



Pacific Assets Trust plc

Half Year Report
for the six months ended 31 July 2023



Stewart Investors



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Pacific Assets Trust plc (the "Company") has employed Frostrow Capital LLP as the Company's Alternative Investment Fund Manager ("AIFM"). The AIFM provides risk management, company management, company secretarial and administrative services. The AIFM has delegated the portfolio management function to Stewart Investors.

The Company employs Stewart Investors as Portfolio Manager. They adopt a sustainable investment strategy in selecting the investments that make up the Company's portfolio. They operate through the regulatory licences of First Sentier Investors (UK) IM Limited, which is the legal entity appointed as the Company's Portfolio Manager.

Capital Structure

At 31 July 2023 the Company's share capital comprised 120,958,386 ordinary shares (31 January 2023: 120,958,386 ordinary shares).

Gearing

The Company is not currently geared.

Keeping in Touch



Keep up to date with Pacific Assets Trust plc For more information about Pacific Assets Trust plc visit the website at www.pacific-assets.co.uk

Please use the 'contact us' button to ask a question or to register for fact sheets, quarterly and annual reports, and webcasts.

The Company

The Company is an 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.

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 (as defined); 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 Philosophy

The foundations of Stewart Investors' investment philosophy and approach remain largely unchanged since 1988 and since their first dedicated sustainability strategy was launched in 2005.

The Stewart Investors investment philosophy is summarised below:

- > They are stewards. They believe their role is to allocate society's capital to productive uses, in accordance with their Hippocratic Oath¹.
- > They are long-term investors. Their time horizon is measured in years, not weeks, and they value companies accordingly.
- > They invest only in companies they believe are contributing to a more sustainable future. They engage constructively as owners to help companies on their sustainability journeys.
- > They invest only in high-quality companies. They invest in companies with exceptional cultures, strong franchises and resilient financials.
- > They believe capital preservation is important for capital growth. They define risk as the possibility of the permanent loss of client capital.

¹ <https://www.stewartinvestors.com/all/about-us/our-hippocratic-oath.html>

The photograph on the front cover depicts Chinese lanterns in Hoi An, Vietnam

Financial Highlights

Key Statistics

	As at 31 July 2023	As at 31 January 2023	% change
Share price	369.0p	358.0p	3.1%
Net asset value per share	390.3p	391.6p	(0.3%)
Discount of share price to net asset value per share	5.5%	8.6%	
Market capitalisation	£446.3m	£433.0m	3.1%
Shareholders' funds	£472.2m	£473.7m	(0.3%)

	Six months to 31 July 2023	Six months to 31 July 2022	One year to 31 January 2023
Share price (total return)*^	3.7%	(3.8%)	5.9%
Net asset value per share (total return)*^	0.3%	0.2%	5.7%
CPI + 6% ¹	6.5%	9.0%	17.3%
MSCI All Country Asia ex Japan Index (total return, sterling adjusted)*	(3.3%)	(9.0%)	(2.2%)
Average discount of share price to net asset value per share^	6.5%	10.5%	10.1%
Ongoing charges^	1.1%	1.1%	1.1%

* Source: Morningstar.

^ Alternative Performance Measure (see Glossary beginning on page 19).

¹ UK Consumer Price Index + 6% – the Company's Performance Objective (see Glossary on page 20). Figures for six month periods are calculated on a pro rata basis.

Dividends	Year ended 31 January 2023	Year ended 31 January 2022
Final Dividend per share	2.3p	1.9p

Peer Group Performance

Performance Assessment

The Company's performance objective, against which the Portfolio Manager's performance is measured, is to provide shareholders with a net asset value total return in excess of the UK Consumer Price Index ("CPI") plus 6%, calculated on an annual basis and measured over three to five years.

The Board also monitors the Company's performance against its peer group. An analysis of the Company's performance can be found below, in the Chair's Statement beginning on page 3, and in the Portfolio Manager's Review beginning on page 5.

Peer Group Net Asset Value per Share (Total Return)[^]

	6 months		1 Year		3 years		5 years	
	£	Rank	£	Rank	£	Rank	£	Rank
Pacific Assets Trust	100.3	1	105.7	1	139.1	1	144.1	2
Schroder Asian Total Return	97.6	2	104.7	2	119.3	3	137.4	3
Pacific Horizon	96.1	5	96.3	5	132.9	2	182.4	1
Schroder Asia Pacific	96.5	3	102.1	3	113.8	4	122.7	4
abrdn New Dawn	89.8	6	94.5	6	105.6	5	119.3	5
iShares MSCI All Country Asia ex Jpn ETF	96.1	4	99.9	4	101.3	6	107.6	7
Asia Dragon	89.0	7	92.6	7	98.6	7	111.3	6
Peer Group Average	95.1		99.4		115.8		132.1	
CPI + 6%¹	106.5		114.6		144.8		167.4	
MSCI AC Asia Ex Japan	96.7		100.4		103.3		112.4	

Source: Morningstar. Figures show the value as at 31 July 2023 of £100 invested at the start of the period.

[^] Alternative Performance Measure (see Glossary on page 19).

¹ The Company's Performance Objective (see Glossary on page 20).



Chair's Statement



Return

The net asset value ("NAV") total return for the six months ended 31 July was 0.3% (2022: 0.5%). The NAVs of the five other trusts in our monitored peer group all decreased, with a collective

average NAV decline of 9.7% (2022: average decline of 7.3%).

Over longer periods we consider investment return against the UK CPI plus 6%, in that we believe that our largely UK-based investors are seeking to protect their capital in real terms while extracting a premium over their home markets from the faster growing Asian economies. Over the last five years, our annualised return of 7.5% has fallen behind the annualised CPI plus 6% figure of 10.9%. This is of course a result of the rise in inflation in the West, which has persisted into this year and looks likely to take some time to reduce.

While the Board would like to see a higher rate of return from our investments in Asia, we note the negative total return (sterling adjusted) of the MSCI All Country Asia ex Japan Index of -3.3%, as well as the average decline in the net asset values of the Company's peers, during the period. We are pleased that the Portfolio Manager has been able to protect shareholders' capital in a period of muted returns from Asian markets.

The Company's high exposure to India has continued to be helpful to returns: seven of the top ten principal contributors to the return in this six-month period were Indian companies, including CG Power &

Industrial Solutions, Cholamandalam Financial Holdings and Tube Investments.

China missed its growth forecasts in July, weakening its economic outlook and this lacklustre performance is reflected in the Company's principal detractors, which were primarily companies based in China and Hong Kong including Vitasoy, Vinda International and Glodon.

Further analysis of the Company's performance can be found in the Portfolio Manager's Review beginning on page 5.

Share Price Performance

The Company's shares traded at an average discount of 6.5% during the period (2022: 10.5%). The share price total return of 3.7% exceeds the Company's NAV total return of 0.3%, reflecting a narrowing of the share price discount from 8.6% at the Company's financial year end to 5.5% at the end of July. This improved rating reflects the good relative and absolute performance of the Company.

The Board continues to work on improving investors' awareness of the Company and the attributes that distinguish it from its competitors, including the Portfolio Manager's long-held investment approach which focuses on sustainability and capital preservation. Our aim is to improve demand for the Company's shares which will further reduce the share price discount and, ultimately, place us in a position to grow the Company through the issue of new shares at a premium to NAV.

Chair's Statement continued

The Board

During the period, James Williams retired from the Board and I succeeded him as Chair. I would like to thank James for his excellent stewardship of the Company during his time as Chair.

Charlotta Ginman, our Audit Committee Chair, intends to retire at the next Annual General Meeting in 2024. The Board is in the advanced stages of recruiting her successor and hopes to make an announcement in the near future.

The Outlook

Continued high inflation in the UK means that it will be a challenge, in the shorter term, to achieve our objective of exceeding UK CPI plus 6%. However, the long-term outlook for Asian markets looks promising. Asia's constituent economies are expected to outgrow other regions over the coming years, even if the region remains vulnerable to the shorter-term consequences of recession in the US, uncertainties regarding China's economic growth and seemingly ever-present geopolitical concerns. India and Southeast Asia have seen stronger earnings growth in their post-Covid recovery and are expected to be the fastest growing economies this decade. Against that backdrop, our Portfolio Manager will continue to build the portfolio from the bottom up, focusing on identifying and selecting companies with successful and experienced management teams, strong balance sheets and sustainable businesses.

Andrew Impey
Chair
12 October 2023



Portfolio Manager's Review

Performance

Little information of value can be gleaned from short-term performance but it has been a satisfactory period that is consistent with the medium and longer-term performance of the Company. It is noticeable that the top ten contributors to performance are predominantly listed in India and Indonesia where attractive tailwinds are assisting high quality stewards and franchises to innovate and grow.

It is also noticeable that the largest detractors are mostly listed in Hong Kong, China or Taiwan where economic and geopolitical news has been deteriorating, possibly at an accelerating pace. As mentioned in previous reports we believe that news headlines tend to provide low value, short shelf-life information. As such, articles on the economy or speculations on global trade tensions have no influence on the transactions listed below.

Transactions

We aim to build resilient portfolios of high quality companies with diversified streams of cash flows, which have the ability to grow in value over the long term. High quality companies at reasonable valuations tend not to come along too often. In the absence of such opportunities, we are very comfortable long-term owners of investee companies. Accordingly, the turnover figures on a new names basis tends to be in the low teens which is roughly in-line with our investment horizon of at least five years.

Figure 1 shows the new additions and complete sales during the period.

Figure 1

New Additions	Complete Sales
Hangzhou Robam (China, Consumer Discretionary)	Techtronic Industries (Hong Kong, Industrials)
Cyient (India, Information Technology)	Infosys (India, Information Technology)
Telekom Indonesia (Indonesia, Communication Services)	Info Edge (India, Communication Services)
Triveni Turbines (India, Industrials)	Public Bank (Malaysia, Financials)

New Additions

Over the period, we initiated a new holding in **Telkom Indonesia** (Indonesia: Communication Services). Telkom Indonesia has a strong track record of growth and profitability servicing as the backbone of Indonesia's digital growth. Telecoms is notoriously a tough industry as there is little in the way of differentiation between what tend to be equally matched players. In Indonesia however, Telkom has significant market leadership in a consolidated market providing them valuable cash flows to reinvest in growth ahead of peers. Telkom is also a unique example of a telecom company which has a robust balance sheet: again differentiating them from most global and local peers. Outcomes such as these do not only provide financial resilience but also exemplify superior governance.

Portfolio Manager's Review continued

In India we purchased **Cyient** (India: Information Technology) as we believe the company has set itself on a clear path of improvement under a new and impressive management team. The new CEO, Karthikeyan Natarajan, is focused and determined on building Cyient into a leading provider of outsourced engineering services, globally. We also purchased **Triveni Turbines** (India: Industrials), India's leading steam turbine maker, again, with an eye on global expansion. Stewarded by the Sawhney family, Triveni has ambitions to build a simple, focused business in turbines that can compete on a global scale. Triveni's niche of small turbines is an area that requires long-term, trust-based relationships with customisation of end products and a robust aftermarket presence. These characteristics provide profitable, steady cash generation which help to protect a net cash balance sheet.

Lastly, we purchased **Hangzhou Robam** (China: Consumer Discretionary). Robam develops, manufactures and sells household electrical appliances where they have established a powerful brand name and a loyal following. Robam's end markets are experiencing weak demand on the back of muted consumer confidence and a fragile housing market. We do not believe we have any ability to pinpoint bottoms and tops but are convinced by the quality of the stewardship, franchise and the nearly US\$1billion of net cash on the balance sheet. Longer term, we believe Robam has the ability to transfer its acumen and brand strength into product categories such as dishwashers where penetration levels leave a long runway for growth.

Complete Sales

The most significant sale during the period was **Techtronic Industries** (Hong Kong: Industrials). Techtronic is a major player in the power tools space where it has curated world-class brands and led the industry's evolution towards battery-powered tools. However, we had grown increasingly uncomfortable with the lack of humility and overconfidence portrayed by the management team and how this may feed into greater fragility of earnings going forward.

In India, we sold the Company's marginal positions in **Infosys** (India: Information Technology) and **Info Edge** (India: Communication Services). Both positions were sold to fund higher conviction ideas while maintaining the concentration of the portfolio.

The last disposal to mention was **Public Bank** (Malaysia: Financials). This was an unusually short time for the Company to hold an investment but this decision was the consequence of our ability to change our minds quickly rather than a shortening of our time horizon. Unfortunately, we believe the economic and competitive dynamics in the industry will provide too strong a headwind for Public Bank to be able to protect and preserve the Company's capital: despite their admirable track record of conservatism and long-termism.

Other Notable Activity

We added to the Company's holding in **Tech Mahindra** (India: Information Technology). We have been long-term holders of the company and increased the position size following the appointment of a new CEO, a 20-year veteran from Infosys, who we believe has the ability and opportunity to drive this franchise to the next level.

To control position sizes following a long period of strong performance and to manage the concentration in a few names, we trimmed three of the top ten holdings which are in India: **CG Power** (India: Industrials), **Tube Investments** (India: Consumer Discretionary) and **Mahindra & Mahindra** (India: Consumer Discretionary). These reductions should not be interpreted in any way as a loss of confidence in the long-term prospects of these companies. Other subtractions we made were **Elgi Equipments** (India: Industrials) for reasons of valuation only and **Syngene** (India: Health Care) after a meeting with the company in India prompted small concerns about the evolution of the culture.

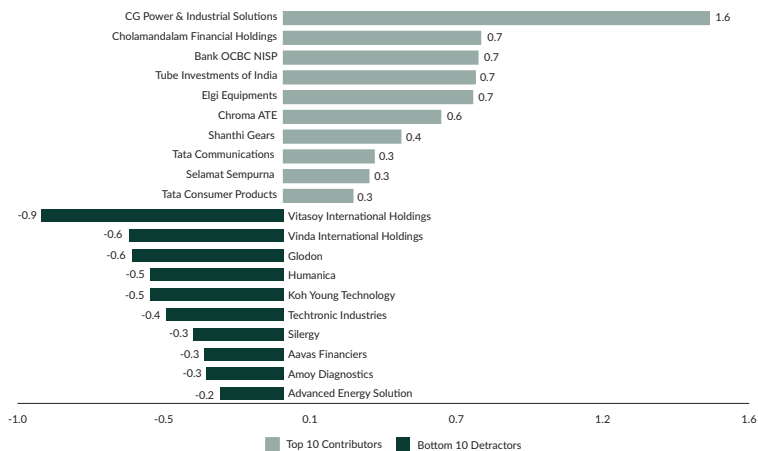
Outlook

There is evidence that the economy in China is deteriorating and that geopolitical headwinds are strengthening. This may cause heightened volatility especially as we near the election in the US in 2024 which is likely to sharpen US rhetoric and actions against China. Such volatility may provide attractive opportunities to invest in high quality companies that are well placed to contribute to, and benefit from, the many sustainability challenges facing the region and the world. We believe that over the longer term investing in companies with high quality stewards, franchises and financials is the best way of protecting and growing shareholder capital through economic and political cycles.

Stewart Investors
Portfolio Manager
12 October 2023

Contribution by Investment

Contribution by investment for the six months ended 31 July 2023
Top 10 contributors to and detractors from absolute performance (%)



Portfolio Valuation

as at 31 July 2023

Company	Country	Sector	Val'n £'000	% Total Assets
CG Power & Industrial Solutions	India	Industrials	29,137	6.3%
Mahindra & Mahindra	India	Consumer Discretionary	28,283	6.1%
Tube Investments of India	India	Consumer Discretionary	23,974	5.2%
Oversea-Chinese Banking	Singapore	Financials	15,057	3.3%
Unicharm	Japan	Consumer Staples	14,732	3.2%
Marico	India	Consumer Staples	14,205	3.1%
Voltronic Power Technology	Taiwan	Industrials	13,453	2.9%
Shenzhen Inovance Technology	China	Industrials	12,864	2.8%
Elgi Equipments	India	Industrials	12,711	2.7%
Hoya	Japan	Health Care	11,856	2.5%
Top 10 Investments			176,272	38.1%
Tata Consumer Products	India	Consumer Staples	10,519	2.3%
Cholamandalam Financial Holdings	India	Financials	9,694	2.1%
Chroma ATE	Taiwan	Information Technology	9,677	2.1%
Shanthi Gears	India	Industrials	9,623	2.1%
HDFC Bank	India	Financials	9,524	2.1%
Bank OCBC Nisp	Indonesia	Financials	9,370	2.0%
Taiwan Semiconductor Manufacturing	Taiwan	Information Technology	8,550	1.8%
Tech Mahindra	India	Information Technology	8,255	1.7%
Kalbe Farma	Indonesia	Health Care	7,891	1.7%
Selamat Sempurna	Indonesia	Consumer Discretionary	7,591	1.6%
Top 20 Investments			266,966	57.6%
Delta Electronics	Taiwan	Information Technology	7,465	1.6%
Kotak Mahindra Bank	India	Financials	7,329	1.6%
Advantech	Taiwan	Information Technology	7,210	1.6%
Sheng Siong Group	Singapore	Consumer Staples	7,183	1.6%
Vinda International Holdings	China	Consumer Staples	6,733	1.5%
Vitasoy International Holdings	Hong Kong	Consumer Staples	6,465	1.4%
Koh Young Technology	South Korea	Information Technology	6,377	1.4%
Godrej Consumer Products	India	Consumer Staples	6,251	1.3%
Humanica	Thailand	Industrials	6,116	1.3%
Aavas Financiers	India	Financials	6,053	1.3%
Top 30 Investments			334,148	72.2%
Tata Consultancy Services	India	Information Technology	6,022	1.3%
Tokyo Electron	Japan	Information Technology	5,997	1.3%
Tata Communications	India	Communication Services	5,705	1.2%
Amoy Diagnostics	China	Health Care	5,568	1.2%
ViTrox	Malaysia	Information Technology	5,394	1.2%
Philippine Seven	Philippines	Consumer Staples	5,253	1.1%
Advanced Energy Solution	Taiwan	Industrials	5,161	1.1%
Tarsons Products	India	Health Care	4,920	1.1%
Uni-Charm Indonesia	Indonesia	Consumer Staples	4,844	1.0%
Glodon	China	Information Technology	4,613	1.0%
Top 40 Investments			387,625	83.7%

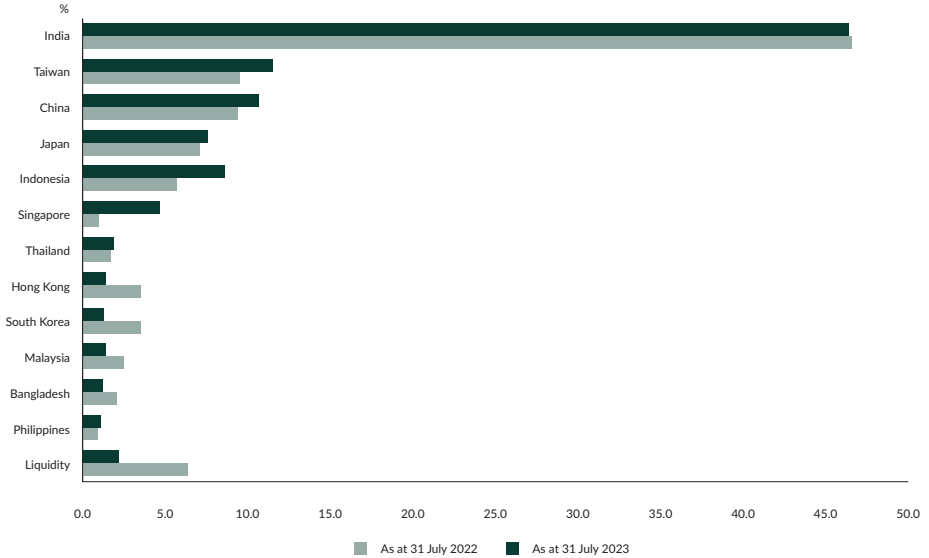
Portfolio Valuation continued

Company	Country	Sector	Val'n £'000	% Total Assets
Dr. Lal PathLabs	India	Health Care	4,586	1.0%
Unilever Indonesia	Indonesia	Consumer Staples	4,452	1.0%
IndiaMart InterMesh	India	Industrials	4,338	0.9%
Dabur India	India	Consumer Staples	4,271	0.9%
Hangzhou Robam Appliances	China	Consumer Discretionary	4,211	0.9%
Dr. Reddy's Laboratories	India	Health Care	4,131	0.9%
Cyient	India	Information Technology	4,075	0.9%
Zhejiang Supor	China	Consumer Discretionary	3,602	0.8%
Industri Jamu Dan Farmasi Sido Muncul	Indonesia	Consumer Staples	3,537	0.8%
Guangzhou Kingmed Diagnostics Group	China	Health Care	3,482	0.7%
Top 50 Investments			428,310	92.5%
Triveni Turbine	India	Industrials	3,461	0.7%
Pigeon	Japan	Consumer Staples	3,206	0.7%
Marico Bangladesh	Bangladesh	Consumer Staples	3,050	0.7%
Telkom Indonesia Persero	Indonesia	Communication Services	3,038	0.6%
Centre Testing International Group	China	Industrials	2,948	0.6%
Airtac International Group	Taiwan	Industrials	2,835	0.6%
Yifeng Pharmacy Chain	China	Consumer Staples	2,786	0.6%
Kasikornbank	Thailand	Financials	2,758	0.6%
Syngene International	India	Health Care	2,629	0.6%
Foshan Haitian Flavouring & Food	China	Consumer Staples	2,373	0.5%
Top 60 Investments			457,394	98.7%
DBH Finance	Bangladesh	Financials	1,845	0.4%
Silergy	China	Information Technology	1,665	0.4%
Pentamaster International	Malaysia	Information Technology	1,377	0.3%
BRAC Bank	Bangladesh	Financials	804	0.2%
Total Investments			463,085	100.0%

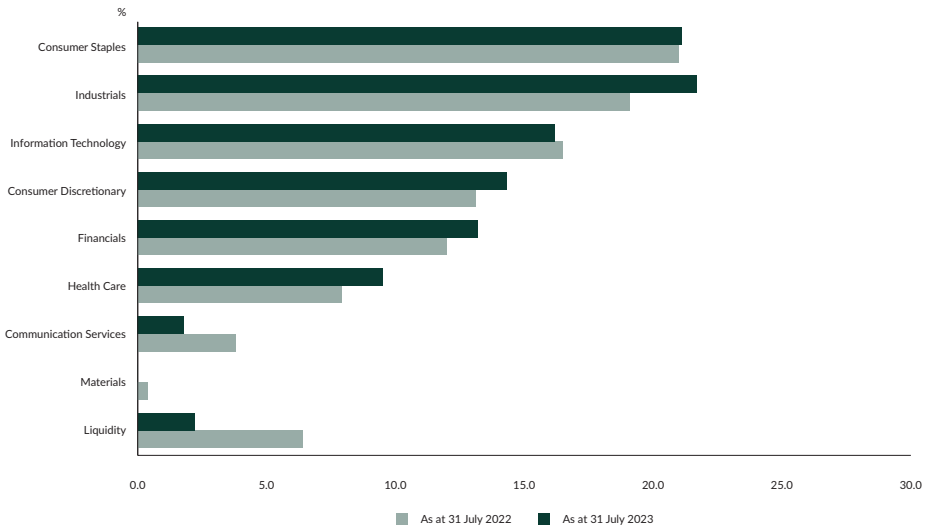
Portfolio Distribution

as at 31 July 2023

Geographic Exposure as at 31 July 2023



Sector Exposure as at 31 July 2023



Income Statement

for the six months ended 31 July 2023

	(Unaudited) Six months ended 31 July 2023			(Unaudited) Six months ended 31 July 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	-	3,112	3,112	-	988	988
Exchange differences on currency balances	-	(976)	(976)	-	1,175	1,175
Investment Income	5,784	-	5,784	3,384	-	3,384
Portfolio Management and AIFM fees (note 2)	(561)	(1,682)	(2,243)	(531)	(1,592)	(2,123)
Other expenses	(386)	-	(386)	(353)	-	(353)
Return before taxation	4,837	454	5,291	2,500	571	3,071
Taxation	(772)	(3,243)	(4,015)	(470)	(1,840)	(2,310)
Return/(loss) after taxation	4,065	(2,789)	1,276	2,030	(1,269)	761
Return/(loss) per ordinary share (note 3)	3.4p	(2.3)p	1.1p	1.7p	(1.0)p	0.7p

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.

All of the return and total comprehensive income for the period is attributable to the shareholders of the Company.

Statement of Changes in Equity

for the six months ended 31 July 2023

	Ordinary Share Capital Note	Share premium £'000	Capital Redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000	
At 31 January 2023		15,120	8,811	1,648	14,572	426,502	7,009	473,662
(Loss)/return after taxation		-	-	-	-	(2,789)	4,065	1,276
Ordinary dividends paid	4	-	-	-	-	-	(2,782)	(2,782)
At 31 July 2023		15,120	8,811	1,648	14,572	423,713	8,292	472,156
At 31 January 2022		15,120	8,811	1,648	14,572	404,220	6,295	450,666
(Loss)/return after taxation		-	-	-	-	(1,269)	2,030	761
Ordinary dividends paid	4	-	-	-	-	-	(2,298)	(2,298)
At 31 July 2022		15,120	8,811	1,648	14,572	402,951	6,027	449,129

Statement of Financial Position

as at 31 July 2023

	(Unaudited) As at 31 July 2023 £'000	(Audited) As at 31 January 2023 £'000
Fixed assets		
Investments (note 5)	463,085	474,399
Current assets		
Debtors	1,956	333
Cash and cash equivalents	19,827	10,535
	21,783	10,868
Creditors (amounts falling due within one year)	(1,307)	(1,855)
Net current assets	20,476	9,013
Non-current liabilities		
Provisions (note 6)	(11,405)	(9,750)
Net assets	472,156	473,662
Capital and reserves		
Share capital	15,120	15,120
Share premium account	8,811	8,811
Capital redemption reserve	1,648	1,648
Special reserve	14,572	14,572
Capital reserve	423,713	426,502
Revenue reserve	8,292	7,009
Equity shareholders' funds	472,156	473,662
Net asset value per ordinary share (note 7)	390.3p	391.6p

Notes to the Financial Statements

1. Basis of preparation

The condensed financial statements for the six months to 31 July 2023 comprise the statements set out on pages 12, 13 and 14 including the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the principles of the AIC's Statement of Recommended Practice published in July 2022, using the same accounting policies as set out in the Company's Annual Report and Financial Statements for the year ended 31 January 2023.

Going Concern

The Board has considered a detailed assessment of the Company's ability to meet its liabilities as they fall due, including modelling the effects of substantial falls in markets and significant reductions in market liquidity 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 from the date of approval of these financial statements and that, accordingly, it is appropriate to adopt the going concern basis in preparing these financial statements.

Fair value

Under FRS 102 and FRS 104 investments have been classified using the following fair value hierarchy:
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).
All of the Company's investments fall into Level 1 for the periods reported.

2. Portfolio Management and AIFM fees*

	(Unaudited) Six months ended 31 July 2023			(Unaudited) Six months ended 31 July 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Portfolio management fee – Stewart Investors	498	1,493	1,991	468	1,404	1,872
AIFM fee – Frostrow	63	189	252	63	188	251
	561	1,682	2,243	531	1,592	2,123

* Please refer to the most recent annual report for more details of the management fee structure.

3. Return per ordinary share

The total return per ordinary share is based on the return attributable to shareholders of £1,276,000 (six months ended 31 July 2022: £761,000) and on 120,958,386 shares (six months ended 31 July 2022: 120,958,386 shares), being the weighted average number of shares in issue.

The revenue return per ordinary share is calculated by dividing the revenue return attributable to shareholders of £4,065,000 (six months ended 31 July 2022: £2,030,000) by the weighted average number of shares in issue as above.

The capital loss per ordinary share is calculated by dividing the capital loss attributable to shareholders of £2,789,000 (six months ended 31 July 2022: loss of £1,269,000) by the weighted average number of shares in issue as above.

Notes to the Financial Statements continued

4. Dividends

	(Unaudited) Six months ended 31 July 2023	(Unaudited) Six months ended 31 July 2022
Amounts recognised as distributions in the period:		
Previous year's final dividend of 2.3p (2022: final dividend of 1.9p)	2,782	2,298

5. Investments

	Six months to		Year to
	31 July 2023	31 July 2022	31 January 2023
Investments			
Cost at start of period	320,883	290,337	290,337
Investment holding gains at start of period	153,516	146,646	146,646
Valuation at start of period	474,399	436,983	436,983
Purchases at cost	28,800	24,096	77,305
Disposal proceeds	(43,226)	(40,306)	(67,323)
Gains on investments	3,112	988	27,434
Valuation at end of period	463,085	421,761	474,399
Cost at end of period	322,473	289,771	320,883
Investment holdings gains at end of period	140,612	131,990	153,516
Valuation at end of period	463,085	421,761	474,399

The Company received £43,226,000 (period to 31 July 2022: £ 40,306,000; year to 31 January 2023: £67,323,000) from investments sold in the period. The book cost of these investments when they were purchased was £27,210,000 (period to 31 July 2022: £24,662,000; year to 31 January 2023: £46,759,000). 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 period the Company incurred transaction costs on purchases of £46,000 (period to 31 July 2022: £30,000; year to 31 January 2023: £87,000) and transaction costs on sales of £86,000 (period to 31 July 2022: £80,000; year to 31 January 2023: £142,000).

6. Provision

As an investment trust, the Company is generally not subject to UK tax on capital gains. However, Indian capital gains tax arises on capital 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 provision at 31 July 2023 of £11,405,000 (31 January 2023: £9,750,000) relates to the potential deferred tax liability for Indian capital gains tax that may arise on the Company's Indian investments should they be sold in the future. The provision is calculated on the net unrealised taxable capital gain at the period end and on the enacted Indian long-term capital gain tax rate. The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

The capital tax charge shown in the Income Statement results primarily from the movements on this provision.

7. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to shareholders of £472,156,000 (31 January 2023: £473,662,000) and on 120,958,386 shares in issue (31 January 2023: 120,958,386).

8. 2023 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 2023, 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 2023 have been reported on by an 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 strategy, including currency risk in respect of the markets in which it invests. Other risks faced by the Company include financial, strategic and operational risks. 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 2023. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not currently expected to change materially for the remaining six months of the Company's financial year.

The Board, the AIFM and the Portfolio Manager discuss and identify emerging risks as part of the risk identification process and have considered, amongst other things, the potential effects of global supply chain disruption on the Company's performance.

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 objective, risk management policies, capital management policies and procedures, and the nature of the portfolio (including its liquidity) 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. In addition, there are no material uncertainties pertaining to the Company that would prevent its continued operational existence for at least 12 months from the date of the approval of this half-yearly report. For these reasons, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting); and
- (ii) the Half Year Report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

This Half Year Report has not been audited or reviewed by an auditor.

This Half Year 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 date of this report and 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.

For and on behalf of the Board

Andrew Impey
Chair
12 October 2023

Glossary of Terms

AIFMD

The Alternative Investment Fund Managers Directive (the "Directive") is a European Union Directive that entered into force on 22 July 2013. The Directive, which was retained in UK law following the withdrawal of the UK from the European Union, regulates fund managers that manage alternative investment funds (including investment trusts).

Where an entity falls within the scope of the Directive, it must appoint a single Alternative Investment Fund Manager ("AIFM"). The core functions of an AIFM are portfolio and risk management. An AIFM can delegate one but not both of these functions. The entity must also appoint an independent depositary whose duties include the following: the safeguarding and verification of ownership of assets; the monitoring of cashflows; and ensuring that appropriate valuations are applied to the entity's assets.

Alternative Performance Measures ("APMs")

Measures that are not specifically defined under International Financial Reporting Standards, but which the Board of Directors views as particularly relevant for investment trust companies and which it uses to assess the Company's performance. Definitions of the terms used and the basis of calculation are set out in this Glossary and the APMs are indicated with a caret (^).

Average Discount[^]

The average share price for the period divided by the average net asset value for the period and expressed as a percentage (%).

	Six months to 31 July 2023	Six months to 31 July 2022	Year to 31 January 2023
Average share price for the period	362.9	322.8	335.9
Average net asset value for the period	388.1	360.5	373.8
Average Discount	6.5%	10.5%	10.1%

Bottom Up Approach

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

Net Asset Value ("NAV") Per Share

The value of the Company's assets, principally investments made in other companies and cash held in the Company's bank accounts, minus any liabilities and divided by the number of shares in issue. The net asset value is often expressed in pence per share and it may also be described as 'shareholders' funds' per share. The net asset value 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 for and supply of the shares.

NAV Per Share Total Return[^]

The theoretical total return on shareholders' funds per share, reflecting the change in net asset value, assuming that dividends paid to shareholders were reinvested at net asset value at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in the share price.

	Six months to 31 July 2023	Six months to 31 July 2022	Year to 31 January 2023
NAV Total Return	pence	pence	pence
Opening NAV per share	391.6	372.6	372.6
Increase in NAV	1.0	0.6	20.9
Dividend paid	(2.3)	(1.9)	(1.9)
Closing NAV	390.3	371.3	391.6
% Increase in NAV	0.3%	0.2%	5.6%
Impact of reinvested dividends	0.0%	0.0%	0.1%
NAV Per Share Total Return	0.3%	0.2%	5.7%

Ongoing Charges[^]

Ongoing charges are calculated by taking the Company's annualised operating expenses excluding finance costs, taxation and exceptional items, and

Glossary of Terms continued

expressing them as a percentage of the average daily net asset value of the Company over the period. The costs of buying and selling investments are excluded, as are interest costs, taxation, costs of buying back or issuing shares and other non-recurring costs. These items are excluded because if included, they could distort the understanding of the Company's performance for the period and the comparability between periods.

	Six months to 31 July 2023 £'000	Six months to 31 July 2022 £'000	Year to 31 January 2023 £'000
Total Operating Expenses	2,629	2,476	5,190
Average Net Assets	469,886	435,376	452,081
Ongoing Charges	1.1%*	1.1%*	1.1%

* Annualised

Performance Objective

The Company's performance objective is to provide shareholders with a net asset value per share 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.

	Company NAV Per Share Total Return (annualised) (%)	CPI + 6% (annualised) (%)
One year to 31 July 2023	5.8%	14.6%
Three years to 31 July 2023	11.6%	13.1%
Five years to 31 July 2023	7.5%	10.9%
Ten years to 31 July 2023	9.9%	9.3%

Share Price Discount (or Premium) to the NAV Per Share[^]

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.

Share Price Total Return[^]

Share price total return to a shareholder, on a last traded price to a last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

	Six months to 31 July 2023 pence	Six months to 31 July 2022 pence	Year to 31 January 2023 pence
Opening share price	358.0	340.0	340.0
Increase/(Decrease) in share price	13.3	(13.1)	19.9
Dividend paid	(2.3)	(1.9)	(1.9)
Closing share price	369.0	325.0	358.0
Increase in share price	3.7%	(3.9%)	5.8%
Impact of reinvested dividends	0.0%	0.1%	0.1%
Share Price Total Return	3.7%	(3.8%)	5.9%

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.

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 and does not constitute any form of recommendation, can be found below:

AJ Bell Youinvest	www.youinvest.co.uk/
Barclays Stockbrokers	www.smartinvestor.barclays.co.uk/
Bestinvest	www.bestinvest.co.uk/
Charles Stanley Direct	www.charles-stanley-direct.co.uk/
Halifax Share Dealing	www.halifaxsharedealing-online.co.uk
Hargreaves Lansdown	www.hl.co.uk/
HSBC	www.hsbc.co.uk/investments/products-and-services/invest-direct/
iDealing	www.idealing.com/
Interactive Investor	www.ii.co.uk/
IWEB	www.iweb-sharedealing.co.uk/
Saxo Capital Markets	www.home.saxo
Tillit	www.tillitinvest.com/
WealthClub	www.wealthclub.co.uk

Equiniti – Share Dealing Service

An internet and telephone dealing service is available through the Company's registrar, Equiniti. This provides a 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.

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

A M Impey (Chair)¹
 M C Ginman, FCA²
 S E Hansen³
 E T A Troughton
 R E Talbut⁴

¹ Chair of the Nomination Committee

² Chair of the Audit Committee

³ Chair of the Engagement and Remuneration Committee

⁴ Senior Independent Director

Registered Office

16 Charlotte Square
 Edinburgh EH2 4DF

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

Website

www.pacific-assets.co.uk

Portfolio Manager

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

* Trading name of First Sentier Investors Limited. First Sentier Investors are authorised and regulated by the Financial Conduct Authority

AFM and Company Secretary

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, please contact Frostrow Capital using the above email address.

Depository

J.P. Morgan Europe Limited
 25 Bank Street
 London E14 5JP



Broker

Investec Bank plc
 30 Gresham Street
 London EC2V 7QP

Registrar

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

* Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales).

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

Independent Auditor

BDO LLP
 55 Baker Street
 London
 W1U 7EU

Solicitors

Dickson Minto WS
 16 Charlotte Square
 Edinburgh EH2 4DF

Identification Codes

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

Global Intermediary Identification Number (GIIN):

MAEPFZ.99999.SL.826

Legal Entity Identifier (LEI)

2138008U8QPGESEFYA48

Financial Calendar

Financial Year End	31 January
Final Results Announced	May
Annual General Meeting	July
Dividend Payable	July
Half Year End	31 July
Half Year Results Announced	October

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