Pacific Assets Trust plc

Interim Report
For the six months ended
31 July 2009

Company Summary

Objective

To achieve long term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan and Australasia.

Performance Assessment

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

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

Investment Manager

F&C Investment Business Limited

Equity Shareholders' Funds

£122.2 million at 31 July 2009

Capital Structure

The Company's capital structure is composed solely of Ordinary Shares. At 31 July 2009 there were 118,348,386 Ordinary Shares in issue.

ISA Status

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

Website

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

Financial Highlights

- Share price total return of 44.2 per cent
- Net asset value total return of 42.4 per cent

	31 July 2009	31 January 2009	% change
Total Returns			
Net asset value			+42.4
Share price			+44.2
Capital Values			
Net asset value per share	**103.26p**	74.15p	+39.3
Share price (mid market)	**97.00p**	68.25p	+42.1
Discount (difference between share price and net asset value per share)	**6.1%**	8.0%	
Gearing*	**(0.9)%**	(4.9)%	

	Six months to 31 July 2009	Six months to 31 July 2008	% change
Revenue			
Revenue return per share	**0.45p**	0.99p	-54.5

	High	Low
Half Year's Highs/Lows		
Net asset value per share	**103.26p**	68.22p
Share price	**98.00p**	60.00p
(Premium)/Discount†	**(0.32)%**	14.98%

Notes

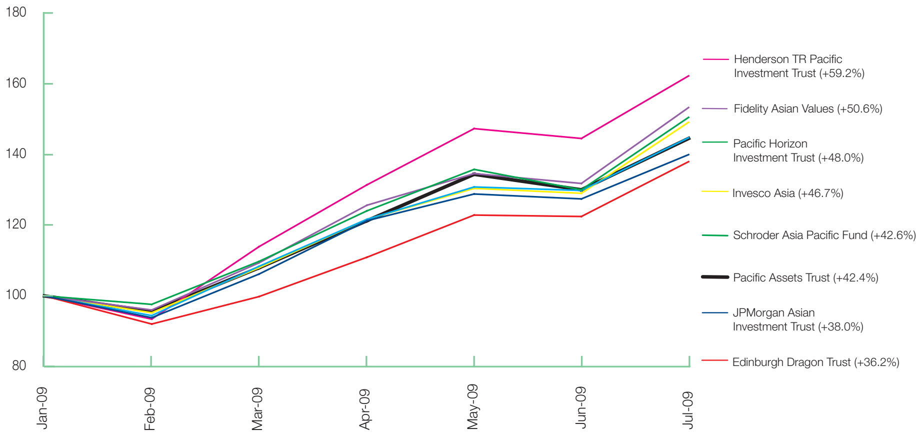
*Gearing: Borrowings ÷ shareholders' funds

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

Source F&C Investment Business and Datastream.

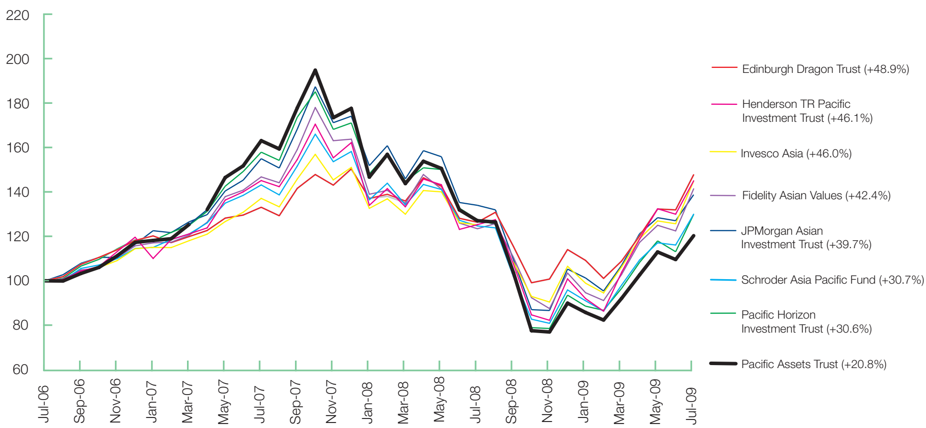
Performance Graphs

Net Asset Value Total Return Peer Group Performance for the Six Months to 31 July 2009



Note: Total return from the MSCI All Country Far East ex Japan Index for the six months to 31 July 2009 was 40.1%

Net Asset Value Total Return Peer Group Performance for the Three Years to 31 July 2009



Note: Total return from the MSCI All Country Far East ex Japan Index for the three years to 31 July 2009 was 42.6%

Chairman's Statement

Asian Pacific stockmarkets rebounded strongly over the six months to 31 July 2009. The Company's net asset value total return for the period was 42.4 per cent, outperforming the 40.1 per cent total return from the MSCI All Country Far East ex Japan Index. The share price total return for the period was 44.2 per cent, reflecting a narrowing of the discount which was 6.1 per cent as at 31 July 2009.

Investor confidence has returned in recent months as governments and central banks have stabilised financial systems and introduced packages to stimulate economic growth. These measures, along with quantitative easing, have boosted global liquidity and stockmarkets have become more buoyant. Asia has been a particularly strong beneficiary of this phenomenon, as China is seen as an important driver of economic growth in the future.

Whilst there is evidence of economic recovery, governments have effectively assumed huge debts from the private sector, and it is still too early to determine whether this is the beginning of a sustained period of economic growth. It will take some time for the substantial fiscal deficits to be reduced to more prudent levels. In the meantime, a genuine economic recovery is dependent on the return of a normal functioning global financial system.

As discussed in the last Annual Report, the Company's strategy was reappraised towards the end of 2008 in light of the sharp deterioration in economic conditions at that time and the significant concerns which existed over the health of the global financial system. This led to the Manager adopting a more defensive strategy with a clear bias towards visible growth companies. As a consequence, the Company underperformed its peer group of investment trusts with similar objectives, resulting in it being placed sixth out of eight during the period.

Gearing

As a result of the Manager's continuing cautious view of markets, the Company did not employ any of its borrowing facilities during the period. The Company has a flexible US dollar denominated facility which will provide it with the ability to increase its gearing when it is considered appropriate to do so.

Outlook

At current levels, the region's stockmarkets are anticipating a faultless recovery in economic activity and corporate profits. Whist there are early signs that the worst of the recession may be behind us, there remain significant uncertainties over the timing of a sustainable economic recovery. As structural deleveraging continues across the western world there is a risk that corporate earnings fail to match recently heightened expectations. However, the Asia Pacific region is underpinned by a stable financial sector and the prospects for a recovery in domestic demand appear good. The Board believes that this area continues to offer significant investor opportunities over the longer term.

David Nichol

Chairman
28 September 2009

Manager's Report

The Company's net asset value total return for the six month period ended 31 July 2009 was 42.4 per cent, which compares favourably with a return of 40.1 per cent from the MSCI All Country Far East ex Japan Index.

The aggressive coordinated monetary easing of late 2008 adopted by central banks to soften the dramatic impacts stemming from the global financial crisis moved to new heights in the first half of 2009, with quantitative easing strategies being adopted extensively. This unconventional injection of liquidity helped to lower yields, allow international trade to resume and investor sentiment to stabilise. It was, however, not until the end of February that, as companies started to replenish their very low inventories, global equity markets started to recover. In accordance with history, as the OECD leading indicators began to improve over the first half of 2009 so the Asian markets started to outperform.

China was the standout recovery story of the period as its fiscal and monetary stimulus programmes led to a dramatic revival in quarterly GDP growth. Recognising the difficulties the western world was going through, the Chinese authorities targeted those sectors which they could directly influence, such as real estate and infrastructure, in order to regenerate domestic demand. Their success was astounding to the extent that within nine months of policy implementation, nationwide real estate inventories had fallen from 14 months to eight months, GDP growth was back close to 8 per cent, and investor attention had shifted to fears over policy tightening. Insurer Ping An was added to the portfolio in anticipation of rising yields with additional financial exposure achieved through purchases of Bank of China and China Construction Bank.

During the period, we remained circumspect on the sustainability of the recovery in the western world, leading to a greater focus on those markets where the domestic story appeared strongest. Indonesia was one such market, where improving political stability was raising the prospect of higher sustainable growth as the cost of capital contracted. With inflation tumbling, the central bank cut rates meaningfully allowing quarterly GDP growth to surprise on the upside. Cement company PT Indocement Tunggal Prakarsa and noodle producer PT Indofood Sukses Makmur were bought to add to the Indonesian holdings in telecommunications company PT Telekomunikasi Indonesia and gas supplier PT Perusahaan Gas Negara.

Political developments in various countries across Asia created significant equity market reactions over the period. A better than expected election outcome in India raised the prospect of accelerated reform programmes and greater financial prudence. This led to an instantaneous multiple re-rating for the market and consequently Union Bank of India was purchased in anticipation of an improvement in asset quality, in contrast to consensus expectations. In Taiwan, closer political relations with China led to a marked repatriation of offshore savings, driving a recovery in domestic asset prices. Fubon Financial Holding was purchased given its strategy to leverage into the closer Sino-Taiwan relations as well as to gain exposure to the current trend of rising demand in wealth management services.

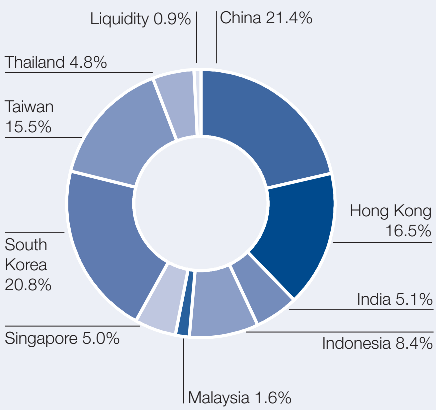
The Company's overweight exposure to defensive growth sectors weighed on performance as the markets rallied. Telecoms, healthcare and consumer staples offered solid growth prospects with attractive valuations, however their low beta status meant that they underperformed as the markets climbed higher. The defensive exposure was reduced by cutting positions in telecoms and healthcare, rotating proceeds into cyclical industrial and technology sectors via names such as Asia Cement in Taiwan and Samsung Electronics in Korea.

Outlook

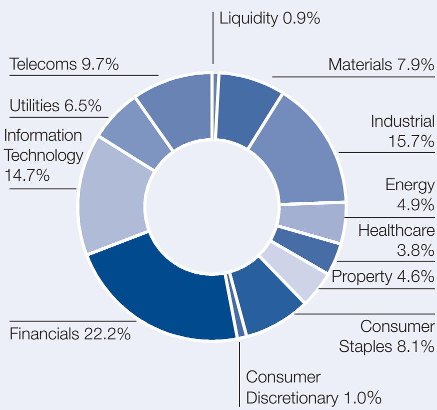
With valuations no longer cheap and investor expectations high, the risk of a pull back in the region has increased. Furthermore, as markets contend with the prospect of exit strategies by global central banks, easing risk spreads are unlikely to sustain their recent downward trends, challenging the lofty level of investor risk appetite. Consequently, with tighter liquidity, softening in re-stocking demand and persistent unemployment, this is all expected to continue to weigh on markets. However, if final demand, specifically in the West, exceeds expectations then leading indicators will remain buoyant, helping to support equity market valuations. As a result, we are adopting a balanced portfolio structure with a bias towards domestic defensive growth stocks coupled with selective cyclical overweights in industrial and technology companies where we believe the valuations are attractive. For the longer term, the structural appeal of Asia remains compelling, suggesting that a retracement might offer an opportunity to re-introduce some leverage into the portfolio.

Peter Dalgliesh
Fund Manager
F&C Investment Business Limited
28 September 2009

Geographical Analysis
% of total assets less current liabilities



Sector Analysis
% of total assets less current liabilities



Investment Portfolio

Company	Nature of business	Valuation £'000	% of Total assets less current liabilities	Country of incorporation
Perusahaan Gas Negara	Gas	4,849	4.0	Indonesia
Kasikornbank	Banking	4,418	3.6	Thailand
Hon Hai Precision	Electronic Equipment	4,291	3.5	Taiwan
China Mobile	Telecommunications	4,134	3.4	China
Shinhan Financial	Financial	4,119	3.4	South Korea
Wistron Corporation	PC Manufacturer	3,672	3.0	Taiwan
Sun Hung Kai Properties	Property Development	3,670	3.0	Hong Kong
Shanghai Industrial	Conglomerate	3,618	3.0	China
DBS Group	Financials	3,492	2.8	Singapore
LG Corp	Conglomerate	3,408	2.8	South Korea
Top ten investments		**39,671**	**32.5**	
Bank of China	Banking	3,266	2.7	China
CNOOC	Oil and Gas Provider	2,884	2.4	Hong Kong
China Petroleum and Chemical	Oil and Gas Provider	2,880	2.3	China
China Water Affairs	Water Supply	2,832	2.3	Hong Kong
NHN Corporation	Internet Services	2,824	2.3	South Korea
Telekomunikasi Indonesia	Telecommunications	2,741	2.2	Indonesia
Midas Holdings	Retail Manufacturer	2,652	2.2	Singapore
KT&G	Tobacco Production	2,637	2.2	South Korea
Sino-Ocean Land	Financial	2,560	2.1	China
Ping An Insurance	Insurance	2,490	2.0	Hong Kong
Top twenty investments		**67,437**	**55.2**	
Advanced Semiconductor	Semiconductor Provider	2,478	2.0	Taiwan
LG Household & Health Care	Household Goods and Cosmetics	2,457	2.0	South Korea
Shin Zu Shing	Component Manufacturer	2,204	1.8	Taiwan
NetEase.com	Information Technology	2,198	1.8	China
China South Locomotive and Rolling Stock	Locomotives and Rolling Stock	2,145	1.8	China
Daelim Industrial	Conglomerate	2,082	1.7	South Korea
Bharti Airtel	Telecommunications	1,979	1.6	India
Hang Lung Properties	Property Development	1,974	1.6	Hong Kong
IOI Corporation	Palm Oil Producer	1,946	1.6	Malaysia
China Construction Bank	Banking	1,938	1.6	China
Top thirty investments		**88,838**	**72.7**	
Other investments (24)		**32,331**	**26.4**	
Total investments		**121,169**	**99.1**	
Net current assets		**1,043**	**0.9**	
Shareholders' funds		**122,212**	**100.0**	

Review of the Five Largest Investments

PERUSAHAAN GAS NEGARA - Indonesia, Utility, Gas Distribution

Perusahaan Gas Negara operates in the distribution and transmission of natural gas to industrial, commercial and household users.

Final results to 31 December		2008	2007	% change
Revenues	IDR (bn)	12,794	8,802	+45.4
Pre-Tax Profit	IDR (bn)	1,281	1,872	-31.6
EPS	IDR	26.44	48.59	-45.6
DPS	IDR	42.00	13.00	+223.1

KASIKORNBANK – Thailand, Financial

Kasikornbank provides commercial banking services including personal and commercial banking, international trade, as well as investment banking services, to its customers throughout Thailand. The bank also has branches and representative offices in other Asian countries, London, New York and Los Angeles.

Final results to 31 December		2008	2007	% change
Revenues	Bt (m)	65,151	56,328	+15.7
Pre-Tax Profit	Bt (m)	22,178	21,412	+3.6
EPS	Bt	6.42	6.28	+2.2
DPS	Bt	2.00	1.75	+14.3

HON HAI PRECISION – Taiwan, Information Technology

Hon Hai Precision manufactures and markets personal computer ('PC') connectors, and cable assemblies used in desktop PCs and PC servers.

Final results to 31 December		2008	2007	% change
Revenues	NT$ (m)	1,950,481	1,702,663	+14.6
Pre-Tax Profit	NT$ (m)	72,594	101,137	-28.2
EPS	NT$	7.35	12.20	-39.8
DPS	NT$	3.00	3.00	0

CHINA MOBILE – China, Telecoms, Cellular

China Mobile is the largest provider of cellular telecommunications and related services in the People's Republic of China and Hong Kong SAR.

Final results to 31 December		2008	2007	% change
Revenues	CNY (m)	412,343	356,959	+15.5
Pre-Tax Profit	CNY (m)	149,743	129,238	+15.9
EPS	CNY	5.63	4.35	+29.4
DPS	CNY	2.47	1.90	+30.0

SHINHAN FINANCIAL – South Korea, Financial

Shinhan Financial provides a full range of consumer and commercial banking-related financial services. The company's main businesses include banking, securities brokerage, trust banking, and wealth management to individuals, businesses, and other financial institutions.

Final results to 31 December		2008	2007	% change
Revenues	KRW (bn)	7,931	8,604	-7.8
Pre-Tax Profit	KRW (bn)	2,994	3,913	-23.5
EPS	KRW	4,401.61	5,094.76	-13.6
DPS	KRW	758.10	0	n/a

Unaudited Income Statement

	Six months ended 31 July 2009		
	Revenue £'000	**Capital £'000**	**Total £'000**
Gains/(losses) on investments	–	35,912	35,912
Exchange differences	–	(238)	(238)
Income	1,293	–	1,293
Investment management fee	(121)	(363)	(484)
Other expenses	(425)	–	(425)
Net return before finance costs and taxation	747	35,311	36,058
Interest payable	–	–	–
Return on ordinary activities before tax	747	35,311	36,058
Tax on ordinary activities	(219)	140	(79)
Return attributable to equity shareholders	528	35,451	35,979
Return per Ordinary Share	0.45p	29.95p	30.40p

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

Six months ended 31 July 2008			Year ended 31 January 2009		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	(20,872)	(20,872)	–	(61,943)	(61,943)
–	(69)	(69)	–	(2,498)	(2,498)
2,250	–	2,250	4,026	–	4,026
(198)	(594)	(792)	(314)	(942)	(1,256)
(358)	–	(358)	(673)	–	(673)
1,694	(21,535)	(19,841)	3,039	(65,383)	(62,344)
(48)	(145)	(193)	(90)	(271)	(361)
1,646	(21,680)	(20,034)	2,949	(65,654)	(62,705)
(475)	327	(148)	(846)	532	(314)
1,171	(21,353)	(20,182)	2,103	(65,122)	(63,019)
0.99p	(18.04)p	(17.05)p	1.78p	(55.03)p	(53.25)p

Unaudited Balance Sheet

	As at 31 July 2009 £'000	As at 31 July 2008 £'000	As at 31 January 2009 £'000
Fixed assets			
Investments	**121,169**	140,325	83,487
Current assets			
Debtors	**1,331**	933	1,299
Cash at bank and on deposit	**969**	–	3,879
	2,300	933	5,178
Creditors (amounts failing due within one year)	**(1,257)**	(10,661)	(905)
Net current assets/(liabilities)	**1,043**	(9,728)	4,273
Net assets	**122,212**	130,597	87,760
Capital and reserves			
Called-up share capital	**14,794**	14,794	14,794
Share premium account	**4**	4	4
Capital redemption reserve	**1,460**	1,460	1,460
Special reserve	**16,222**	16,222	16,222
Capital reserve	**86,403**	94,721	50,952
Revenue reserve	**3,329**	3,396	4,328
Equity shareholders' funds	**122,212**	130,597	87,760
Net asset value per Ordinary Share	**103.26p**	110.35p	74.15p

Unaudited Reconciliation of Movements in Shareholders' Funds

	Six months ended 31 July 2009 £'000	Six months ended 31 July 2008 £'000	Year ended 31 January 2009 £'000
Opening shareholders' funds	**87,760**	152,105	152,105
Return for the period	**35,979**	(20,182)	(63,019)
Dividends paid	**(1,527)**	(1,326)	(1,326)
Closing shareholders' funds	**122,212**	130,597	87,760

Summarised Unaudited Statement of Cash Flows

	Six months to 31 July 2009 £'000	Six months to 31 July 2008 £'000	Year to 31 January 2009 £'000
Net cash inflow from operating activities	**581**	977	1,779
Servicing of finance	**–**	(175)	(381)
Capital expenditure and financial investment	**(1,726)**	188	16,376
Equity dividends paid	**(1,527)**	(1,326)	(1,326)
Net cash (outflow)/inflow before financing	**(2,672)**	(336)	16,448
Financing	**–**	(9)	(13,208)
(Decrease)/increase in cash	**(2,672)**	(345)	3,240

Reconciliation of net cash flow to movement in net funds/(debt)			
(Decrease)/increase in cash	**(2,672)**	(345)	3,240
Loans drawn down	**–**	(2,515)	(10,508)
Loans repaid	**–**	2,524	23,716
Changes in net debt resulting from cash flows	**(2,672)**	(336)	16,448
Exchange differences	**(238)**	(69)	(2,498)
Movement in net funds/(debt)	**(2,910)**	(405)	13,950
Net funds/(debt) at 1 February	**3,879**	(10,071)	(10,071)
Net funds/(debt) at 31 July/31 January	**969**	(10,476)	3,879

Reconciliation of net return before finance costs and taxation to net cash flow from operating activities			
Net return before finance costs and taxation	**36,058**	(19,841)	(62,344)
(Gains)/losses on investments	**(35,912)**	20,872	61,943
Exchange differences	**238**	69	2,498
Irrecoverable withholding tax on investment income	**(89)**	(148)	(314)
Changes in working capital and other non-cash items	**286**	25	(4)
Net cash inflow from operating activities	**581**	977	1,779

Notes to the Accounts

for the six months ended 31 July 2009

1. The unaudited interim results have been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 January 2009.

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

3. There were 118,348,386 Ordinary Shares in issue at 31 July 2009 (31 January 2009 – 118,348,386, 31 July 2008 – 118,348,386). The weighted average number of Ordinary Shares in issue during the period, used in calculating the return per share, was 118,348,386 (year ended 31 January 2009 – 118,348,386, six months ended 31 July 2008 – 118,348,386).

4. These accounts have not been audited or reviewed by the Company's auditors pursuant to the Auditing Practices Board guidance on the review of interim financial information.

5. These are not statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year to 31 January 2009, which received an unqualified audit report, have been lodged with the Registrar of Companies. No statutory accounts in respect of any period after 31 January 2009 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

Statement of Principal Risks and Uncertainties

The Company's assets consist principally of listed securities and its main risks are therefore market related. The Company is also exposed to currency risk in respect of the markets in which it invests. Other risks faced by the Company include external, investment and strategic, regulatory, operational, and financial risks. These risks, and the way in which they are managed, are described in more detail under the heading Principal Risks and Risk Management within the Business Review in the Company's Annual Report for the year ended 31 January 2009. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

Statement of Directors' Responsibilities in Respect of the Interim Report

We confirm that to the best of our knowledge:

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

On behalf of the Board

D B Nichol

Director

28 September 2009

How to Invest

As well as investing in Pacific Assets Trust plc directly through a stockbroker, you can enjoy some additional benefits by investing through one of the savings plans run by F&C Asset Management plc ('F&C').

You can enjoy the convenience of making regular savings by Direct Debit, take advantage of our tax-efficient ISA wrapper, receive a simple statement every six months and let us automatically reinvest your dividends for you.

- **F&C Private Investor Plan**
  A flexible, low cost way to invest with a lump sum from £500 or regular savings from £50 a month.

- **F&C Investment Trust ISA**
  Invest up to £7,200 tax efficiently each year with a lump sum from £500 or regular savings from £50 a month. ISA contribution limits are to be increased to £10,200 with effect from 6 April 2010 (or 6 October 2009 for individuals aged over 50). You can also transfer any existing ISAs to F&C.

- **F&C Child Trust Fund ('CTF')**
  F&C is a leading provider of children's investment plans and one of the few providers to offer an investment trust based CTF. The CTF is suitable for children born after 1 September 2002.

- **F&C Children's Investment Plan**
  Suitable for older children ineligible for a CTF, or if you need access to the funds before the child is 18. This flexible plan can easily be written under trust to help reduce inheritance tax liability. Investments can be made from a £250 lump sum or £25 a month.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the original investor. Freedom from tax in an ISA applies directly to the investor.

Low Charges

All the plans are low cost and flexible. When you buy or sell shares in these plans the dealing fee is only 0.2 per cent. Government stamp duty of 0.5 per cent also applies on purchases. There are no initial or exit charges. The only annual management fee is on the ISA, which is £60+VAT (no matter how many tax years' ISAs you take out with F&C, or how many ISAs you transfer).

The F&C Child Trust Fund has no initial charges, dealing charges or annual management fee.

How to Invest

For more information on any of these products, please contact F&C's Investor Services Team:

Call us on **0800 136 420**

email at **info@fandc.com**

invest online at **www.fandc.co.uk**

Existing plan holders' enquiry line
0845 600 3030

Or write to:
F&C
Freepost RLRY-LYSR-KYBU
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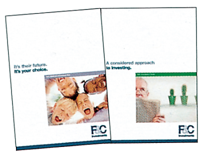
Bangor BT19 1AR

Calls may be recorded



The information on the this page has been approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Services Authority ('FSA').

Corporate Information

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