060**
Return per share (p)	7	**3.3**	**7.8**	**11.1**	**3.5**	**9.1**	**12.6**

The Total column of this statement represents the Company's Income Statement. The Revenue and Capital columns are supplementary to this and are 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 shown above and therefore no separate Statement of Other Comprehensive Income has been presented.

Statement of Changes in Equity

for the year ended 31 January 2020

	Note	Ordinary Share Capital £'000	Share premium £'000	Capital Redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 January 2018		**14,984**	**5,737**	**1,648**	**14,572**	**277,917**	**5,873**	**320,731**
Return after taxation		-	-	-	-	10,867	4,193	15,060
Ordinary dividends paid	6	-	-	-	-	-	(3,117)	(3,117)
At 31 January 2019		**14,984**	**5,737**	**1,648**	**14,572**	**288,784**	**6,949**	**332,674**
Return after taxation		-	-	-	-	9,515	3,932	13,447
Ordinary dividends paid	6	-	-	-	-	-	(3,614)	(3,614)
Issue of shares		136	3,074	-	-	-	-	3,210
At 31 January 2020		**15,120**	**8,811**	**1,648**	**14,572**	**298,299**	**7,267**	**345,717**

The accompanying notes are an integral part of these statements.

Statement of Financial Position

as at 31 January 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Investments	8		309,517		297,348
Current assets					
Debtors	9	806		224	
Cash and cash equivalents		40,418		36,152	
		41,224		36,376	
Creditors (amounts falling due within one year)	10	(3,257)		(1,050)	
Net current assets			**37,967**		**35,326**
Total assets less current liabilities			**347,484**		**332,674**
Non-current liabilities					
Provision for liabilities	11		(1,767)		–
Net assets			**345,717**		**332,674**
Capital and reserves					
Called up share capital	12		15,120		14,984
Share premium account			8,811		5,737
Capital redemption reserve	15		1,648		1,648
Special reserve	15		14,572		14,572
Capital reserve	15		298,299		288,784
Revenue reserve	15		7,267		6,949
Equity shareholders' funds			**345,717**		**332,674**
Net asset value per Ordinary Share (p)	13		**285.8p**		**277.5p**

The financial statements on pages 59 to 71 were approved and authorised for issue by the Board of Directors on 6 April 2020 and signed on its behalf by:

James Williams
Chairman

The accompanying notes are an integral part of these statements.

Pacific Assets Trust plc – Company Registration Number: SC091052 (Registered in Scotland)

Notes to the Financial Statements

1. Accounting Policies

A summary of the principal accounting policies adopted is set out below or as appropriate within the relevant note to the financial statements.

(a) Basis of Accounting

These financial statements have been prepared under UK Company Law, FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland', and in accordance with guidelines set out in the Statement of Recommended Practice ('SORP'), issued in October 2019, for Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Companies ('AIC'), the historical cost convention, as modified by the valuation of investments at fair value through profit or loss. The Board has considered a detailed assessment of the Company's ability to meets its liabilities as they fall due, including stress and liquidity tests which modelled the effects of substantial falls in markets and significant reductions in market liquidity (including further stressing the current economic conditions caused by the coronavirus pandemic) on the Company's assets and liabilities. In light of the results of these tests, the Company's cash balances, the liquidity of the Company's investments and the absence of any gearing, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to adopt the going concern basis in preparing these financial statements.

The Company has taken advantage of the exemption from preparing a Cash Flow Statement under FRS 102, as it is an investment fund whose investments are substantially highly liquid and carried at fair (market) value.

The Board is of the opinion that the Company is engaged in a single segment of business, namely investing in accordance with the Company's Investment Objective, and consequently no segmental analysis is provided.

Significant Judgement

There is one significant judgement involved in the presentation of the Company's accounts being the judgement on the functional and presentational currency of the Company.

The Company's investments are made in foreign currencies, however the Board considers the Company's functional and presentational currency to be sterling. In arriving at this conclusion, the Board considered that the shares of the Company are listed on the London Stock Exchange, it is regulated in the United Kingdom and pays dividends and expenses in sterling. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Presentation of the Income Statement

In order to reflect better the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

(b) Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the Statement of Financial Position. Profits or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or revenue column of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

(c) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and demand deposits readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2. Income

	2020 £'000	2019 £'000
Income from investments		
Overseas Dividends	5,898	6,091
Bank Interest	66	29
	5,964	**6,120**

Dividends receivable are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. Foreign dividends are grossed up at the appropriate rate of withholding tax.

Special dividends of a revenue nature are recognised through the revenue column of the Income Statement. Special dividends of a capital nature are recognised through the capital column of the Income Statement.

Where the Company has elected to receive its dividends in the form of additional shares rather than cash the amount of the stock dividend is recognised in the revenue column.

3. Investment Management and Management Fees

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee – Stewart Investors	794	2,381	3,175	742	2,227	2,969
Management fee – Frostrow	94	284	378	90	269	359
	888	**2,665**	**3,553**	**832**	**2,496**	**3,328**

Further information regarding Investment Management and Manager's fees can be found on page 41.

For accounting policy see note 4 overleaf.

4. Other Expenses

	2020 £'000	2019 £'000
Directors' fees	148	139
Auditor's remuneration for:		
– annual audit	27	21
Custody fees	207	189
Printing and postage	23	27
Registrar fees	23	34
Broker retainer	30	30
Listing fees	25	21
Legal and professional fees	38	80
Other expenses	116	95
Total expenses	**637**	**636**

All expenses and interest are accounted for on an accruals basis. Expenses and interest are charged to the Income Statement as a revenue item except where incurred in connection with the maintenance or enhancement of the value of the Company's assets and taking account of the expected long-term returns, when they are split as follows:

- Investment Management and Management fees payable have been allocated 25% to revenue and 75% to capital.
- Transaction costs incurred on the purchase and sale of investments are taken to the Income Statement as a capital item, within gains on investments held at fair value through profit or loss.

5. Taxation

(a) Analysis of Charge in the Year

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Overseas taxation	507	13	520	500	10	510
Indian capital gains tax	-	1,701	1,701	-	233	233
Overseas tax recoverable	-	-	-	(41)	-	(41)
	507	**1,714**	**2,221**	**459**	**243**	**702**

Overseas tax arose as a result of irrecoverable withholding tax on overseas dividends and Indian capital gains tax (CGT).

Indian capital gains tax arises on capitals gains on the sale of Indian securities at a rate of 15% on short term capital gains (defined as those where the security was held for less than a year) and 10% on long term capital gains. The charge of £1,701,000 in the year ended 31 January 2020 arose on unrealised long term capital gains on securities still held and is included in the provisions for liabilities as set out in note 11 on page 67. The charge for the year ended 31 January 2019 was £233,000. This included a provision of £94,000 for unrealised capital gains tax on securities still held at the balance sheet date, and a tax payment of £139,000 for short term capital gains tax.

(b) Reconciliation of Tax Charge

The revenue account tax charge for the year is lower than the standard rate of corporation tax in the UK of 19.0% (2019: 19.0%).

The differences are explained below:

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Total return on ordinary activities before tax	4,439	11,229	15,668	4,652	11,110	15,762
Corporation tax charged at 19.0% (2019: 19.0%)	843	2,134	2,977	884	2,111	2,995
Effects of:						
Non-taxable (gains) on investment	-	(2,689)	(2,689)	-	(2,506)	(2,506)
Non-taxable exchange differences	-	49	49	-	(79)	(79)
Unutilised management expenses	277	506	783	273	474	747
Income not subject to corporation tax	(1,120)	-	(1,120)	(1,157)	-	(1,157)
Indian capital gains tax	-	1,701	1,701	-	233	233
Overseas taxation	507	13	520	500	10	510
Overseas tax recovered	-	-	-	(41)	-	(41)
Tax charge for the year	**507**	**1,714**	**2,221**	**459**	**243**	**702**

As at 31 January 2020 the Company had unutilised management expenses and other reliefs for taxation purposes of £43,716,000 (2019: £39,592,000). It is not anticipated that these will be utilised in the foreseeable future and as such no related deferred tax asset has been recognised. A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 budget, it was announced that the UK tax rate would remain at the current 19% and not reduce to 17% from 1 April 2020.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue as set out in this note. The standard rate of corporation tax is applied to taxable net revenue. Any adjustment resulting from relief for overseas tax is allocated to the revenue reserve.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Deferred tax is measured without discounting and based on enacted tax rates. Due to the Company's status as an investment trust, and the intention to meet the conditions required to obtain approval under Section 1158 of the Corporation Tax Act 2010, the Company has not provided for deferred UK tax on any capital gains and losses arising on the revaluation or disposal of investments.

Deferred tax has been provided for on capital gains arising on Indian securities as noted in 5(a) above.

6. Dividends

Amounts recognised as distributable to shareholders for the year ended 31 January 2020, were as follows:

	2020 £'000	2019 £'000
– final dividend paid for the year ended 31 January 2019 of 3.0p per share	3,614	-
– final dividend paid for the year ended 31 January 2018 of 2.6p per share	-	3,117

In respect of the year ended 31 January 2020, an interim dividend of 3.0p has been declared and will be reflected in the Annual Report for the year ending 31 January 2021. Details of the ex-dividend and payment dates are shown on page 40.

The Board's current policy is to only pay dividends out of revenue reserves. Therefore the amount available for distribution as at 31 January 2020 is £7,267,000 (2019: £6,949,000). The Company generated a revenue return in the year ended 31 January 2020 of £3,932,000 (2019: £4,193,000).

The dividends payable in respect of both the current and the previous financial year, which meet the requirements of Section 1158 CTA 2010, are set out below:

	2020 £'000	2019 £'000
Revenue available for distribution by way of dividend for the year	3,932	4,193
Interim dividend of 3.0p per share (2019: final dividend of 3.0p)	(3,629)	(3,614)
Transfer to revenue reserves	**303**	**579**

Dividends paid by the Company on its shares are recognised in the financial statements in the year in which they are paid and are shown in the Statement of Changes in Equity.

7. Return per Share

The Return per share is as follows:

	2020 Revenue pence	2020 Capital pence	2020 Total pence	2019 Revenue pence	2019 Capital pence	2019 Total pence
Basic	3.3	7.8	11.1	3.5	9.1	12.6

The total return per share is based on the total return attributable to shareholders of £13,447,000 (2019: £15,060,000).

The revenue return per share is based on the net revenue return attributable to shareholders of £3,932,000 (2019: £4,193,000).

The capital return per share is based on the net capital return attributable to shareholders of £9,515,000 (2019: return of £10,867,000).

The total return, revenue return and the capital return per share are based on the weighted average number of shares in issue during the year of 120,643,454 (2019: 119,873,386).

The calculations of the returns per Ordinary Share have been carried out in accordance with IAS 33 Earnings per Share.

8. Investments

	2020 £'000	2019 £'000
Investments		
Cost at start of year	208,369	201,054
Investment holding gains at start of year	88,979	99,893
Valuation at start of year	**297,348**	**300,947**
Purchases at cost	79,287	46,212
Disposal proceeds	(81,272)	(63,003)
Gains on investments	14,154	13,192
Valuation at end of year	**309,517**	**297,348**
Cost at 31 January	222,736	208,369
Investment holding gains at 31 January	86,781	88,979
Valuation at 31 January	**309,517**	**297,348**

The Company received £81,272,000 (2019: £63,003,000) from investments sold in the year. The book cost of these investments when they were purchased was £64,920,000 (2019: £38,897,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

During the year the Company incurred transaction costs on purchases of £130,000 (2019: £74,000) and transaction costs on sales of £240,000 (2019: £184,000).

Valuation of Investments

Investments are measured initially, and at subsequent reporting dates at fair value. Purchases and sales are recognised on the trade date where a contract exists whose terms require delivery within the time frame established by the market concerned. For quoted securities fair value is either bid price or last traded price, depending on the convention of the exchange on which the investment is listed. Changes in fair value and gains or losses on disposal are included in the Income Statement as a capital item.

In addition, for financial reporting purposes, fair value measurements are categorised into a fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 – Quoted prices in active markets;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data), either directly or indirectly.
- Level 3 – Inputs are unobservable (i.e. for which market data is unavailable).

9. Debtors

	2020 £'000	2019 £'000
Amount due from brokers	635	102
Accrued income	134	92
Other debtors	37	30
	806	**224**

10. Creditors: Amounts Falling Due Within One Year

	2020 £'000	2019 £'000
Amounts due to brokers	2,294	6
Investment management fee – Stewart Investors	784	759
Management fee – Frostrow	93	90
Other creditors	86	195
	3,257	**1,050**

11. Provisions for liabilities

	2020 £'000	2019 £'000
Deferred taxation on unrealised capital gains on Indian securities	1,767	–

See note 5 for further details and accounting policy.

12. Share Capital

	2020 £'000	2019 £'000
Allotted and fully paid:		
120,958,386 Ordinary shares of 12.5p each (2019: 119,873,386)	15,120	14,984

During the year 1,085,000 (2019: nil) Ordinary shares were issued raising net proceeds of £3,210,000 (2019: £nil).

The capital of the Company is managed in accordance with its investment policy which is detailed in the Strategic Report on page 22.

The Company does not have any externally imposed capital requirements.

13. Net Asset Value Per Share

The net asset value per share of 285.8p (2019: 277.5p) is calculated on net assets of £345,717,000 (2019: £332,674,000), divided by 120,958,386 (2019: 119,873,386) shares, being the number of shares in issue at the year end.

14. Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, and debtors and creditors that arise directly from its operations. As an investment trust, the Company holds an investment portfolio of financial assets in pursuit of its investment objective.

Fixed asset investments (see note 8 on page 66) are valued at fair value in accordance with the Company's accounting policies. The fair value of all other financial assets and liabilities is represented by their carrying value in the Statement of Financial Position shown on page 60.

All investments have been classified as Level 1 (2019: All Level 1).

The main risks that the Company faces arising from its financial instruments are:

(i) market risk, including:

- other price risk, being the risk that the value of investments will fluctuate as a result of changes in market prices;
- interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates;
- foreign currency risk, being the risk that the value of financial assets and liabilities will fluctuate because of movements in currency rates;

(iii) credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company; and

(iv) liquidity risk, being the risk that the Company will not be able to meet its liabilities when they fall due. This may arise should the Company not be able to liquidate its investments. Under normal market trading volumes, the investment portfolio could be substantially realised within a week.

Other price risk

The management of other price risk is part of the investment management process and is typical of equity investment. The investment portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with an objective of maximising overall returns to shareholders. Further information on how the investment portfolio is managed is set out on page 2. Although it is the Company's current policy not to use derivatives they may be used from time to time, with prior Board approval, to hedge specific market risk or gain exposure to a specific market.

If the investment portfolio valuation rose or fell by 10% at 31 January, the impact on the net asset value would have been £30.7 million (2019: £29.5 million). The calculations are based on the investment portfolio valuation as at the respective Statement of Financial Position dates and are not necessarily representative of the year as a whole.

Interest rate risk

Floating rate

When the Company retains cash balances the majority of the cash is held in overnight call accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate for the relevant currency for each deposit.

Foreign currency risk

The Company invests in overseas securities and holds foreign currency cash balances which give rise to currency risks. Foreign currency risks are managed alongside other market risks as part of the management of the investment portfolio. It is currently not the Company's policy to hedge this risk on a continuing basis but it can do so from time to time.

Foreign currency exposure:

	2020				2019			
	Investments £'000	Cash £'000	Debtors £'000	Creditors £'000	Investments £'000	Cash £'000	Debtors £'000	Creditors £'000
Indian rupee	129,709	1	16	(1,767)	107,693	1	-	(99)
New Taiwanese dollar	45,607	32	-	-	36,548	31	102	-
Hong Kong dollar	14,023	-	-	(2,094)	27,529	-	-	-
Philippine peso	9,529	-	635	-	27,321	-	-	-
Indonesian rupiah	21,996	-	-	(200)	22,074	-	-	-
Japanese yen	39,122	-	118	-	20,636	-	79	-
Bangladesh taka	16,461	-	-	-	16,804	-	-	-
Thai baht	5,643	-	-	-	13,839	-	-	-
Malaysian ringgit	3,424	-	-	-	8,391	-	-	-
Sri Lankan rupee	4,429	-	-	-	6,725	-	-	-
Singapore dollar	12,107	9,931	-	-	3,878	11,956	-	-
US dollar	-	11,035	-	-	3,730	11,832	-	-
Korean won	7,467	-	-	-	2,180	-	14	-
Total	309,517	20,999	769	(4,061)	297,348	23,820	195	(99)

At 31 January 2020 the Company had £19,419,000 of sterling cash balances (2019: £12,332,000).

During the year sterling strengthened by an average of 0.1% (2019: weakened by 2%) against all of the currencies in the investment portfolio (weighted for exposure at 31 January), if the value of sterling had strengthened against each of the currencies in the portfolio by 10%, the impact on the net asset value would have been negative £29.7 million (2019: negative £28.9 million). If the value of sterling had weakened against each of the currencies in the investment portfolio by 10%, the impact on the net asset value would have been positive £36.4 million (2019: positive £35.4 million). The calculations are based on the investment portfolio valuation and cash balances as at the year end and are not necessarily representative of the year as a whole.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amounts of financial assets best represents the maximum credit risk exposure at the Statement of Financial Position date, and the main exposure to credit risk is via the Custodian which is responsible for the safeguarding of the Company's investments and cash balances.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2020 £'000	2019 £'000
Cash and cash equivalents	40,418	36,152
Debtors	806	224
	41,224	36,376

All the assets of the Company which are traded on a recognised exchange are held by J.P. Morgan Chase Bank, the Custodian. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to securities held by the Custodian to be delayed or limited. The Board monitors the Company's risk as described in the Strategic Report on pages 24 to 27.

The credit risk on cash is controlled through the use of counterparties or banks with high credit ratings, (rated AA or higher), assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions may cause the Company's ability to access cash placed on deposit to be delayed, limited or lost.

The Company's liquidity risk is managed on an ongoing basis by the Investment Manager. The Company's overall liquidity risks are monitored on a quarterly basis by the Board.

The Company maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses.

Liquidity risk

Substantially all of the Company's portfolio would be realisable within one week, under normal market conditions. There maybe circumstances where market liquidity is lower than normal. Stress tests have been performed to understand how long the portfolio would take to realise in such situations. The Board are comfortable that in such a situation the Company would be able to meet its liabilities as they fall due.

15. Reserves

Capital redemption reserve

This reserve arose when ordinary shares were redeemed by the Company and subsequently cancelled, at which point the amount equal to the par value of the ordinary share capital was transferred from the ordinary share capital to the Capital Redemption Reserve.

Special reserve

The Special Reserve arose following court approval in February 1999 to transfer £24.2 million from the share premium account.

Capital reserve

The following are accounted for in this reserve: gains and losses on the disposal of investments; changes in the fair value of investments; and, expenses and finance costs, together with the related taxation effect, charged to capital in accordance with note 4 on page 63. Any gains in the fair value of investments that are not readily convertible to cash are treated as unrealised gains in the capital reserve.

Revenue reserve

The Revenue Reserve reflects all income and expenses that are recognised in the revenue column of the Income Statement.

Distributable reserves

The Revenue, Special and Capital Reserves are distributable. It is the Board's current policy to only pay dividends out of the revenue reserve.

16. Related Party Transactions

The following are considered to be related parties:

- Stewart Investors
- The Directors of the Company

The Company employs Stewart Investors as its Investment Manager. During the year ended 31 January 2020, Stewart Investors earned £3,175,000 (2019: £2,969,000) in respect of Investment Management fees, of which £782,000 (2019: £759,000) was outstanding at the year end. All material related party transactions have been disclosed on page 52 and in notes 3 and 4 on pages 62 and 63. Details of the remuneration and the shareholdings of all Directors can be found on page 52.

17. Non-Adjusting Subsequent Reporting Events

Subsequent to the year end, equity markets experienced substantial falls associated with uncertainties linked to the COVID-19 pandemic. As at 2 April 2020, the Company's unaudited net asset value had declined by 17.4%. See comments in the Chairman's Statement beginning on page 6.

Shareholder Information

Financial Calendar

31 January	Financial Year End
April	Final Results Announced
June	Annual General Meeting
July	Dividend Payable
31 July	Half Year End
September	Half Year Results Announced

Annual General Meeting

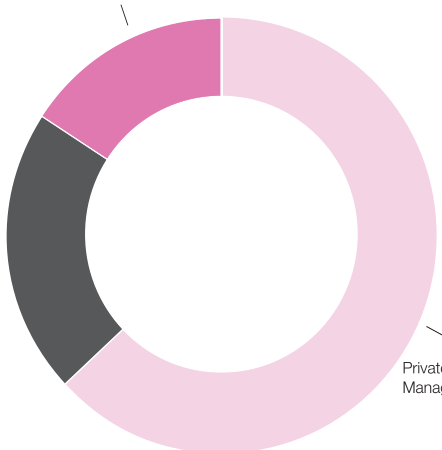
The Annual General Meeting of Pacific Assets Trust plc will be held at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London, WC2A 1AL on Thursday, 25 June 2020 at 12 noon. Please refer to the Chairman's Statement beginning on page 6 for details of this year's arrangements.

Dividend

A dividend is normally paid annually following approval at the Annual General Meeting. This year, the Board has declared an interim dividend. Shareholders who wish to have dividends paid directly into a bank account, rather than by cheque posted to their registered address, can complete a mandate form for the purpose. Mandates may be obtained from the Registrar, Equiniti Limited, on request.

Profile of the Company's Ownership

% of shares held at 31 January 2020



Source: Richard Davies Investor Relations

Share Prices

The Company's shares are listed on the London Stock Exchange under 'Investment Companies'. The price is given daily in the Financial Times and other newspapers.

Change of Address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Registrar, Equiniti Limited, under the signature of the registered holder.

Daily Net Asset Value

The daily net asset value of the Company's shares can be obtained on the Company's website at www.pacific-assets.co.uk and is published daily via the London Stock Exchange.

How to Vote

If you hold your shares directly you will have received a paper proxy form. For this year's Annual General Meeting you should ensure that this is returned to the Registrar, Equiniti, before 12 noon on Tuesday, 23 June 2020. Alternatively, you can vote online. To submit a proxy form online, an internet-enabled PC with Internet Explorer 4 or Netscape 4 or above is required. Shareholders will require their Voting ID, Task ID and Shareholder Reference Number which can be found on the personalised proxy form which accompanies this report, to access this service. Before a proxy can be appointed, shareholders will be asked to agree to the terms and conditions for electronic proxy appointment. The use of the electronic proxy appointment service offered through Equiniti Limited, the Company's registrar, is entirely voluntary.

If you hold your shares via an investment platform or a nominee, you should contact them to inquire about arrangements to vote.

Glossary of Terms and Alternative Performance Measures ('APMs')

AIFMD

The Alternative Investment Fund Managers Directive (the 'Directive') is a European Union Directive that entered into force on 22 July 2013. The Directive regulates EU fund managers that manage alternative investment funds (including investment trusts).

Average Discount

The average share price for the period divided by the average net asset value for the period minus 1.

	2020 pence	2019 pence
Average share price for the year	290.5	264.1
Average net asset value for the year	292.1	272.5
Average Discount	**0.5%**	**3.1%**

Bear Market

A condition where securities fall from recent highs. In addition it can also be associated with widespread pessimism and negative investor sentiment.

Benchmark Agnostic

An investment approach that doesn't consider index weightings when constructing portfolios.

Bottom Up Approach

An investment approach that focuses on the analysis of individual stocks rather than the significance of macroeconomic factors.

Brexit

The process of the United Kingdom's withdrawal from the European Union.

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Full Market Cycle

A full market cycle is a period of time which contains a wide variety of market environments. It often refers to the period between the two latest highs, or lows, of a widely used index or historic economic trend.

Gearing

The term used to describe the process of borrowing money for investment purposes. The expectation is that the returns on the investments purchased will exceed the finance costs associated with those borrowings.

There are several methods of calculating gearing and the following has been selected:

Total assets, less current liabilities (before deducting any prior charges) minus cash/cash equivalents divided by shareholders' funds, expressed as a percentage.

Long-term Sustainable Development Tailwind

The benefit afforded to a company by it providing a solution to a specific sustainable development challenge.

MSCI Disclaimer

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Net Asset Value (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

Net Asset Value Per Share Total Return

The total return on an investment over a specified period assuming dividends paid to shareholders were reinvested at net asset value per share at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment trusts which is not affected by movements in discounts or premiums.

NAV Total Return	31 January 2020 p	31 January 2019 p
Opening NAV	277.5	267.6
Increase in NAV	11.3	12.5
Dividend paid	(3.0)	(2.6)
Closing NAV	**285.8**	**277.5**
Increase in NAV	3.0%	3.7%
Impact of reinvested dividends	1.2%	1.0%
NAV Total Return	**4.2%**	**4.7%**

Ongoing Charges

Ongoing charges are calculated by taking the Company's annualised operating expenses as a proportion of the average daily net asset value of the Company over the year. The costs of buying and selling investments are excluded, as are interest costs, taxation, cost of buying back or issuing ordinary shares and other non-recurring costs.

	31 January 2020 £'000	31 January 2019 £'000
Operating expenses	4,190	3,964
Average net assets during the year	350,745	326,503
Ongoing charges	1.2%	1.2%

Performance Objective

During the year, the Board amended the Company's performance objective, against which the Investment Manager's performance is measured. The performance objective, which previously referred to the MSCI AC Asia ex Japan Index, is now to provide shareholders with a net asset value total return in excess of the UK Consumer Price Index (CPI) plus 6 per cent. (calculated on an annual basis) measured over three to five years. The Consumer Price Index is published by the UK Office for National Statistics and represents inflation. The additional 6% is a fixed element to represent what the Board considers to be a reasonable premium on investors' capital which investing in the faster-growing Asian economies ought to provide over time. This change was designed to reflect that the Investment Manager's approach does not consider index composition when investing.

	Company NAV Total Return (annualised) (%)	CPI + 6% (%)
One year to 31 January 2020	4.2	7.5
Three years to 31 January 2020	7.0	8.4
Five years to 31 January 2020	7.8	7.9

Revenue Return per Share

The revenue return per share is calculated by taking the return on ordinary activities after taxation and dividing it by the weighted average number of shares in issue during the year (see note 7 on page 65 for further information).

Share Price Total Return

The total return on an investment over a specified period assuming dividends paid to shareholders were reinvested in shares at the share price at the time the shares were quoted ex-dividend.

Share price Total Return	31 January 2020 p	31 January 2019 p
Opening share price	273.0	255.0
(Decrease)/increase in share price	(2.0)	20.6
Dividend paid	(3.0)	(2.6)
Closing share price	**268.0**	**273.0**
(Decrease)/increase in share price	(1.8)%	7.1%
Impact of reinvested dividends	1.0%	1.0%
Share price Total Return	**(0.8)%**	**8.1%**

Top Down Approach

An investment approach that involves looking first at the macro picture of the economy.

Volatility

A measure of the range of possible returns for a given security or market index.

How to Invest

Retail Investors advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers (IFAs) in the UK to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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 03456 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.

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:

AJ Bell Youinvest	http://www.youinvest.co.uk/
Barclays Stockbrokers	www.smartinvestor.barclays.co.uk/
Bestinvest	http://www.bestinvest.co.uk/
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Club Finance	http://www.clubfinance.co.uk/
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/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
Saga Share Direct	https://www.sagasharedirect.co.uk/
Selftrade	http://www.selftrade.co.uk/
The Share Centre	https://www.share.com/
Saxo Capital Markets	http://uk.saxomarkets.com/

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.

Notice of the Annual General Meeting

Notice is hereby given that the thirty-fourth Annual General Meeting of Pacific Assets Trust Public Limited Company (the "Company") will be held at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London, WC2A 1AL on Thursday, 25 June 2020 at 12 noon for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following as Ordinary Resolutions:

1. That the Report of the Directors and the Financial Statements for the year ended 31 January 2020 together with the Report of the Auditor thereon be received.
2. That the Directors' Remuneration Report for the year ended 31 January 2020 be approved.
3. That the Directors' Remuneration Policy set out on page 53 of the Annual Report for the year ended 31 January 2020 be approved.
4. That the Company's dividend policy set out on page 23 of the Annual Report for the year ended 31 January 2020 be approved.
5. That Ms M C Ginman be re-elected as a Director.
6. That Mrs S E Hansen be re-elected as a Director.
7. That Mr R E Talbut be re-elected as a Director.
8. That Mr E T A Troughton be elected as a Director.
9. That Mr J P Williams be re-elected as a Director.
10. That KPMG LLP be re-appointed as Auditor to hold office from the conclusion of the meeting to the conclusion of the next Annual General Meeting at which accounts are laid.
11. That the Audit Committee be authorised to determine KPMG LLP's remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions, of which resolutions 13, 14 and 15 will be proposed as Special Resolutions.

Authority to Allot Shares

12. That the Board of Directors of the Company (the 'Board') be and it is hereby generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,511,979.75 (or if changed, the number representing 10% of the issued share capital of the Company immediately prior to the passing of this resolution) provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2021 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Board may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Disapplication of Pre-emption Rights

13. That, subject to the passing of resolution 12 proposed at the Annual General Meeting of the Company convened for 25 June 2020 ('Resolution 12'), the Board of Directors of the Company (the 'Board') be and it is hereby generally empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, ordinary shares of 12.5 pence each in the capital of the Company ('Ordinary Shares')) for cash pursuant to the authority conferred on them by such Resolution 12 as if section 561(1) of the Act did not apply to any

such allotment, provided that this power shall be limited to:

the allotment of equity securities up to an aggregate nominal amount of £1,511,979.75, (or if changed, the number representing 10% of the issued share capital of the Company immediately prior to the passing of this resolution) and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2021 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Authority to Repurchase Shares

14. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (as defined in section 693(4) of the Act) of ordinary shares of 12.5 pence each in the capital of the Company ('Ordinary Shares') for cancellation on such terms and in such manner as the board of directors may determine provided that:

    (i) the maximum aggregate number of Ordinary Shares which may be purchased is 18,131,662 or, if changed, the number representing 14.99% of the issued share capital of the Company immediately prior to the passing of this resolution;

    (ii) the minimum price which may be paid for an Ordinary Share is 12.5 pence (exclusive of associated expenses);

    (iii) the maximum price which may be paid for an Ordinary Share (exclusive of associated expenses) shall not be more than the higher of: (a) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five dealing days immediately preceding the day on which the Ordinary Share is purchased; and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange for an Ordinary Share; and

    (iv) unless previously renewed, varied or revoked, this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2021 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed wholly or partly after such expiry and a purchase of Ordinary Shares may be made pursuant to any such contract.

General Meetings

15. That any General Meeting of the Company (other than the Annual General Meeting of the Company) shall be called by notice of at least 14 clear days in accordance with the provisions of the Articles of Association of the Company provided that the authority shall expire on the conclusion of the next Annual General Meeting of the Company, or, if earlier, on the expiry 15 months from the date of the passing of this resolution.

By order of the Board

Frostrow Capital LLP
Company Secretary
6 April 2020

Registered office
16 Charlotte Square
Edinburgh
EH2 4DF

Notes

1. If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, Equiniti Limited (the 'Registrar'), prior to being admitted to the Annual General Meeting.

2. Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying proxy form.

   If members wish their proxy to speak on their behalf at the meeting, members will need to appoint their own choice of proxy (not the chairman of the Annual General Meeting) and give their instructions directly to them.

   Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Registrar on 0371 384 2466. Lines are open between 8.30 am and 5.30 pm, Monday to Friday, the Registrars' overseas helpline number is +44 121 415 7047.

   A member may instruct their proxy to abstain from voting on any resolution to be considered at the meeting by marking the abstain option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" the resolution.

   The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if he or she wishes.

   A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 overleaf.

3. A proxy form for use in connection with the Annual General Meeting is enclosed. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

   If you do not have a proxy form and believe that you should have one, or you require additional proxy forms, please contact the Registrar on 0371 384 2466. Other service providers' costs may vary. Lines are open between 8.30 am and 5.30 pm, Monday to Friday, The Registrars' overseas helpline number is +44 121 415 7047.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by the Registrar (ID RA19) no later 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message.

Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

6. Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

7. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.30 p.m. on 23 June 2020 (or, if the Annual General Meeting is adjourned, at 6.30 p.m. on the day two working days prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

8. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. Information regarding the Annual General Meeting, including information required by section 311A of the 2006 Act, and a copy of this notice of Annual General Meeting is available from www.pacific-assets.co.uk.

10. Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

11. As at 24 March 2020 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 120,958,386 ordinary shares carrying one vote each. Accordingly, the total voting rights in the Company at 24 March 2020 were 120,958,386 votes.

12. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the chairman of the Annual General Meeting as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

13. Under section 319A of the 2006 Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the

form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members who have any queries about the Annual General Meeting should contact Frostrow Capital LLP, the Company Secretary, at 25 Southampton Buildings, London WC2A 1AL.

Members may not use any electronic address provided in this notice or in any related documents (including the accompanying proxy form) to communicate with the Company for any purpose other than those expressly stated.

14. The following documents will be available for inspection at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice and at the venue of the Annual General Meeting from 9.45 a.m. on the day of the Annual General Meeting until the conclusion of the Annual General Meeting:

    14.1 copies of the Directors' letters of appointment; and

    14.2 copies of the Directors' deeds of indemnity.

15. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 16 May 2019, being the date six clear weeks before the meeting, and (in the case of a matter to be included on the business only) must be accompanied by a statement setting out the grounds for the request.

16. Given the risks posed by the spread of Covid-19 and in accordance with the Articles and Government guidance, the Company may impose restrictions on shareholders wishing to attend the AGM. Such restrictions may include limiting the number of shareholders permitted to attend the AGM in person. Other restrictions may be imposed as the chairman of the meeting may specify in order to ensure the safety of those attending the AGM.

Explanatory Notes to the Resolutions

Resolution 1 – To receive the Report of the Directors and the Financial Statements

The Report of the Directors and the Financial Statements for the year ended 31 January 2020 will be presented to the AGM. These accounts accompany this Notice of Meeting and shareholders will be given an opportunity to ask questions at the meeting.

Resolutions 2 and 3 – Remuneration Report and Policy

It is mandatory for all listed companies to put their report on Directors' Remuneration to an advisory shareholder vote every year and their Remuneration Policy to a binding shareholder vote every three years. After the forthcoming AGM, it is anticipated that the Remuneration Policy will next be put to shareholders at the AGM in 2023.

The Directors' Remuneration Report is set out in full on page 51 to 53 and the Remuneration Policy is set out on page 53.

Resolution 4 – Approval of the Company's Dividend Policy

Resolution 4 seeks shareholder approval of the Company's dividend policy, which is set out on page 23. The Company usually recommends a final dividend for shareholders approval, however this year the Board has decided to declare an interim dividend to ensure that the dividend is paid even if the AGM needs to be postponed for reasons relating to the coronavirus outbreak. See the Chairman's Statement beginning on page 6 for further explanation.

Resolutions 5 to 9 – Re-election of Directors

Resolutions 5 to 9 deal with the re-election of each Director. Biographies of each of the Directors and details of their specific contribution to the Board, can be found on pages 30 and 31.

The Board has confirmed, following a performance review, that the Directors standing for re-election continue to perform effectively.

Resolutions 10 and 11 – Re-appointment of Auditor and the determination of its remuneration

Resolutions 10 and 11 relate to the re-appointment of KPMG LLP as the Company's independent Auditor to hold office until the next AGM and also authorises the Audit Committee to set their remuneration.

Resolutions 12 and 13 – Issue of Shares

Ordinary Resolution 12 in the Notice of Annual General Meeting will renew the authority to allot share capital up to an aggregate nominal amount of £1,511,979.75 (equivalent to 12,095,838 shares or 10% of the Company's existing issued share capital on 24 March 2020, being the nearest practicable date prior to the signing of this Report or, if changed, the number representing 10% of the issued share capital of the Company immediately prior to the passing of this resolution). Such authority will expire on the date of the next AGM or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next AGM.

When shares are to be allotted for cash, Section 551 of the Companies Act 2006 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution 13 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 24 March 2020, or, if changed, the number representing 10% of the issued share capital of the Company immediately prior to the passing of this resolution as if Section 551 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution 12. This authority will also expire on the date of the next AGM or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 12 and 13 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Shares will only be issued at a premium to the Company's cum income net asset value per share at the time of issue.

Resolution 14 – Repurchase of Shares

The Directors wish to renew the authority given by shareholders at the previous AGM. The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to the net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the AGM.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 12.5p per share. Shares which are purchased under this authority will be cancelled.

Special Resolution 14 in the Notice of AGM will renew the authority to purchase in the market a maximum of 14.99% of shares in issue on 24 March 2020, being the nearest practicable date prior to the signing of this Report, (amounting to 18,131,662 shares or, if changed, the number representing 14.99% of the issued share capital of the Company immediately prior to the passing of this resolution). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next AGM or earlier if the authority has been exhausted.

Resolution 15 – General Meetings

Special Resolution 15 seeks shareholder approval for the Company to hold General Meetings (other than the AGM) on at least 14 clear days' notice. The Company will only use this shorter notice period where it is merited by the purpose of the meeting and will endeavour to give at least 14 working days' notice if possible.

Recommendation

The Board considers that the resolutions detailed above are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to the shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming AGM as the Directors intend to do in respect of their own beneficial holdings totalling 101,653 shares.

Company Information

Directors

J P Williams (Chairman)*
M C Ginman, FCA^
S E Hansen†
R E Talbut
E T A Troughton

*Chairman of the Nomination Committee
^Chair of the Audit Committee and Senior Independent Director
†Chair of the Engagement & Remuneration Committee

Registered Office

16 Charlotte Square
Edinburgh EH2 4DF
Website: www.pacific-assets.co.uk
Company Registration Number
SC091052 (Registered in Scotland)

The Company was incorporated in Scotland on 21 December 1984. The Company was incorporated as Pacific Assets Trust Public Limited Company.

Investment Manager

Stewart Investors
23 St. Andrew Square
Edinburgh EH2 1BB
Telephone: 0131 473 2200
Website: www.stewartinvestors.com

Authorised and regulated by the Financial Conduct 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 Conduct Authority.

Custodian

J.P. Morgan Chase Bank
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London EC2Y 5AJ

Independent Auditor

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
Shareholder Helpline: 0371 384 2466*
Broker Helpline: 0371 384 2779*

*Calls to these numbers are charged at 8p per minute plus network extras. 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 Registrar quoting your shareholder reference number. Registered shareholders can obtain further details of their holdings on the internet by visiting www.shareview.co.uk

Broker

Investec Bank plc
2 Gresham Street
London EC2V 7QP

Solicitors

Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Identification Codes

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

Global Intermediary Identification Number (GIIN)

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