

# Quarterly Review

## Market review

Global economies are showing tentative signs of improvement, but not sufficient yet to encourage policy makers to materially alter their highly accommodative monetary and fiscal initiatives. Within Asia corporate profits are rebounding, liquidity is plentiful, and equity valuations are still reasonable.

Economic data continues to improve, particularly in Australia, Korea and Sri Lanka, where expansionary fiscal measures have helped to lift domestic output. Among the best performing markets in September were Taiwan and Thailand, whereas Japan and the Philippines lagged.

In politics, Yukio Hatoyama took office as Japan's prime minister. His newly appointed cabinet has already started to reverse the previous government's policies, and is considering a redistribution of public spending away from public works and towards direct support for households. Although this could eventually generate some support for consumption activity, a broader recovery in consumer confidence and domestic demand will require an improvement in the labour market conditions. Separately, Korean president Lee Myung-Bakre shuffled his cabinet ahead of parliamentary by-elections in October, while Taiwan replaced key ministers who had resigned over their mishandling of typhoon Morakot.

## Manager review

Performance of the two managers over the Q3 followed the same trend as that of the performance in the year to date, with Nomura slightly underperforming the index whilst Aberdeen have strongly outperformed.

Aberdeen's performance continues to be boosted by their asset allocation, in particular their significant underweighting of Japan, the worst performing market in Asia over the past 12 months.

Nomura's stock selection continues to be good, but their asset allocation is affecting their overall performance. Underweights in Australia and Korea, and an overweight in China have all impacted on performance. Whereas the stock selection in Korea, Japan, China and Thailand have all had a positive affect on performance.

Overall the Trust is slightly down against the benchmark over Q3, however in the year to date the Trust has outperformed in NAV terms by nearly 4%.

## Market outlook

Although economies remain weak, extremely loose monetary conditions are supportive for equity markets. There are concerns about the recent US dollar lows because a rising American currency has traditionally had a negative correlation with Asian stocks.

Despite clear signs that the Japanese economy is recovering, its relative attractiveness has diminished. There are also concerns that a strong yen could affect corporate earnings.

We remain bullish towards Taiwan where there are several potential catalysts for outperformance: the domestic economy has been deflating and its currency is relatively weak, making real assets such as property and stocks very cheap; domestic liquidity is abundant and capital is flowing back into the country. The outlook for some of the smaller Asian countries, such as Thailand and Indonesia, also looks promising. These countries are characterised by very large domestic populations, small market capitalizations relative to bank deposits, and a domestic investor base powerful enough to push stocks considerably higher.

Fundamentally the imbalances within Asia remain unresolved and massive monetary and fiscal stimulus may just be borrowing growth from the future. That said, the region is in relatively good shape, with its stable financial systems and generally low debt levels. As such, we remain optimistic about the long-term prospects for the region, even though some near term caution may be warranted.

Trust Information	
Epic Code	WPC
Sector	Far East - Including Japan
Trust Type	Conventional (Ords)
Launch Date	1907
Financial Year End	31 January
Next Dividend Payment	June
Last Ex Div Date	29 May 2009
AGM	June
Shares in Issue	66,308,868

Trust Statistics	
Gross Total Assets*	£133m
NAV per ordinary share*	197.25p
Share price*	165.50p
Premium/Discount*	-16.1%
Gearing*	2%
Yield*	1.72%
Total Expense Ratio (TER)*	0.90%

\*Source: BNP Paribas as at 30.09.2009

## Investment Objective

The Trust's 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 (£).

## Portfolio Changes

Since the year end (31.01.2009) there have been no significant changes to the portfolio.

## Geographic Breakdown (%)

	Australia	China	Hong Kong	India	Japan	Singapore	South Korea	Taiwan	Other	Total
Witan Pacific	8.1	8.3	8.0	7.1	32.5	10.4	7.1	5.5	13.0	100.0
Benchmark	16.1	9.2	6.8	6.2	39.0	3.0	8.8	6.6	4.3	100.0
Overweight/Underweight	-8.0	-0.9	1.2	0.9	-6.5	7.4	-1.7	-1.1	8.7	0.0

Source: Style Research/BNP Paribas as at 30.09.2009

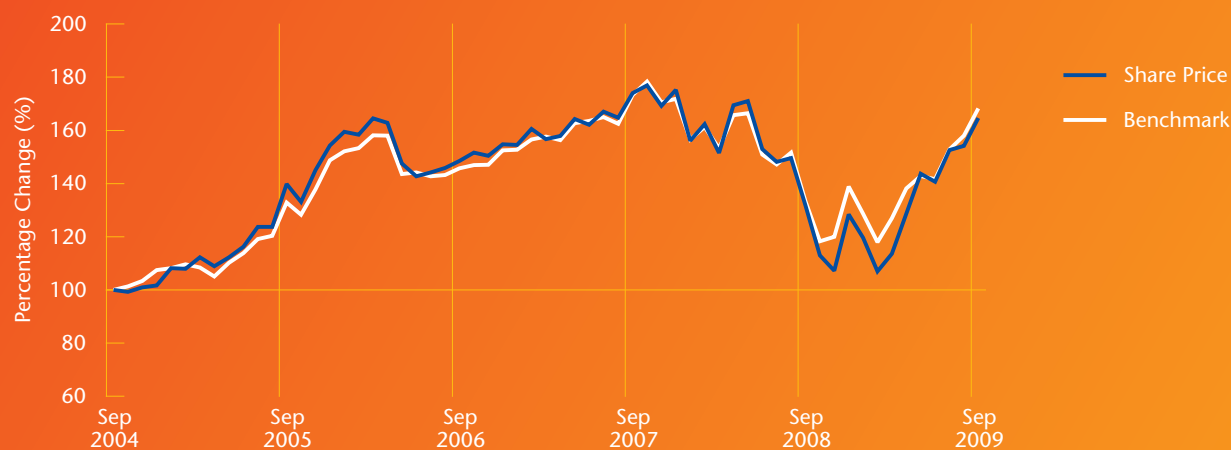
## Sector Breakdown (%)

	Witan Pacific	Benchmark	Overweight/Underweight
Financials	29.0	27.5	1.5
Industrials	15.6	15.4	0.2
Consumer Goods	12.1	14.0	-1.9
Technology	10.0	9.2	0.8
Basic Materials	9.3	10.5	-1.2
Consumer Services	7.7	6.8	0.9
Telecoms	6.4	5.1	1.3
Oil & Gas	5.8	4.4	1.4
Health Care	2.8	3.0	-0.2
Utilities	1.3	4.1	-2.8
Total	100.0	100.0	0.0

Source: Style Research/BNP Paribas as at 30.09.2009

## Investment performance

Share Price (Total Return)  
Vs Benchmark (Total Return)\*



Performance over	3 m	6 m	1 yr	3 yrs	5 yrs	10 yrs
Share Price (Total Return)	16.96%	44.95%	24.86%	10.81%	64.60%	28.12%
Net Asset Value** (Total Return)	18.30%	37.00%	28.10%	18.80%	73.30%	20.90%
Index* (Total Return)	18.76%	32.50%	26.13%	15.48%	68.27%	35.78%
Relative SP Performance	-1.80%	12.45%	-1.27%	-4.67%	-3.67%	-7.66%

Discrete performance	Q3 2004 Q3 2005	Q3 2005 Q3 2006	Q3 2006 Q3 2007	Q3 2007 Q3 2008	Q3 2008 Q3 2009
Share Price (Total Return)	39.82%	6.24%	17.14%	-24.43%	24.86%
Net Asset Value** (Total Return)	32.00%	10.50%	19.70%	-22.50%	28.10%

All performance data source: Datastream to 30.09.09

\*The benchmark for the Witan Pacific Investment Trust PLC is the MSCI AC Asia Pacific Free Index (£).

\*\*The Net Asset Value figures value debt at fair value.

Manager	Mandate	%	3m			6m			1yr		
			Bench-	Relative	Portfolio	Bench-	Relative	Portfolio	Bench-	Relative	Portfolio
Aberdeen Asset Management	Pan-Asian	52.8	21.0	18.8	2.2	40.2	32.6	7.6	33.4	26.1	7.3
Nomura Asset Management	Pan-Asian	47.2	18.6	18.8	-0.2	32.0	32.6	-0.6	24.9	26.1	-1.2

All manager performance source: The WM company as at 30.09.2009

# TOP TEN

## Ten Largest Equity Holdings as at 30.09.2009

1	Samsung Electronics	2.7%
2	China Mobile	2.3%
3	Shin-etsu Chemical	1.9%
4	Rio Tinto	1.9%
5	OCBC	1.9%
6	Petrochina	1.9%
7	Swire Pacific	1.9%
8	Canon	1.9%
9	Toyota Motor	1.8%
10	QBE Insurance	1.7%

Source: BNP Paribas as at 30.09.2009

## Important information

The value of investments and the income from them may go down as well as up and you may not get back your original investment. Investment trusts can borrow money to make additional investments on top of shareholders' funds (gearing). If the value of these investments falls in value, gearing will magnify the negative impact on performance. If an investment trust incorporates a large amount of gearing the value of its shares may be subject to sudden and large falls in value and you could get back nothing at all.

Emerging markets tend to be more volatile than more established stock markets and therefore your money is at greater risk. Other risk factors such as political and economic conditions should also be considered. Funds which specialise in investing in a particular region or market sector are more risky than those which hold a very broad spread of investments. Funds investing in overseas securities are exposed to and can hold currencies other than Sterling. As a result, exchange rate movements may cause the value of investments to decrease or increase. Some, or all, of the annual management fee may be charged to the capital of the Fund. Whilst this increases the yield, it will restrict the

potential for capital growth. Net Asset Value ("NAV") performance is not the same as share price performance and investors may not realise returns the same as NAV performance. Where a fund holds a limited number of investments and one or more of those investments declines or is otherwise adversely affected, it may have a more pronounced effect on the Fund's value than if a larger number of investments were held.

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Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise as a result of currency and market fluctuations and you may not get back the amount originally invested.

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