

WITAN PACIFIC INVESTMENT TRUST PLC  
Half Year Report 2010

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## History

- Witan Pacific is today an investment trust that invests in the Asia Pacific region including Japan.
- The Company began its life in 1907 as General Investors and Trustees Limited investing in a diverse range of assets. In 1984 under the management of F&C it was renamed F&C Pacific Investment Trust plc to reflect its regional investment trust policy.
- Following the appointment of Witan Investment Services as Executive Manager and the Company's change of structure to multi-manager it was renamed Witan Pacific Investment Trust plc in 2005.
- A history of the Company written by financial historian John Newlands is available by visiting [www.witanpacific.com](http://www.witanpacific.com) or by calling 0800 082 8180.

Our **Investment Objective** is to provide shareholders with a balanced portfolio of investments in the Asia Pacific region with the aim of outperforming the MSCI AC Asia Pacific Free Index (£)

### **Strategy**

- Use an active multi-manager approach to add value and diversify risk.
- Manage the fund for growth predominantly through capital return.
- Employ share buy-backs when the Company's shares are standing at a substantial discount to their net asset value.
- Deploy tactical gearing giving discretion to the Investment Managers to hold up to 10% of the portfolio in cash or borrow up to 10%.
- Distribute as much income as may be prudent on an annual basis to shareholders.
- Control costs and expenses to maintain a total expense ratio of less than 1%, excluding Investment Managers' performance fees.

# Financial Highlights

## Summary of Results

attributable to equity shareholders

	31 July 2010	31 January 2010	% change
Share price	179.50p	165.00p	8.8
Net asset value per share	217.50p	199.02p	9.3
Discount	-17.5%	-17.1%	
Gearing <sup>#</sup>	1.1%	-0.1%	

<sup>#</sup>Bank loan at Balance Sheet value, less cash and fixed interest stocks, as a percentage of net assets ("Effective" or "Actual" gearing).

## Cumulative Performance (Total Returns)

to 31 July 2010

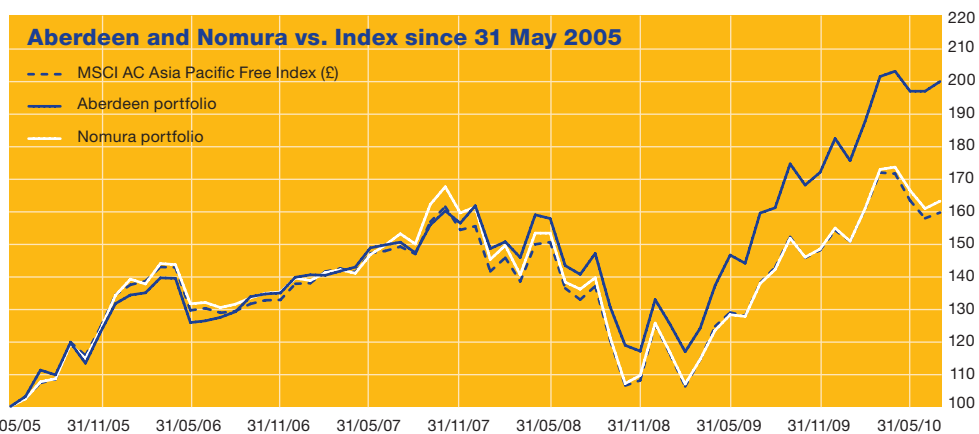
	6 months %	1 year %	3 years %	5 years %
Total shareholder return <sup>†</sup>	10.1	18.3	7.3	45.0
Net asset value total return <sup>†</sup>	10.8	20.5	14.1	57.5
MSCI AC Asia Pacific Free Index (£)* total return	5.8	15.4	7.0	48.1

<sup>†</sup>Source: AIC Services Ltd. Returns include dividends reinvested.

\*Source: Datastream.

## Investment Managers' Performance (Total Returns) to 31 July 2010

(since inception of the multi-manager structure)



# Chairman's Statement



## Market Background

Global equity markets have been erratic during 2010, generally rising until late April before profit taking set in, amid concerns about financial stability in Europe and the strength of the US recovery. In contrast with western economies, in much of Asia concerns about faltering economic growth were absent, with the speed of the recovery creating higher inflation and prompting tighter monetary policies.

The MSCI AC Asia Pacific Free Index (£) delivered a total return of 5.8% over the six months to 31 July 2010, helped by strengthening of the region's currencies against sterling. The Japanese market fell by 6.2% in yen terms but delivered a marginally positive return of sterling 0.4%. The Asia Pacific index excluding Japan rose by 3.1%, or 6.0% in sterling terms.

Although market returns were less dramatic than in 2009, the starting point was less depressed and the returns nonetheless compared favourably with those in Western equity markets and the low returns available on cash. It is encouraging to see that your Company is earning increasing levels of income on its portfolio.

## Performance

Your Company's Investment Managers delivered almost twice the gain of the benchmark index, with a net asset value total return of 10.8%, 5.0% ahead of the benchmark. The share price total return (which calculates the effect of reinvesting dividends in extra shares at the price on the date the dividend is paid) for the first half of our financial year was 10.1%.

Both of your Investment Managers outperformed during the period. Aberdeen continued to perform strongly, with a total return of 13.8%, 8.0% ahead of the benchmark. This was helped by the manager's continued low weighting in Japan and by positive country allocation in the other Asia Pacific markets. In addition Aberdeen's stock selection has been a positive contributor across the portfolio. Nomura, with a generally more conservative and diversified policy, returned 8.0%, sterling adjusted, 2.2% ahead of the benchmark. They benefited less from Japan's relative weakness as they were less underweight Japan and so country allocation made only a small positive contribution and their outperformance was almost entirely the result of positive stock selection.

Aberdeen remain underweight in the Japanese market, approximately a half weighting of 23% when compared with 41% that Japan represents in the benchmark index. In their analysis, while many Japanese companies have strong cash flow

† all returns expressed in Sterling

*...your Company's investment managers were able to beat the Benchmark index by a healthy margin and deliver a net asset value total return of 10.8%,*

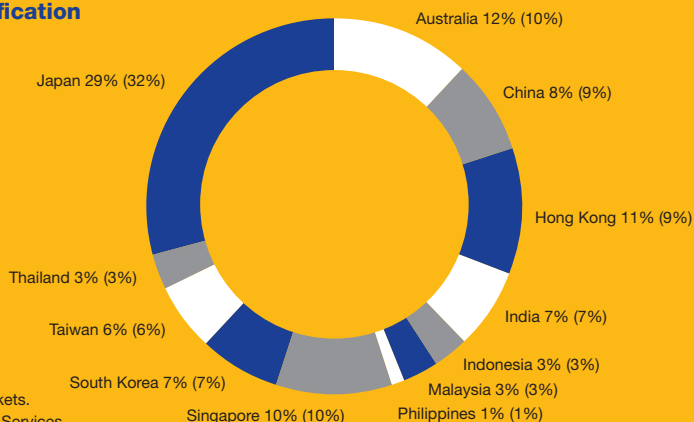
and balance sheets, corporate governance remains weak and Aberdeen consider that better investment opportunities lie elsewhere within the region. This approach has been rewarded with strong contributions over the period coming at the stock level from companies such as Astra International. This Indonesian conglomerate gained from a robust recovery in auto sales, financial services and contract mining; its first-half profits rose sharply, driven by the automotive segment. At the country level, exposure to the fast growing Indian market via the Aberdeen Global Indian Equity Fund provided the portfolio with strong returns from its holdings in well-managed local and multi-national companies. Aberdeen believe markets in the region are likely to remain sentiment-driven whilst the prospects for developed markets and the global recovery remain fragile. They are confident that longer term prospects remain positive as sound fiscal positions and large foreign exchange reserves provide the authorities with options to stimulate their economies should it be required.

Nomura's small underweighting to the Japan market was a positive and whilst recognising structural problems in Japan they are encouraged by the fact that the underlying economy looks robust. For example during market weakness the domestic oriented sectors such as infrastructure were relatively unchanged and they point out that many stocks appear cheap with very attractive dividend yields. Outside Japan, Nomura believe that Asia Pacific countries have shown good recoveries from the recent global financial crisis with most delivering strong GDP growth rates in the first half of 2010. Examples are India, Korea, Taiwan and Singapore and these are all countries where Nomura have full weightings. More recently Nomura have increased their exposure to China which they consider to be well placed to lead the next leg of a recovery in markets. Nomura feel that a double dip recession will be avoided and that an increase in capital spending, led by the US private sector, will benefit emerging Asian economies and that Asia Pacific stockmarkets are now set to rise further after the recent period of consolidation.

During the six months to 31 July 2010, the Company bought back 35,000 shares representing 0.05% of the share capital which enhanced NAV by 0.01% (0.02p per share). Your Board believes that it is in shareholders' interests to buy back the Company's shares when they are standing at a substantial discount to their NAV and with the objective that the discount should be comparable to that of our peers, taking account of the prevailing market conditions.

### Equity Portfolio by Geographical Classification

as at 31 July 2010



31 January 2010 figures in brackets.  
Source: BNP Paribas Securities Services.

### Geographical Analysis

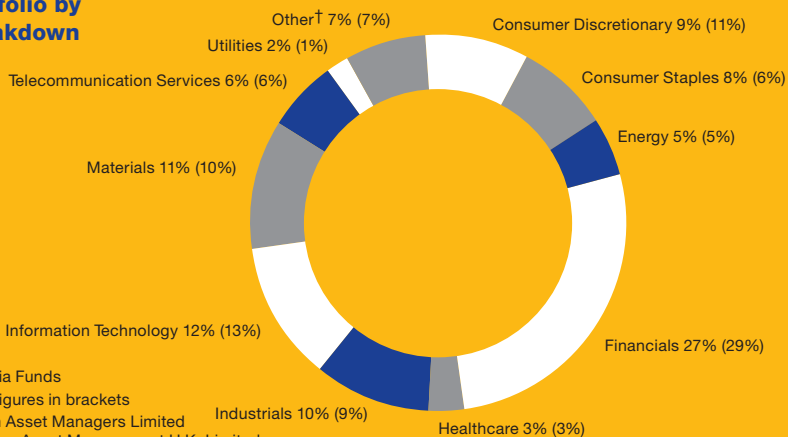
as at 31 July 2010

	%	Aberdeen	Nomura	Index
Australia	12%	8	16	15
China	8%	6	10	11
Hong Kong	11%	16	5	5
India	7%	8	6	5
Indonesia	3%	3	3	2
Japan	29%	23	38	41
Malaysia	3%	4	1	2
Philippines	1%	2	1	-
Singapore	10%	15	3	3
South Korea	7%	6	9	8
Taiwan	6%	4	7	7
Thailand	3%	5	1	1

\*Source: Datastream

### Equity Portfolio by Sector Breakdown

as at 31 July 2010



†Investment in India Funds

31 January 2010 figures in brackets

Source: Aberdeen Asset Managers Limited and Nomura Asset Management U.K. Limited

### Sector Analysis

as at 31 July 2010

%	Aberdeen	Nomura	Index
Consumer Discretionary	7	12	12
Consumer Staples	9	6	6
Energy	5	5	5
Financials	30	23	28
Healthcare	3	3	3
Industrials	7	13	13
Information Technology	11	13	13
Materials	11	11	11
Telecommunication Services	7	5	5
Utilities	–	4	4
Other†	10	5	–

■ Aberdeen

■ Nomura

■ MSCI AC Asia Pacific Free Index (£)\*

†Investment in India Funds

\*Source: Datastream

*There are signs from the recent equity rally that the improvement in corporate profitability is starting to make investors more positive,*

### Asia Pacific

Asia Pacific markets have experienced contrasting economic conditions, both within the region and relative to those in mature Western economies. Japan continues to share some of the problems of mature economies (e.g. relatively sluggish demographics and weak public finances), although it has benefited from its increased trade exposure to the more dynamic economies of Asia. It has yet to find an economic policy enabling it to shake off the stagnation and deflation that have dogged its economy for many years, although much of this is factored-in to the stock market's valuation, with returns holding up well during the period of market turbulence.

Many of the other Asian economies, by contrast, have experienced boom conditions, with healthy public finances and rising inflation, prompting policy makers to start applying the brakes, in the form of higher interest rates and lending restrictions. This economic buoyancy is contributing substantially to world growth and helping western economies pull out of recession. However, the efforts of the faster growing economies to avoid the risks of inflation and economic overheating will require careful management to ensure that any slowdown in growth does not become too abrupt.

The Board will be re-visiting the two investment managers' offices in the region early in 2011, to review their operations and gain a first-hand update of their investment strategies and operational resources. This follows the visit which the Board made in 2009, which was reported on in last year's Half Year Report.

### Expenses

With the continued good relative performance, performance fees increased from £598,000 in the prior period to July 2009 to £796,000 in the period to July 2010. This represents a positive reason for an increase in costs, being linked to the strong performance showing through in the net asset value. We will continue to tightly control the other operational expenses of the Company which have remained broadly unchanged from the same period last year.

### Electronic Communications

Changes in Company Law now enable companies to offer their shareholders the opportunity to access the Annual and Half Year Reports via the Company's website, instead of receiving the printed reports. This entails savings in postage and printing, as well as having benefits for the environment through reduced paper use. Accordingly, registered shareholders and those holding the Company's shares in Witan Wealthbuilder, will

*...earnings and dividend growth should enable the fundamental value of investee companies to grow and fuel the long term returns that investors hope for...*

receive with this report a postage-paid reply card to enable an election to be made to receive email notifications when documents are available on the Company's web site (Option 1) or, if preferred, to continue to receive printed copies by post (Option 2). If no election is made, a written notification will be sent by post whenever the Annual or Half Year reports are available on the Company's website. Whatever decision is made at this time, this can be subsequently changed by notifying the Registrar, Computershare, in writing.

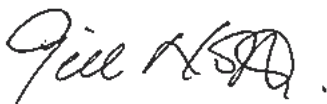
#### **Board Membership**

Following a professional search for a new Director, Diane Seymour-Williams was appointed to the Board on 9 June 2010. Diane brings a wealth of experience of investing in the Asia Pacific region, having been at Morgan Grenfell Deutsche Asset Management for 23 years. She has held a number of positions, including Head of Asian Equities and CEO and CIO Asia, based in Singapore.

#### **Outlook**

There are signs from the recent equity rally that the improvement in corporate profitability is starting to make investors more positive, after a period when concerns about European economic stability and nervousness that the global economic recovery was wavering were influencing market sentiment. Although the Asia Pacific region is more resilient than most to the fluctuating fortunes of the economic upswing (credit bubbles were more of a feature in western developed economies) investors are likely to have to continue to exercise prudence in selecting investments in this high growth area of the world.

Although the variable nature of the recovery in the US and elsewhere is likely to lead to periodic outbreaks of volatility, valuations in the region we invest in are on the whole moderate, so earnings and dividend growth should enable the fundamental value of investee companies to grow and fuel the long term returns that investors hope for as the fruits of the Pacific Basin's strong growth story.



**Gillian Nott**

*Chairman*

28 September 2010

# Portfolio Information

at 31 July 2010

## Twenty Largest Investments of the Company

This period	Last period*	Company	Country	% of total investments	Value £'000
1	(1)	<b>Aberdeen Global Indian Equity Fund</b>	India	4.6	6,817
2	(2)	<b>Samsung Electronics</b>	South Korea	2.8	4,135
3	(5)	<b>China Mobile</b>	China	2.6	3,818
4	(3)	<b>Nomura India Equity Fund</b>	India	2.5	3,766
5	(4)	<b>Rio Tinto</b>	Australia/UK	2.5	3,638
6	(11)	<b>BHP Billiton</b>	Australia/UK	2.2	3,301
7	(17)	<b>Astra International</b>	Indonesia	2.1	3,167
8	(13)	<b>OCBC</b>	Singapore	2.1	3,070
9	(7)	<b>Canon</b>	Japan	2.0	2,998
10	(9)	<b>Swire Pacific</b>	Hong Kong	2.0	2,893
11	(6)	<b>Toyota Motor Corporation</b>	Japan	1.9	2,825
12	(20)	<b>Standard Chartered</b>	Hong Kong/UK	1.8	2,641
13	(12)	<b>Takeda Pharmaceutical</b>	Japan	1.8	2,629
14	(10)	<b>United Overseas Bank</b>	Singapore	1.7	2,463
15	(15)	<b>Shin-etsu Chemical</b>	Japan	1.6	2,354
16	(8)	<b>Petrochina</b>	China	1.6	2,340
17	(18)	<b>Taiwan Semiconductor Manufacturing</b>	Taiwan	1.5	2,276
18	(-)	<b>Siam Cement</b>	Thailand	1.5	2,214
19	(14)	<b>Honda Motor Company</b>	Japan	1.5	2,185
20	(-)	<b>Fanuc</b>	Japan	1.4	2,084
<b>Total</b>				<b>41.7</b>	<b>61,614</b>

\* The figures in brackets denote their position within the top 20 at 31 January 2010. The country shown is the country of incorporation.

The value of the twenty largest holdings represents 41.7% (31 January 2010: 41.7%) of the Company's total investments.

# Income Statement

for the half year ended 31 July 2010

	Notes	(Unaudited) Half year ended 31 July 2010			(Unaudited) Half year ended 31 July 2009			(Audited) Year ended 31 January 2010		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains on investments held at fair value through profit or loss		-	13,038	13,038	-	21,402	21,402	-	32,078	32,078
Exchange gains/(losses)		-	64	64	-	(214)	(214)	-	(222)	(222)
Income	2	2,166	-	2,166	1,686	-	1,686	2,950	-	2,950
Management fees	3	(202)	-	(202)	(131)	-	(131)	(305)	-	(305)
Performance fees	3	-	(796)	(796)	-	(598)	(598)	-	(638)	(638)
Other expenses		(368)	(21)	(389)	(333)	(34)	(367)	(663)	(57)	(720)
<b>Net return before finance charges and taxation</b>		<b>1,596</b>	<b>12,285</b>	<b>13,881</b>	<b>1,222</b>	<b>20,556</b>	<b>21,778</b>	<b>1,982</b>	<b>31,161</b>	<b>33,143</b>
Finance charges		(80)	-	(80)	(95)	-	(95)	(129)	-	(129)
<b>Net return on ordinary activities before taxation</b>		<b>1,516</b>	<b>12,285</b>	<b>13,801</b>	<b>1,127</b>	<b>20,556</b>	<b>21,683</b>	<b>1,853</b>	<b>31,161</b>	<b>33,014</b>
Taxation on ordinary activities		(164)	-	(164)	(139)	51	(88)	(199)	34	(165)
<b>Net return on ordinary activities after taxation</b>		<b>1,352</b>	<b>12,285</b>	<b>13,637</b>	<b>988</b>	<b>20,607</b>	<b>21,595</b>	<b>1,654</b>	<b>31,195</b>	<b>32,849</b>
<b>Return per ordinary share – pence</b>	5	<b>2.04</b>	<b>18.53</b>	<b>20.57</b>	<b>1.49</b>	<b>31.07</b>	<b>32.56</b>	<b>2.49</b>	<b>47.05</b>	<b>49.54</b>

All revenue and capital items in the above statement derive from continuing operations.

The total columns of this statement represent the Income Statement of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The Company had no recognised gains or losses other than those disclosed in the Income Statement and Reconciliation of Movements in Shareholders' Funds.

# Reconciliation of Movements in Shareholders' Funds

for the half year ended 31 July 2010

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Half year ended 31 July 2010</b>						
<b>(unaudited)</b>						
At 31 January 2010	16,577	5	40,994	64,475	9,915	131,966
Net return on ordinary activities after taxation	–	–	–	12,285	1,352	13,637
Dividends paid in respect of year ended 31 January 2010	–	–	–	–	(1,392)	(1,392)
Purchase of own shares	(9)	–	9	(65)	–	(65)
<b>At 31 July 2010</b>	<b>16,568</b>	<b>5</b>	<b>41,003</b>	<b>76,695</b>	<b>9,875</b>	<b>144,146</b>

## Half year ended 31 July 2009 (unaudited)

At 31 January 2009	16,590	5	40,981	33,339	10,151	101,066
Net return on ordinary activities after taxation	–	–	–	20,607	988	21,595
Dividends paid in respect of year ended 31 January 2009	–	–	–	–	(1,890)	(1,890)
Purchase of own shares	(13)	–	13	(59)	–	(59)
<b>At 31 July 2009</b>	<b>16,577</b>	<b>5</b>	<b>40,994</b>	<b>53,887</b>	<b>9,249</b>	<b>120,712</b>

## Year ended 31 January 2010 (audited)

At 31 January 2009	16,590	5	40,981	33,339	10,151	101,066
Net return on ordinary activities after taxation	–	–	–	31,195	1,654	32,849
Dividends paid in respect of year ended 31 January 2009	–	–	–	–	(1,890)	(1,890)
Purchase of own shares	(13)	–	13	(59)	–	(59)
<b>At 31 January 2010</b>	<b>16,577</b>	<b>5</b>	<b>40,994</b>	<b>64,475</b>	<b>9,915</b>	<b>131,966</b>

Purchase transaction costs for the half year ended 31 July 2010 were £38,000 (half year ended 31 July 2009: £50,000; year ended 31 January 2010: £96,000). Sale transaction costs for the half year ended 31 July 2010 were £41,000 (half year ended 31 July 2009: £59,000; year ended 31 January 2010: £99,000).

# Balance Sheet

at 31 July 2010

	Notes	(Unaudited) 31 July 2010 £'000	(Unaudited) 31 July 2009 £'000	(Audited) 31 January 2010 £'000
<b>Fixed assets</b>				
Investments held at fair value through profit or loss		147,670	119,551	133,318
<b>Current assets</b>				
Debtors		1,636	1,058	1,485
Cash at bank and short term deposits		4,319	4,364	5,992
		5,955	5,422	7,477
<b>Creditors: amounts falling due within one year</b>				
Loans		(5,900)	(2,000)	(5,900)
Other		(3,579)	(2,261)	(2,929)
		(9,479)	(4,261)	(8,829)
<b>Net current (liabilities)/assets</b>		<b>(3,524)</b>	<b>1,161</b>	<b>(1,352)</b>
<b>Net assets</b>		<b>144,146</b>	<b>120,712</b>	<b>131,966</b>
<b>Capital and reserves</b>				
Called up share capital		16,568	16,577	16,577
Share premium account		5	5	5
Capital redemption reserve		41,003	40,994	40,994
Capital reserves		76,695	53,887	64,475
Revenue reserve		9,875	9,249	9,915
<b>Equity shareholders' funds</b>		<b>144,146</b>	<b>120,712</b>	<b>131,966</b>
<b>Net asset value per ordinary share – pence</b>	6	<b>217.50</b>	182.05	199.02

# Cash Flow Statement

for the half year ended 31 July 2010

	Notes	(Unaudited) Half year ended 31 July 2010 £'000	(Unaudited) Half year ended 31 July 2009 £'000	(Audited) Year ended 31 January 2010 £'000
<b>Net cash inflow from operating activities</b>	7	1,015	1,011	1,717
<b>Servicing of finance</b>				
Bank and loan interest paid		(60)	(178)	(177)
<b>Net cash outflow from servicing of finance</b>		(60)	(178)	(177)
<b>Net tax paid</b>		–	(497)	(497)
<b>Capital expenditure and financial investment</b>				
Purchases of investments		(19,322)	(24,755)	(47,813)
Sales of investments		18,108	26,290	46,404
Capital expenses and performance fee payments		(21)	(30)	(57)
<b>Net cash (outflow)/inflow from financial investment</b>		(1,235)	1,505	(1,466)
<b>Equity dividends paid</b>		(1,392)	(1,890)	(1,890)
<b>Net cash outflow before financing</b>		(1,672)	(49)	(2,313)
<b>Financing</b>				
Repurchase of own shares		(65)	(59)	(59)
(Repayment)/drawdown of bank loan		–	(1,000)	2,900
<b>Net cash (outflow)/inflow from financing</b>		(65)	(1,059)	2,841
(Decrease)/increase in cash		(1,737)	(1,108)	528
<b>Reconciliation of net cash flow to movements in net funds/(debt)</b>				
(Decrease)/increase in cash as above		(1,737)	(1,108)	528
Exchange movements		64	(214)	(222)
Decrease/(increase) in bank loan		–	1,000	(2,900)
Movement in net funds in the period		(1,673)	(322)	(2,594)
Net funds at start of period		92	2,686	2,686
Net (debt)/funds at end of period		(1,581)	2,364	92

# Notes to the Accounts

for the half year ended 31 July 2010

## 1 Accounting Policies

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments and in accordance with applicable Accounting Standards, pronouncements on interim reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' ("SORP") revised December 2005 and January 2009. All of the Company's operations are of a continuing nature.

The same accounting policies used for the year ended 31 January 2010 have been applied.

## 2 Income

	<b>(Unaudited)</b> <b>Half year ended</b> <b>31 July 2010</b> <b>£'000</b>	(Unaudited) Half year ended 31 July 2009 £'000	(Audited) Year ended 31 January 2010 £'000
Overseas dividends	1,979	1,566	2,654
UK dividends	81	60	78
Overseas scrip dividends	105	53	210
Other income:			
Bank interest	1	1	2
Underwriting commissions	–	6	6
	<b>2,166</b>	<b>1,686</b>	<b>2,950</b>

## 3 Management Fee and Performance-Related Management Fee

On 27 May 2005, your Board appointed Witan as Executive Manager and Aberdeen and Nomura as the Investment Managers. Each of the Investment Managers is entitled to a base management fee, calculated according to the value of the assets under their management, and a performance fee. The performance fee is calculated according to investment performance over a three year rolling period and is subject to a cap. Each Management Agreement can be terminated at one month's notice. The base management fees range from 0.2% to 0.25% per annum and the performance fees range from 10% to 15% per annum of the relevant outperformance.

The provisions included in the Income Statement at 31 July 2010, are calculated based on the performance of each Investment Manager relative to the benchmark index. Each provision assumes that both the benchmark and each Investment Manager's assets under management remain unchanged to 31 May 2011, being the date the performance period ends.

## 4 Dividends per Ordinary Share

No interim dividend payment will be proposed for the half year ended 31 July 2010 (half year ended 31 July 2009: nil; year ended 31 January 2010: final of 2.10p per share).

## 5 Return per Ordinary Share

The return per ordinary share is based on the net return attributable to the ordinary shares of £13,637,000 (half year ended 31 July 2009: net return £21,595,000; year ended 31 January 2010: net return £32,849,000) and on 66,281,646 ordinary shares (half year ended 31 July 2009: 66,327,376; year ended 31 January 2010: 66,312,703) being the weighted average number of ordinary shares in issue during the period.

	<b>(Unaudited)</b> Half year ended 31 July 2010	(Unaudited) Half year ended 31 July 2009	(Audited) Year ended 31 January 2010
Revenue return (£'000)	1,352	988	1,654
Capital return (£'000)	12,285	20,607	31,195
Total return (£'000)	13,637	21,595	32,849
Weighted average number of ordinary shares in issue during the period	66,281,646	66,327,376	66,312,703
Revenue return per ordinary share – pence	2.04	1.49	2.49
Capital return per ordinary share – pence	18.53	31.07	47.05
Total return per ordinary share – pence	20.57	32.56	49.54

## 6 Net Asset Value Per Ordinary Share

Net asset value per ordinary share is based on 66,273,868 ordinary shares of 25p each in issue at 31 July 2010 (31 July 2009: 66,308,868 and 31 January 2010: 66,308,868).

## 7 Reconciliation of Net Revenue Return Before Finance Costs and Taxation to Net Cash Inflow From Operating Activities

	<b>(Unaudited)</b> Half year ended 31 July 2010 £'000	(Unaudited) Half year ended 31 July 2009 £'000	(Audited) Year ended 31 January 2010 £'000
Total return before finance charges and taxation	13,881	21,778	33,143
Less capital return before finance charges and taxation	(12,285)	(20,556)	(31,161)
Net revenue return before finance costs and taxation	1,596	1,222	1,982
Increase in accrued income	(115)	(22)	(7)
Increase in debtors of a revenue nature	–	(14)	–
(Decrease)/increase in creditors of a revenue nature	(138)	41	245
Management fee rebate	(59)	(46)	(98)
Scrip dividends	(105)	(53)	(210)
Overseas withholding tax suffered	(164)	(117)	(195)
Net cash inflow from operating activities	1,015	1,011	1,717

## 8 Results

The results for the half year ended 31 July 2010 and 31 July 2009, which are unaudited and were not reviewed by the Auditors, constitute non-statutory accounts within the meaning of Section 435 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 January 2010, the report of the Auditor thereon was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The comparative figures for the year ended 31 January 2010 have been extracted from those accounts.

# Regulatory Disclosures

## **Related Party Transactions**

No related party transactions took place in the period under review.

## **Principal Risk and Uncertainties**

The principal risks faced by the Company for the remaining six months of the financial year include financial risks relating to markets, liquidity and credit. Market risk includes market price risk, currency risk and interest rate risk. Other risk categories include those relating to investment strategy, investment management resources, regulatory requirements, operational structure and the external economic and financial environment. These risks and the way in which they are managed, are described in more detail in the Annual Report for the year ended 31 January 2010 in the Business Review and in the Notes to the Accounts. The Report is available on the Company's website at [www.witanpacific.com](http://www.witanpacific.com).

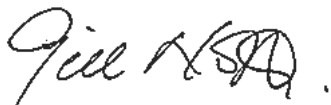
# Responsibility Statement of the Directors

in respect of the Half Year Report for the six months ended 31 July 2010

The Directors listed on page 20 confirm to the best of their knowledge that:

- (a) the condensed set of financial statements in this Half Year Report, which has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- (b) the Interim Management Report which comprises the Chairman's Statement and the Regulatory Disclosures above includes a fair review, as required by Disclosure and Transparency Rule 4.2.7 R, 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 financial year; and
- (c) no related parties transactions took place in the first six months of the current financial year and no related parties transactions were described in the last Annual Report of the Company and accordingly there are no disclosures required to be made pursuant to Disclosure and Transparency Rule 4.2.8 R.

This Half Year Report was approved by the Board on 28 September 2010 and the above responsibility statement was signed on its behalf by:



**Gillian Nott**

*Chairman*

28 September 2010

# Information for Shareholders

## Website

The Company's website is [www.witanpacific.com](http://www.witanpacific.com). The site provides visitors with a comprehensive range of performance statistics, Company information and literature downloads. The Company's profile is also available on third party sites such as [www.trustnet.com](http://www.trustnet.com) and [www.hemscott.com](http://www.hemscott.com)

## Annual and Half Year Reports

Copies of the annual and half year reports may be obtained from Witan Investment Services by calling 0800 082 8180 or by visiting [www.witanpacific.com](http://www.witanpacific.com)

## Share Prices and Net Asset Value Information

The Company's ordinary 25p shares are quoted on the London Stock Exchange:

SEDOL number 0363602

ISIN number GB0003656021

EPIC code WPC

The codes above may be required to access trading information relating to the Company on the internet.

## Warning to Shareholders - Boiler Room Scams

Over the last year many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority ("FSA") has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice make sure you get the correct name of the person and organisation and check that they are properly authorised by the FSA before getting involved by visiting [www.fsa.gov.uk/register/](http://www.fsa.gov.uk/register/).

The FSA also maintains on its website a list of unauthorised overseas firms who are targeting, or have targeted, UK investors and any approach from such organisations should be reported to the FSA so that this list can be kept up to date and any other appropriate action can be considered. If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme.

If you have been contacted by an unauthorised overseas firm in this way, it would help the FSA if you could give it information on your dealings with the firm using its Online reporting form which is available at [www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml](http://www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml) or by calling its Consumer helpline on 0845 606 1234.

More detailed information on this or similar activity can be found on the FSA website at <http://www.fsa.gov.uk/consumer/> or on the website of the Consumer Financial Education Body at [www.moneymadeclear.org.uk](http://www.moneymadeclear.org.uk).

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders. Any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'. If you are in any doubt about an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided at the back of this Annual Report.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

## Share Price Listings

The Company's share price is listed daily in selected national newspapers including the Financial Times, The Times and The Daily Telegraph.

## AIC

The Company is a member of the Association of Investment Companies [www.theaic.co.uk](http://www.theaic.co.uk)

## Financial Calendar

Year End 31 January

Result announced:

Annual April

Half Year September

Annual General Meeting June

## Company Registration

Company registration number 91798

## Enquiries

Witan Wealthbuilder Saving Plans 0800 082 8180

Witan Investment Services Limited [help@witan.com](mailto:help@witan.com)

Company Secretary 01245 398950

# How to Invest

## Witan wealthbuilder

There are a variety of ways to invest in Witan Pacific Investment Trust plc. Witan Pacific is available on the Witan Wealthbuilder savings platform managed by Witan Investment Services Limited. Witan Wealthbuilder offers a variety of different savings plans which carry benefits to shareholders in excess of many nominee accounts. These include:

- Regular savings
- Dividend reinvestment
- Ability to vote at General Meetings of shareholders
- Statements twice a year
- Annual and half year financial reports
- Dedicated help line

Shares in the Company may be purchased through these saving schemes online at [www.witanwealthbuilder.com](http://www.witanwealthbuilder.com), by telephone or through the post. Online dealing is fixed at £15 per trade while telephone and postal business is charged at 1% per deal (subject to a minimum of £1.25).

- The share plan is a straight forward savings scheme with a minimum lump sum investment from £500 and/or regular savings from £50 per month or quarter.
- The ISA enables investors to save tax efficiently up to a limit of £10,200 per tax year. Minimum lump sum investment is £2,000 with regular savings from £100 per month.
- The transfer ISA allows investors to transfer all or any number of their existing ISA holdings to Witan Wealthbuilder. The investment retains its tax free status during and after transfer.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Tax benefits may change if the law changes and their value will depend upon individual circumstances.

Full information about the savings schemes is available at [www.witanwealthbuilder.com](http://www.witanwealthbuilder.com) or by calling our helpline 0800 082 8180, or by emailing us at [help@witan.com](mailto:help@witan.com).

Issued and approved by Witan Investment Services Limited – Registered in England no. 5272533 of 201 Bishopsgate, London EC2M 3AE.

Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Services Authority.

## Other ways to invest

### Private Client Stockbrokers

If you have a lump sum to invest you may want to contact a private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. A list of private client stockbrokers is available from the Association of Private Client Stockbrokers and Investment Managers at [www.apcims.co.uk](http://www.apcims.co.uk)

### Online Stockbroking Services

In addition to the Witan Wealthbuilder service there are a number of real time execution only stockbroker services which allow you to trade online, manage a portfolio and buy UK listed shares. Many such websites ask for a Stock Exchange code which for Witan Pacific is WPC.

# Directors and Advisers

## Directors

Gillian Nott OBE  
*Chairman*

Dr. Leslie Atkinson  
*Senior Independent Director*

Alan Barber  
*Audit Committee Chairman*

Sarah Bates

Diane Seymour-Williams

All the Directors are Members of the Audit and Management Engagement Committee and of the Nomination and Remuneration Committee.

## Executive Manager

Witan Investment Services Limited\*  
14 Queen Anne's Gate  
London SW1H 9AA

## Investment Managers

Aberdeen Asset Managers Limited\*  
10 Queen's Terrace  
Aberdeen AB10 1YG

Nomura Asset Management U.K. Limited\*  
Nomura House  
1 St. Martin's-le-Grand  
London EC1A 4NT

## Company Secretary and Registered Office

Phoenix Administration Services Limited  
Springfield Lodge  
Colchester Road  
Chelmsford Essex CM2 5PW  
Telephone: 01245 398950  
Email: [info@phoenixfundservices.com](mailto:info@phoenixfundservices.com)  
Website: [www.phoenixfundservices.com](http://www.phoenixfundservices.com)

## Fund Accountants and Administrator

BNP Paribas Securities Services  
55 Moorgate  
London EC2R 6PA

\*Authorised and regulated in the UK by the Financial Services Authority

## Independent Auditors

PricewaterhouseCoopers LLP\*  
*Chartered Accountants and Statutory Auditors*  
Hay's Galleria  
1 Hay's Lane  
London SE1 2RD

## Custodian and Bankers

J.P. Morgan Chase Bank, N.A.\*  
London Branch  
125 London Wall  
London EC2Y 5AJ

The Royal Bank of Scotland plc\*  
3rd Floor  
280 Bishopsgate  
London EC2M 4RB

## Registrars

Computershare Investor Services PLC\*  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ

Telephone: 0870 707 1410

Facsimile: 0870 703 6101

*Calls cost approximately 8.0p per minute plus network extras*

Email: [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk)

Website: [www.computershare.com](http://www.computershare.com)

## Stockbrokers

J.P. Morgan Cazenove  
*a marketing name of*  
*J.P. Morgan Securities Limited\**  
10 Aldermanbury  
London EC2V 7RF



Printed on Revive 50:50 Silk, a recycled paper containing 50% recycled waste and 50% virgin fibre. Pulps used are elemental chlorine free process, manufactured at a mill certified with the ISO 14001 environmental management standard.

The FSC logo identifies products which contain wood from well managed forests certified in accordance with the rules of the Forest Stewardship Council.



