



Pacific Assets Trust plc

Half Year Report & Accounts for the
six months ended 31 July 2014

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Management

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

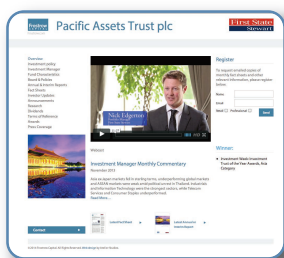
Capital Structure

The Company's capital structure is composed solely of ordinary shares. At 31 July 2014 there were 116,848,386 ordinary shares in issue (31 January 2014: 116,848,386).

Gearing

The Company is not currently geared.

The Company has been entered by the FCA on the register of small registered UK AIFMs. For so long as the Company remains on the register it is precluded from incurring borrowings.



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For more information about

Pacific Assets Trust plc

visit the website at

www.pacific-assets.co.uk

The Company

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

Total assets less current liabilities as at 31 July 2014 were £209.4 million and the market capitalisation was £199.8 million.

Investment Objective

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

Investment Policy

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

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

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

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

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

Performance Assessment

The Company exists in a competitive environment and aims to be a leader in its peer group, defined by being consistently within the top third of that group measured by net asset value total return. The Company is committed to building a long-term investment record and will assess itself by reference to its peers on a rolling three year basis.

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

Sustainable Investment

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

Company Summary

Key Statistics

	As at 31 July 2014	As at 31 January 2014	% change
Share price	171.0p	145.6p	+17.5
Net asset value per share	179.2p	159.4p	+12.4
Discount of share price to net asset value per share	4.6%	8.7%	–
Shareholders' funds	£209.4m	£186.3m	+12.4
Market capitalisation	£199.8m	£170.1m	+17.5
	Six months to 31 July 2014	One year to 31 January 2014	
Share price (total return)*	+19.4%	+0.3%	
Net asset value per share (total return)*	+15.1%	+0.9%	
MSCI All Country Asia ex Japan Index (total return, sterling adjusted)*	+13.4%	–6.8%	

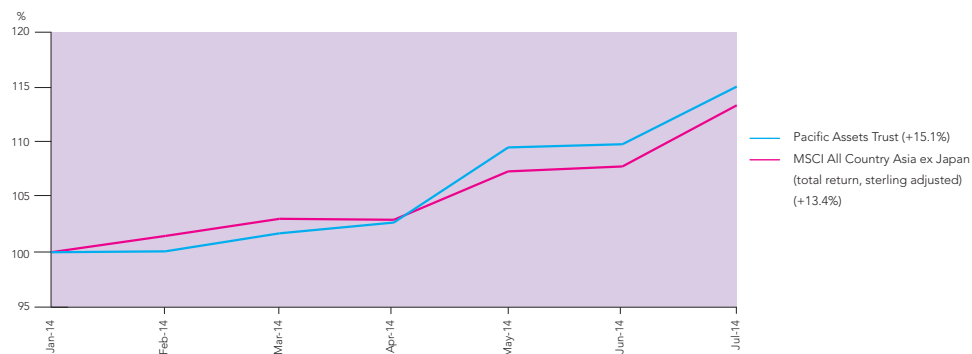
*Source: Morningstar

	Year ended 31 January 2014	Year ended 31 January 2013	
Dividends			
Final dividend per share	2.60p	2.60p	–

Half Year's Highs/Lows	High	Low
Net asset value per share	179.4	158.1
Share price	173.0	145.6
Premium/(discount) of share price to net asset value per share†	1.0%	(7.5)%

†(Discount)/premium high – Narrowest (discount)/widest premium in period
(Discount) low – Widest (discount) in period

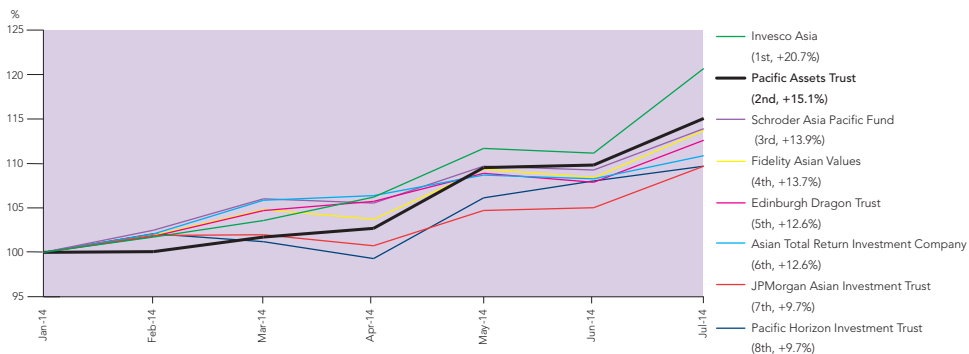
Net Asset Value Total Return and Benchmark Performance for the Six Months to 31 July 2014



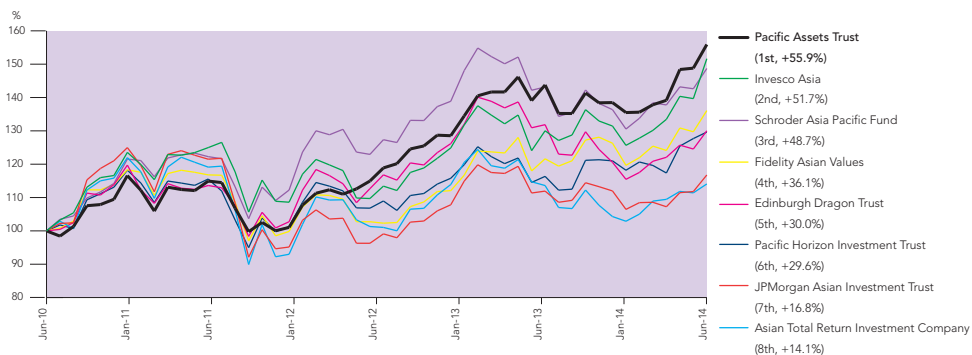
Source: Morningstar
Rebased to 100 as at 31 January 2014

Peer Group Performance

Net Asset Value Total Return Peer Group Performance for the Six Months to 31 July 2014



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



Chairman's Statement



"These results are part of a longer-term picture which started in 2010 when First State was appointed. Since that date your Company has been the best performer within this peer group."

Performance

I am pleased to report that your Company continues to perform well. During the six month period ended 31 July 2014, the Company's share price total return was +19.4% and the net asset value total return was +15.1%. This compares to a total return from the sterling adjusted MSCI All Country Asia ex Japan Index of +13.4%. The Company was the second best performing member of its peer group during the period under review.

This strong performance has been reflected in the share price and has resulted in a narrowing of the share price discount to net asset value per share from 8.7% as at 31 January 2014 to 4.6% as at 31 July 2014.

These results are part of a longer-term picture which started in July 2010 when First State was appointed as Investment Manager. Since that date your Company has been the best performer within its peer group. I urge you to read the investment Manager's Review, beginning on page five, which provides an insight into the strategy which has been employed since First State's appointment.

Revenue Account and Dividend

The net revenue generated during the period fell when compared to the same period last year due to a reduction in the overall yield from portfolio investments. The Company's earnings per share for the period were 1.5p compared to 1.8p in the previous period. The Board reminds shareholders that it remains the Company's policy to pursue capital growth for shareholders with income being a secondary consideration.

The Board

As mentioned at the year-end Richard Horlick retired from the Board in June. The recruitment of a new Director is underway and an announcement will be made in due course.

Alternative Investment Fund Managers Directive ("AIFMD")

I reported in my year end statement that it in order to gain access to a lighter touch regulatory regime and hence save costs, it had been decided to register your Company as a small UK Alternative Investment Fund Manager with the Financial Conduct Authority ("FCA"). I am pleased to confirm that the Company was entered by the FCA on the register of small registered UK AIFMs with effect from 30 April 2014. This will be kept under review in the future. It remains the Company's policy to adhere to best practice in complying with all applicable regulations; the Board regards this as an important part of delivering returns to shareholders and also safeguarding the Company's assets.

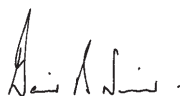
The Company's investment policy provides that the Board, in conjunction with the Company's Investment Manager, will keep the possibility of borrowings under review. However, shareholders should note that for so long as the Company remains on the register of small registered UK AIFMs it will be precluded from incurring borrowings.

Chairman's Statement

Continued

Outlook

Increasingly high valuations in Asia have contributed to the strong performance over the past six months and your Board is mindful that this has been achieved against a backdrop of loose global monetary policy which we do not expect to continue on the same scale. Despite these concerns, your Board believes that your Investment Manager's approach in its efforts to identify well-managed companies which embrace a sustainable approach to business will provide superior returns over the longer term.



David Nichol

Chairman

22 September 2014

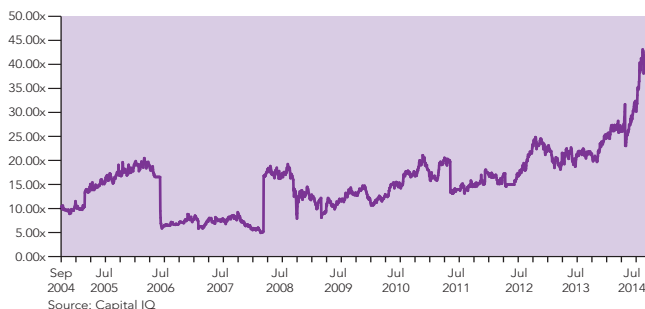
Investment Manager's Review

"We aim to become long-term equity partners in each business to which we allocate capital."

In the short term Asian asset prices continue to be driven ever higher by lax global monetary policy. As a result, we are becoming ever more concerned about the risk of a serious market collapse in the region.

Valuations of many good quality Asian companies have reached extreme levels. To give one example of many, our favourite Korean consumer company, Amorepacific, has re-rated dramatically and unjustifiably over recent years. When we first met the company in 2001, it was trading on a price to earnings ratio of less than five times. The shares now trade on a price to earnings ratio of over thirty times. The graph below illustrates the re-rating of the valuation over the past ten years. While the company has worked hard to improve its corporate governance and long-term sustainability positioning, it is hard to argue that its long-term prospects are very different from what they were thirteen years ago.

The Price to Earnings Ratio of Amorepacific over the past ten years



As a result of this re-rating, we have been left with no choice but to sell all the shares in the company. As bottom-up stock pickers, selling our favourite companies on valuation grounds is an uncomfortable but necessary decision. Whenever we buy shares in an Asian company, our hope and expectation is that we will remain on the share register for years if not decades to come. We aim to become long-term equity partners in each business and to establish healthy, long-term relationships with the management teams and board of directors of the companies to which we allocate capital. This is particularly important in terms of earning the right to engage with companies on a wide range of sustainability issues.

Many if not most of the companies within your Company's portfolio complain about the challenges of having fickle, short-term shareholders on their registers. We tend to agree. Yet, whenever we sell for valuation reasons, we can't help but feel we are part of this problem. On the other hand, if we don't sell once the shares have become overvalued, we will be aiding and abetting the misallocation of capital. Equity bubbles are not good for society.

Balancing the desire to be long-term shareholders with the desire to adhere to a sensible valuation discipline is not something we find easy to do. We have no proprietary valuation techniques that enable us to precisely measure the true value of each share your Company owns. In part this is because we have no crystal ball to be able to predict with certainty the cashflow profiles of our companies over the coming decades. Even if we could, there are still a number of other heroic assumptions we would be required to make in order to land on a definitive, precise calculation of a share's true value.

Instead, we think about share values from as many different perspectives as possible in order to develop a broad-based assessment of whether the shares owned by your Company are overvalued, fairly valued or undervalued. We use earnings yields and discounted cash flows, comparisons to a company's accounting book value and guesstimates of the real replacement cost of a company's assets in order to help us make a subjective judgment as to where on the valuation spectrum a share is currently priced relative to its true worth. While it is easy enough to spot extreme over and under-valuation, most shares sit somewhere nearer the middle of this spectrum. For us, valuing companies is much more of an art than a science. The same is true for most, if not all,

Investment Manager's Review

Continued

aspects of how we invest. As the saying goes, "Economists put decimal points in their forecasts to show they have a sense of humour." The same could be said of analysts' earnings forecasts and valuations.

Your Company's cash levels have slowly edged up as we have trimmed or completely sold the most expensive companies within the portfolio. While we are certain we have little, if any, ability to time markets, we are prepared to be patient and wait for better entry prices before allocating your Company's capital to our favourite companies. We have a relatively long shopping list of well-managed Asian companies with strong sustainability positioning which we would love your Company to own at lower prices. We are optimistic that the opportunity will present itself sooner rather than later!

Performance

As always we find it hard to comment on six monthly performance. The table below illustrates the worst and best contributors to performance since January. In terms of worst performers, Standard Foods' profits have come under pressure from a combination of rising raw material prices, increased competition and slowing consumer demand in mainland China and Taiwan. Despite this short-term setback, we remain confident that the company is well-positioned for shifting consumer preferences in China and Taiwan towards healthy, safe, high quality food products. Uni-President China and Vitasoy have suffered in the short term for similar reasons. Elsewhere, Infosys continues to struggle to convince the market that it has solved its management succession problems while Weifu High Tech has experienced slower growth as a result of weakening industrial activity in China. Meanwhile, there are no convincing reasons we can identify as to why the share prices of Towngas China, Sabana, AirTac, Nations Trust Bank or Bank NISP fell over the period, other than the short-term ebb and flow of share prices! The top performers list includes a number of companies who, like Amorepacific have seen their valuations significantly re-rate over recent years. In particular the valuations of Dabur and Marico have reached the upper end of what we can tolerate, regardless of our belief in the companies and their management teams.

Top Ten Contributors to Net Asset Value Performance

	Country	Sector	Contribution %
Amorepacific	South Korea	Consumer Staples	1.87%
Marico	India	Consumer Staples	1.42%
Tech Mahindra	India	Information Technology	1.32%
Kasikornbank	Thailand	Financials	0.83%
Delta Electronics (Thailand)	Thailand	Information Technology	0.83%
Dabur India	India	Consumer Staples	0.81%
Tube Investments of India	India	Industrials	0.76%
Taiwan Semiconductor Manufacturing	Taiwan	Information Technology	0.69%
Chroma ATE	Taiwan	Information Technology	0.63%
Singapore Post	Singapore	Information Technology	0.60%
			9.76%

Bottom Ten Contributors to Net Asset Value Performance

	Country	Sector	Contribution %
Standard Foods	Taiwan	Consumer Staples	(0.22)%
Infosys	India	Software Services	(0.18)%
Uni-President China	China	Consumer Staples	(0.09)%
Towngas China	China	Utilities	(0.08)%
Vitasoy International Holdings	Hong Kong	Consumer Staples	(0.05)%
Weifu High-Technology Group	China	Consumer Discretionary	(0.04)%
Sabana Shari'ah Compliant REIT	Singapore	Property	(0.03)%
AirTac International	Taiwan	Industrials	(0.03)%
Nations Trust Bank	Sri Lanka	Financials	(0.03)%
Bank OCBC NISP	Indonesia	Financials	(0.02)%
			(0.77)%

Source: First State Investment Management (UK) Limited

Investment Manager's Review

Continued

Portfolio Changes

During the period we initiated a position in Elgi Equipments, an Indian family business that specialises in manufacturing energy-efficient air compressors. We believe it is a strong domestic franchise that has proved it can successfully compete with multi-national peers. We also bought shares in Container Corp of India, a well-run logistics operation that is likely to be a beneficiary of a cyclical recovery in India, and Housing Development Finance, India's largest housing finance company. We believe all three companies are well positioned to benefit from India's infrastructure development and all three serve to improve the overall quality of the portfolio. We also added to Kansai Nerolac Paints India and Idea Cellular on compelling valuations.

We sold out of Uni-President China having lost conviction in the sustainability positioning of the company's products and our ability to influence change, as well as Infosys on the basis that we increasingly prefer Tech Mahindra. We also sold out of Nations Trust Bank due to the rising political influence in banks in Sri Lanka. We reduced our ownership in Singapore Telecom in the belief that Globe Telecom is a stronger franchise, in Tech Mahindra in order to control position size and in Delta Electronics on its expensive valuation.

Engagement

As long-term investors, we seek to be active shareholders in the companies in which your Company invests and believe it is our obligation to engage with companies where we have concerns over their approach to sustainability and governance issues. We acknowledge that there is no such thing as the perfect company and therefore for us engagement is an on-going process. Typically we engage through regular dialogue, meetings or by writing a personal letter. Examples of engagement issues identified and undertaken during the period include:

- Dr Reddy's Laboratories (an Indian pharmaceutical company): We highlighted the opportunity to take the lead in improving global marketing practices amongst healthcare companies, an area we believe faces intense scrutiny from regulators globally in the coming years.
- Kotak Mahindra Bank (an Indian bank): Following the floods in Uttarakhand, exacerbated by the excessive damming of rivers in the region, we have encouraged Kotak Mahindra Bank to take the lead in incorporating environmental and social parameters into its responsible lending process. While we appreciate that over damming raises questions around regulation and central planning, we also believe that these development risks come back to capital allocators either through defaults or reputation risks.
- Sheng Siong (a Singaporean supermarket chain): Improved Board independence and clearer transparency on the actual dollar worth of their legal services.
- Samsung Fire and Marine Insurance (a South Korean multinational insurance business): Following a share buyback programme where the shares were re-issued to a related party; we struggle to understand the logic in this transaction and how it will add value to our clients capital over a mid-long term investment. Engagement is ongoing.

One of the engagement issues we are considering is increasing our efforts on diversity in India. Following the rulings of the new Indian Companies Act, that states companies must have one female director on their boards by 1 October 2014 (something we are delighted to see implemented); it has come to our attention that some companies are complaining of the paucity of suitable candidates and it is suggested are planning to simply appoint the wife of the promoter, or do as others have done and appoint a computer algorithm onto its board. We would be very disappointed if any of the Indian companies held within the portfolio took this approach and we will be actively engaging and informing the companies held within the strategy of our views on this.

Investment Manager's Review

Continued

Outlook

In short, we remain concerned that the worst is not yet behind us. The global economy remains artificially supported. Such support cannot last indefinitely, and as and when it is pulled away, the implications will be profound. As stockpickers all we can do in such times is keep our heads down and focus on identifying good quality Asian companies which are well positioned to contribute to and benefit from a shift towards a more genuinely sustainable development path. We continue to believe these companies are particularly well positioned to deliver long-term absolute returns to investors in the Asia Pacific Region.

David Gait

Senior Investment Manager

First State Investment Management (UK) Limited

22 September 2014

Portfolio

as at 31 July 2014

Investment	Sector*	Market valuation £'000	% of total assets less current liabilities	Country of incorporation
Marico	Consumer Staples	12,044	5.8	India
Tech Mahindra	Information Technology	12,002	5.7	India
Taiwan Semiconductor Manufacturing	Information Technology	7,994	3.8	Taiwan
Dabur India	Consumer Staples	7,873	3.8	India
Public Bank	Financials	7,180	3.4	Malaysia
Standard Foods	Consumer Staples	7,074	3.4	Taiwan
Delta Electronics (Thailand)	Information Technology	7,046	3.4	Thailand
Idea Cellular	Telecom Services	6,858	3.3	India
Kasikornbank	Financials	6,828	3.2	Thailand
E.Sun Financial Holdings	Financials	6,678	3.2	Taiwan
Ten largest investments		81,577	39.0	
Towngas China†	Utilities	6,392	3.1	Cayman Islands
Samsung Fire & Marine Insurance	Financials	6,080	2.9	South Korea
Dr Reddy's Laboratories	Healthcare	5,322	2.5	India
DGB Financial	Financials	5,199	2.5	South Korea
Chroma ATE	Information Technology	5,164	2.5	Taiwan
Kotak Mahindra Bank	Financials	5,138	2.4	India
Globe Telecom	Telecom Services	4,855	2.3	Philippines
Manila Water	Utilities	4,526	2.2	Philippines
XL Axiata	Telecom Services	4,279	2.0	Indonesia
Singapore Post	Industrials	3,852	1.8	Singapore
Twenty largest investments		132,384	63.2	
Uni-President Enterprise	Consumer Staples	3,714	1.8	Taiwan
Axiata Group	Telecom Services	3,701	1.8	Malaysia
SembCorp Industries	Industrials	3,443	1.6	Singapore
Housing Development Finance	Financials	3,365	1.6	India
Linde India	Industrials	3,261	1.6	India
Tube Investments of India	Industrials	3,027	1.4	India
Bank of the Philippine Islands	Financials	2,979	1.4	Philippines
Singapore Telecommunications	Telecom Services	2,945	1.4	Singapore
Ayala Corporation	Financials	2,862	1.4	Philippines
Weifu High-Technology Group	Consumer Discretionary	2,706	1.3	China
Thirty largest investments		164,387	78.5	
Sheng Siong	Consumer Staples	2,392	1.1	Singapore
MTR	Industrials	2,337	1.1	Hong Kong
ENN Energy†	Utilities	2,326	1.1	Cayman Islands
China Mengniu Dairy†	Consumer Staples	2,267	1.1	Cayman Islands
AirTac International^	Industrials	1,993	0.9	Cayman Islands
Giant Manufacturing	Consumer Discretionary	1,850	0.9	Taiwan
Shinhan Financial	Financials	1,627	0.8	South Korea
Pidilite Industries	Materials	1,497	0.7	India
Marico Bangladesh	Consumer Staples	1,414	0.7	Bangladesh
Kansai Nerolac Paints	Materials	1,375	0.7	India
Forty largest investments		183,465	87.6	

*MSCI sector classifications

†Economic activity takes place principally in China

^Economic activity takes place principally in Taiwan

Portfolio

as at 31 July 2014

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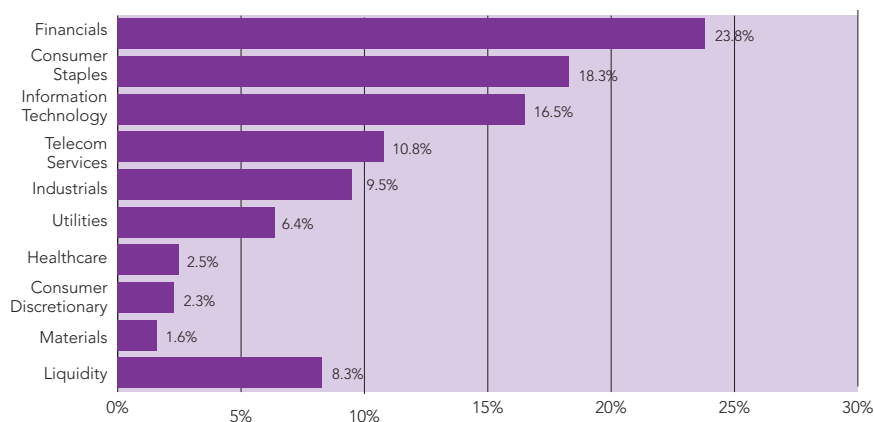
Investment	Sector*	Market valuation £'000	% of total assets less current liabilities	Country of incorporation
Delta Electronics (Taiwan)	Information Technology	1,180	0.6	Taiwan
Info Edge (India)	Information Technology	1,024	0.5	India
Mahindra Lifespace Developers	Industrials	873	0.4	India
Cholamandalam Investment & Finance	Financials	862	0.4	India
Container Corp of India	Industrials	855	0.4	India
Vitasoy International Holdings	Consumer Staples	838	0.4	Hong Kong
Hemas Holdings	Industrials	680	0.3	Sri Lanka
Swire Properties	Financials	530	0.3	Hong Kong
EID Parry (India)	Materials	510	0.2	India
Godrej Consumer Products	Consumer Staples	448	0.2	India
Fifty largest investments		191,265	91.3	
Bank OCBC NISP	Financials	446	0.2	Indonesia
Marico Kaya Enterprises	Consumer Discretionary	167	0.1	India
DBS Group	Financials	106	0.1	Singapore
Elgi Equipments	Industrials	44	0.0	India
Total portfolio		192,028	91.7	
Net current assets		17,375	8.3	
Total assets less current liabilities		209,403	100.0	

*MSCI sector classifications

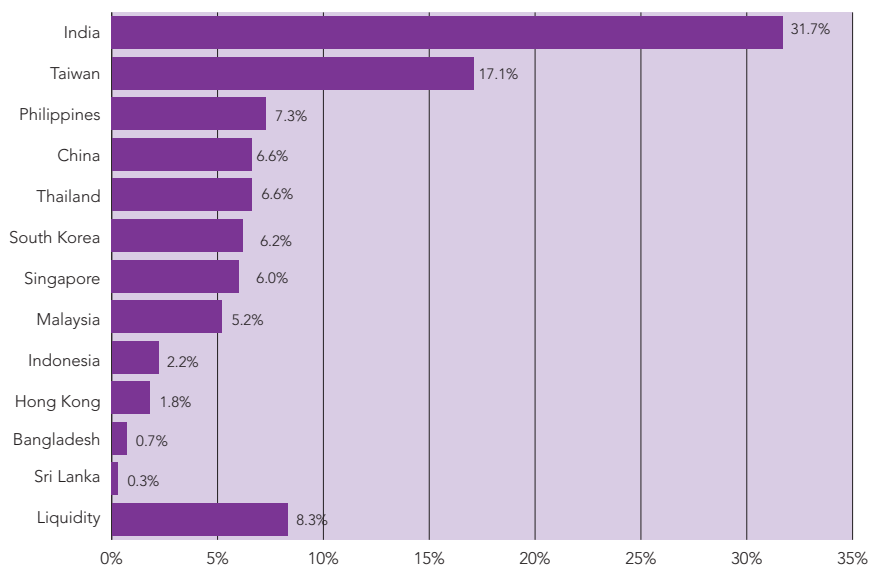
Portfolio Distribution

as at 31 July 2014

Sector Analysis



Geographical Analysis



The Company's Investment Objective states that up to a maximum of 20% of the Company's total assets (at the time of investment) may be invested in companies incorporated and/or listed outside the Asia Pacific Region, including Japan, Australia and New Zealand, but whose economic activities are predominantly in the Asia Pacific Region.

*Within the Chinese and Taiwanese exposure, 5.3% and 0.9% respectively are represented by companies incorporated in the Cayman Islands but whose economic activity takes place principally in those countries.

Income Statement

for the six months ended 31 July 2014

	(Unaudited) Six months ended 31 July 2014			(Unaudited) Six months ended 31 July 2013			(Audited) Year ended 31 January 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	26,434	26,434	–	11,820	11,820	–	1,792	1,792
Exchange differences on currency balances	–	(125)	(125)	–	61	61	–	(204)	(204)
Income (note 2)	2,416	–	2,416	2,829	–	2,829	4,195	–	4,195
Investment management, management and performance fees (note 3)	(233)	(1,941)	(2,174)	(232)	(2,021)	(2,253)	(455)	(2,711)	(3,166)
Other expenses	(233)	–	(233)	(259)	(2)	(261)	(567)	(29)	(596)
Return/(loss) on ordinary activities before taxation	1,950	24,368	26,318	2,338	9,858	12,196	3,173	(1,152)	2,021
Taxation on ordinary activities	(164)	–	(164)	(229)	–	(229)	(298)	–	(298)
Return/(loss) after taxation attributable to equity shareholders	1,786	24,368	26,154	2,109	9,858	11,967	2,875	(1,152)	1,723
Return/(loss) per ordinary share (p) (note 4)	1.5	20.9	22.4	1.8	8.4	10.2	2.5	(1.0)	1.5

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

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

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

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

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 July 2014

	(Unaudited) Six months ended 31 July 2014 £'000	(Unaudited) Six months ended 31 July 2013 £'000	(Audited) Year ended 31 January 2014 £'000
Opening shareholders' funds	186,287	187,602	187,602
Return for the period	26,154	11,967	1,723
Dividends paid	(3,038)	(3,038)	(3,038)
Closing shareholders' funds	209,403	196,531	186,287

Balance Sheet

as at 31 July 2014

	(Unaudited) As at 31 July 2014 £'000	(Unaudited) As at 31 July 2013 £'000	(Audited) As at 31 January 2014 £'000
Fixed assets			
Investments held at fair value through profit or loss	192,028	183,046	175,532
Current assets			
Debtors	843	485	561
Cash at bank	18,425	14,878	13,052
	19,268	15,363	13,613
Creditors (amounts falling due within one year)	(1,893)	(1,878)	(2,858)
Net current assets	17,375	13,485	10,755
Net assets	209,403	196,531	186,287
Capital and reserves			
Share capital	14,606	14,606	14,606
Share premium account	4	4	4
Capital redemption reserve	1,648	1,648	1,648
Special reserve	14,572	14,572	14,572
Capital reserve	173,704	160,346	149,336
Revenue reserve	4,869	5,355	6,121
Equity shareholders' funds	209,403	196,531	186,287
Net asset value per ordinary share (p) (note 5)	179.2	168.2	159.4

Cash Flow Statement

for the six months ended 31 July 2014

	(Unaudited) Six months ended 31 July 2014 £'000	(Unaudited) Six months ended 31 July 2013 £'000	(Audited) Year ended 31 January 2014 £'000
Net cash (outflow)/inflow from operating activities	(380)	566	589
Financial investment			
Purchases of investments	(16,382)	(21,251)	(47,009)
Sales of investments	25,298	23,416	47,590
Net cash inflow from financial investment	8,916	2,165	581
Equity dividends paid	(3,038)	(3,038)	(3,038)
Increase/(decrease) in cash	5,498	(307)	(1,868)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash resulting from cash flows	5,498	(307)	(1,868)
Exchange differences on currency balances	(125)	61	(204)
Movement in net funds	5,373	(246)	(2,072)
Net funds at beginning of period	13,052	15,124	15,124
Net funds at period end	18,425	14,878	13,052
Reconciliation of net return before finance costs and taxation to net cash flow from operating activities			
Net return before finance costs and taxation	26,318	12,196	2,021
Gains on investments	(26,434)	(11,820)	(1,792)
Exchange differences on currency balances	125	(61)	204
Irrecoverable withholding tax on investment income	(133)	(213)	(236)
Changes in working capital and other non-cash items	(256)	464	392
Net cash (outflow)/inflow from operating activities	(380)	566	589

Notes to the Accounts

1. Basis of preparation

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

The same accounting policies that were used for the year ended 31 January 2014 have been applied in these financial statements.

2. Income

	(Unaudited) Six months ended 31 July 2014 £'000	(Unaudited) Six months ended 31 July 2013 £'000	(Audited) Year ended 31 January 2014 £'000
Investment income	2,416	2,829	4,195
Total income	2,416	2,829	4,195

3. Investment Management fee, Management and Performance fees

	(Unaudited) Six months ended 31 July 2014			(Unaudited) Six months ended 31 July 2013			(Audited) Year ended 31 January 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee – First State	185	555	740	185	556	741	364	1,090	1,454
Investment Management Performance fee accrual* – First State	–	1,243	1,243	–	1,325	1,325	–	1,346	1,346
Management fee – Frostrow	48	143	191	47	140	187	91	275	366
	233	1,941	2,174	232	2,021	2,253	455	2,711	3,166

*Details of the performance fee basis can be found in the Report of the Directors on page 23 of the Company's Annual Report for the year ended 31 January 2014.

4. Return/(loss) per ordinary share

The total return per ordinary share price is based on the total return attributable to Shareholders of £26,154,000 (six months ended 31 July 2013: £11,967,000; year ended 31 January 2014: £1,723,000) and on 116,848,386 shares (six months ended 31 July 2013: 116,848,386; year ended 31 January 2014: 116,848,386), being the weighted average number of shares in issue.

The revenue return per ordinary share price is calculated by dividing the net revenue return attributable to Shareholders of £1,786,000 (six months ended 31 July 2013: £2,109,000; year ended 31 January 2014: £2,875,000) by the weighted average number of shares in issue as above.

The capital return/(loss) per ordinary share price is calculated by dividing the net capital return attributable to Shareholders of £24,368,000 (six months ended 31 July 2013: £9,858,000; year ended 31 January 2014: net capital loss £1,152,000) by the weighted average number of shares in issue as above.

Notes to the Accounts

Continued

5. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to Shareholders of £209,403,000 (31 July 2013: £196,531,000; 31 January 2014: £186,287,000) and on 116,848,386 shares in issue (six months ended 31 July 2013: 116,848,386; year ended 31 January 2013: 116,848,386).

6. 2014 accounts

These are not statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year to 31 January 2014, 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 2014 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

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

Interim Management Report

Principal Risks and Uncertainties

The Company's principal area of risk relates to its investment activity and also its strategy. The Company is also exposed to currency risk in respect of the markets in which it invests. Other risks faced by the Company include financial, operational, accounting, legal and regulatory and also risks related to shareholder relations and corporate governance. These risks, and the way in which they are managed, are described in more detail under the heading Risk Management within the Strategic Report in the Company's Annual Report for the year ended 31 January 2014. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

Related Party Transactions

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

Going Concern

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

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half year financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31 July 2014, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

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

David Nichol
Chairman
22 September 2014

How to Invest

Investment Platforms

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

AJ Bell Youinvest	http://www.youinvest.co.uk/
Alliance Trust Savings	http://www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	https://www.barclaysstockbrokers.co.uk/Pages/index.aspx
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Club Finance	http://www.clubfinance.co.uk/
Fast Trade	http://www.fastrade.co.uk/wps/portal
FundsDirect	http://www.fundsdirect.co.uk/Default.asp?
Halifax Share Dealing	http://www.halifax.co.uk/Sharedealing/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://investments.hsbc.co.uk/
iDealing	http://www.idealing.com/
IG Index	http://www.igindex.co.uk/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
James Brearley	http://www.jbrearley.co.uk/Marketing/index.aspx
Natwest Stockbrokers	http://www.natweststockbrokers.com/nw/products-and-services/share-dealing.aspx
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/
TD Direct Investing	http://www.tddirectinvesting.co.uk/

Equiniti – Share Dealing Service

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

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

Risk warnings

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

Information about the Company

Directors

D B Nichol, FCA (Chairman)*
T F Mahony
N M S Rich, CBE, FCA†
J P Williams

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

†Chairman of the Audit Committee and Senior Independent Director

Registered Office

16 Charlotte Square
Edinburgh EH2 4DF

Company Registration Number

SC091052 (Registered in Scotland)

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

Website

www.pacific-assets.co.uk

Investment Manager

First State Investment Management
(UK) Limited

Level 1, 23 St. Andrew Square

Edinburgh EH2 1BB

Telephone: 0131 473 2200

Website: www.firststate.co.uk

Authorised and regulated by the Financial Conduct Authority

Manager, Company Secretary and Administrator

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

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

Brokers

Canaccord Genuity Limited
88 Wood Street
London EC2V 7QR

Registrars

Equiniti Limited

Aspect House

Spencer Road

Lancing

West Sussex

BN99 6DA

Shareholder Helpline: 0871 384 2466*

Broker Helpline: 0871 384 2779*

Website: www.equiniti.com

**Calls to these numbers are charged at 8p per minute from a BT landline.*

Other telephone providers' costs may vary. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday.

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

Custodian Bankers

JPMorgan Chase Bank

125 London Wall

London EC2Y 5AJ

Independent Auditor

KPMG LLP

15 Canada Square

Canary Wharf

London E14 5GL

Solicitors

Dickson Minto WS

16 Charlotte Square

Edinburgh EH2 4DF

Identification Codes

SEDOL: 0667438

ISIN: GB0006674385

Bloomberg: PAC LN

EPIC: PAC



Financial Calendar

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



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